

50 Years CEIPI

What developments for the European
patent system?

The Unitary Patent Protection

Strasbourg – 27&28 November 2014

The two pillars of the reform of the European Patent System

1. European patent with unitary effect

- Creation of a Unitary Patent Protection : Regulation EU No 1257/2012 of 17 December 2012
- Translation arrangements: Regulation EU No 1260/2012 of 17 December 2012:

2. Unified Patent Court

- Agreement of 19 February 2013

Definition of a European Patent with unitary effect

A European Patent with unitary effect means:

- 1) a patent granted by the European Patent Office under the rules and procedures laid down by the European Patent Convention and
- 2) which benefits from unitary effect in the participating Member States by virtue of the EU Regulation 1257.

A new option for the European patent holder

	38 EPC Contracting States		
Options for the European Patent proprietor	<p>EU Member States which are participating in the enhanced cooperation (25)</p> <p>BG, CZ, DK, DE, EE, IE, EL, FR, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK, BE</p>	<p>EU member States which are not participating in the enhanced cooperation (3)</p> <p>ES, IT, HR</p>	<p>EPC Contracting States which are not EU Member States (10)</p> <p>CH, TR, AL, SM, NO, MC, RS, IS, LI, MK</p>
Current situation	Validation of the EP in one, several or all EPC Contracting States		
Future situation	<p>Either validation of the EP in one, several or all States</p>	Validation of the EP in one, several or all States	
	<p>New Option: Either registration of the Unitary effect for all States</p>		

Main features of the unitary effect

- One single request to benefit from the unitary effect
- Simplified translation arrangements
- Uniform protection and equal effect
- Register for the unitary protection
- One set of renewal fees to be paid to the EPO

Close interaction between the EU Regulation 1257 and the EPC

	European Patent	with a Unitary effect
	European Patent Convention	EU Regulations 1257 and 1260
What?	Application, examination and grant of a European Patent.	Conditions, scope and effect of the unitary effect.
Who?	Administered by the 38 EPC Contracting States within the governing bodies (AC, BFC, etc.). Executed by the European Patent Office.	Implemented by the 25 participating Member States within the Select Committee. Executed by the European Patent Office.

Close interaction between the EU Regulation 1257 and the EPC

EU Regulation 1257/2012 is an hybrid instrument

1. EU legislation adopted on the basis of article 118 (1) TFEU, that defines the conditions and the scope of the unitary effect
2. Special agreement within the meaning of article 142 EPC (art. 1 (2) Regulation 1257)

Article 1 (2) Regulation 1257: « *This Regulation constitutes a special agreement within the meaning of Article 142 of the Convention on the grant of European Patents.* »

Article 142 (1) EPC: « *Any group of Contracting States, which has provided by a special agreement that a European Patent granted for those States has a unitary character throughout their territories, may provide that a European Patent may only be granted jointly in respect of all those States.* »

EU Regulation 1257/2012 on the creation of Unitary Patent Protection

1. Additional tasks related to the unitary protection entrusted to the European Patent Office

Art. 9 (1) Regulation 1257: « *The participating Member States shall, within the meaning of article 143 of the EPC, give the EPO (administrative) tasks, to be carried out in accordance within the internal rules of the EPO. »*

The tasks enumerated in article 9 (1) Regulation 1257 are mainly:

- The administration of the requests for unitary effect;
- The administration of the compensation scheme for the reimbursement of translation costs;
- The publication of the translation of patent specifications during the transitional period;
- The administration of the Register for unitary patent protection;
- The collection and administration of the renewal fees for European Patents with unitary effect.

EU Regulation 1257/2012 on the creation of Unitary Patent Protection

2. Select Committee (art. 9 (2) EU Regulation 1257)

Art. 9.2 EU Regulation 1257: « *(The participating Member States) shall set up a Select Committee of the Administrative Council of the European Patent Organisation within the meaning of article 145 of the EPC. »*

The tasks of the Select Committee are the following :

- To ensure the governance and supervision of the activities related to the administrative tasks that shall be given to the EPO
- To set the level of renewal fees in accordance with article 12 of EU Regulation 1257
- To set the share of distribution of the renewal fees in accordance with article 13 of the same Regulation

Composition of the Select Committee

(Art. 9 (2) Regulation 1257 and Art. 6 Rules of Procedure)

- Representatives of the 25 EU participating Member States: BG, CZ, DK, DE, EE, IE, EL, FR, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK, BE
- President of the EPO
- A representative of the European Commission as an observer de jure
- Ten other EPO Contracting States having requested their admission as observer: ES, IT, HR, CH, TR, AL, SM, NO, MC, RS
- Two NGO representing the users of the European patent system: Business Europe and the European Patent Institute
- Board of auditors of the European Patent Organisation
- Representatives of the staff of the EPO

Voting rules

(art. 9 (2) of EU Regulation 1257 and art. 9 of the Rules of procedure)

- The right to vote is restricted to the EU participating Member States. Each participating Member State has one vote.
- Before any voting, the representative of the European Commission shall have the opportunity to give its position on the proposal submitted to a vote.
- In principle, decisions are taken by a simple majority of the participating Member States.
- A majority of three quarters of the votes is required to adopt and amend:
 - The Rules relating to unitary patent protection
 - The Rules relating to fees
 - Other rules or decisions of a financial or budgetary nature
 - The Rules of procedure of the Select Committee

Rules relating to the Unitary Patent Protection

- Those rules regulate the administrative procedures that the EPO will manage in order to carry out the tasks enumerated in Art. 9 (1) EU Regulation 1257 that will be entrusted to him by the EU participating Member States
- The Committee has approved in principle those rules on the 24th of June

General structure of the Rules (version 24th of June)

Part I - Institutional Provisions	Chapter I Subject Matter of the Rules
	Chapter II Competences and duties of the Select Committee
	Chapter III Functions and powers of the President of the EPO and Unitary Patent Protection Division of the EPO
Part II - Procedures to be carried out by the European Patent Office under Regulations (EU) NO 1257/2012 and NO 1260/2012	Chapter I The request for unitary effect (e.g. requirements and examination of the request)
	Chapter II Compensations scheme (e.g. beneficiaries, examination, grant and level)
	Chapter III Licences of Right
	Chapter IV Renewal fees for European patent with unitary effect
	Chapter V Lapse
Part III - Information to the public	Chapter I Register for unitary patent protection (e.g. establishment and entries)
	Chapter II Publications (e.g. publication of translations, inclusion of decisions of the UPC in the files)
Part IV - Common Provisions	Those provisions define e.g. the list of applicable EPC provisions or concern oral proceedings, Re-establishment of rights and interlocutory revision

Rules relating to the renewal fees

(Art. 11 to 13 EU Regulation 1257)

- General principles:
 - For each annuity a unique renewal fee will have to be paid to the EPO
 - The level of the fees will be progressive throughout the term of the Unitary Patent
- No less than 9 parameters will determine the level of the renewal fees. Some of them are the following:
 1. Facilitate innovation in Europe and foster the competitiveness of European business
 2. Take into account the situation of specific entities such as SME's

Rules relating to the renewal fees

(Art. 11 to 13 EU Regulation 1257)

3. Reflect the size of the market covered by the Unitary Patent Protection
4. Be equivalent to the level of the renewal fees to be paid for the average geographical coverage of current European Patents
5. Sufficient with the pre-grant fees to ensure a balanced budget of the EPO and cover the costs associated with the administration of the Unitary Patent Protection

Conclusion: The renewal fees will have to be:

- Low enough to ensure the attractiveness of the Unitary Patent Protection to users
- High enough to ensure financial sustainability of the European Patent Organisation and the national Offices

State of play of the implementation

- Methodology to simulate renewal fee levels and their impact on EPO income
- Fee simulations concerning SME's
- Estimation of the costs of EPO for the administration of the Unitary Patent Protection
- Draft budgetary rules and processes

Distribution of the renewal fees

- 50 percent of the renewal fees will be retained by the EPO
- The remaining amount shall be distributed among the Participating Member States and should be used for patent related purposes
- The distribution among the participating Member States shall be based on the following fair, equitable and relevant criteria:
 - The number of patent applications
 - The size of the market, while ensuring a minimum amount to be distributed to each participating Member States

Distribution of the renewal fees

- Compensation to the participating Member States which have:
 - An official language other than one of the official languages of the EPO
 - A disproportionate low level of patenting activity and/or
 - Acquired membership of the European Patent Organisation relatively recently

State of play

- Initiation of the discussions within the Select Committee on the 28 and 29 of October 2014

Thank you for your attention

Questions ?

Annex: Overview of the work of the Select Committee

Subject matters	20 March 2013	29 May 2013	25 and 26 June 2013	18 September 2013	30 October 2013
I. Institutional matters	<ul style="list-style-type: none"> Decision to set up the Select Committee Discussion on the timeline for the work of the SC Discussion on the admission of observers 	<ul style="list-style-type: none"> Discussion on the rules of procedure of the SC Discussion on the timeline for the work of the SC Discussion on the admission of observers 	<ul style="list-style-type: none"> Approval of the rules of procedures of the SC Approval of the timeline of the work of the SC Admission of observers 		<ul style="list-style-type: none"> Discussion on the admission of observers
II. Governance and supervision of the administrative tasks that will be given to the EPO					
Rules relating to unitary patent protection			<ul style="list-style-type: none"> Discussion on the draft rules 	<ul style="list-style-type: none"> Discussion on the draft rules 	
Rules for the compensation scheme for reimbursement of translation costs					<ul style="list-style-type: none"> Presentation on the compensation scheme for translations made by the EPO
Budgetary matters					<ul style="list-style-type: none"> Presentations of statistical and financial information made by the EPO
III. Level of the renewal fees					<ul style="list-style-type: none"> Presentation of statistical and financial information made by the EPO
IV. Share of distribution of the renewal fees					

Annex: Overview of the work of the Select Committee

Subject matters	10 - 11 December 2013	26 March 2014	26 - 27 May 2014	24 June 2014	28 – 29 October 2014
I. Institutional matters	•Admission of observers				
II. Governance and supervision of the administrative tasks that will be given to the EPO					
Rules relating to unitary patent protection	•Completion of the first reading of the draft rules	•Completion of the second reading of the draft rules		Adoption, in principle, of the rules 1 to 24	Remaining open items
Rules for the compensation scheme for reimbursement of translation costs	•Discussion on the draft rules	•Adoption, in principle, of the rules			
Budgetary matters	•Draft principles for the budgeting and accounting of the Unitary patent				• Estimated costs of unitary patent protection
III. Level of the renewal fees			• Presentations made by the EPO on the criteria to be taken into account for the fixation of the level of renewal fees and on simulations of fees and their impact on EPO income	• Discussion of the presentation made by the EPO on the 26 and 27 of May and of the written contributions of the Members	• Fee simulations concerning SME's
IV. Share of distribution of the renewal fees					• Initiation of the discussion