

LEGAL ALERT

THE UNIFIED PATENT COURT IS COMING UP

The entry into force of the unitary European patent system and the Unified Patent Court on June 1st 2023 means that European patent litigation is about to experience a fundamental change with transnational effects.

On the one hand, the European patent with unitary effect, which is established under [Regulation \(EU\) no. 1257/2012 of the European Parliament and of the Council of 17 December 2012](#), will allow European patent proprietors to request the European Patent Office to grant unitary effect to their patents in all the participating Member States of the Regulation. By automatically achieving equal effect in all participating Member States, the patent owner will no longer need to validate the respective European patent in each Member State and bear the related administrative burdens, as is the case for the current “classical” European patent (*i.e.*, without unitary effect).

On the other hand, litigation concerning all European patents (with or without unitary effect, without prejudice, in the latter case, to the possibility to *opt-out*, as referred to below) will become matters of exclusive jurisdiction of a supra-state court – the Unified Patent Court – established through the [Agreement on a Unified Patent Court](#), signed in Brussels on 19th February 2013 and ratified by Portugal on 28th August 2015. The creation of this court aims to centralise in a single specialised instance the enforcement of the rights conferred by the European patent with unitary effect and the “classical” European patent, to ensure efficiency, speed, and greater uniformity of decisions.

Currently, a decision of a national court ruling on a European patent (concerning infringement or invalidity of the patent) has effect only within the territory of the Member State to which that court belongs. Moreover, the invalidity of a European patent with effect in all the Member States of the

European Patent Convention is only viable throughout opposition proceedings brought before the European Patent Office.

This reality will change with the implementation of the Unified Patent Court, which is composed of (i) a court of first instance, composed of a central division (with headquarters in Paris and sections, for the time being, in Munich; the case distribution process will be carried out according to the scope of the patent in question) and by local divisions (one of which is based in Lisbon) and regional divisions (whose competence is assessed according to the essence of the action at stake), (ii) a court of appeal (with headquarters in Luxembourg) and (iii) a registry. A patent mediation and arbitration centre based in Lisbon and Ljubljana are also about to be created.

This new court, composed of judges with legal and technical training, will have exclusive competence for, *inter alia*, cases concerning the infringement, validity, and civil liability based on (i) European patents with unitary effect, (ii) “classical” European patents and (iii) European patent applications. Its decisions will have direct effect in all Contracting Member States’ territories where the patent in question is effective, without the need for any additional mechanism allowing their enforcement.

By way of example, the Unified Patent Court will have jurisdiction for disputes relating to the infringement of European patents with effects in Portugal when both the patent holder and the infringer have their head office, establishment or domicile in Portugal. Consequently, the national courts of each Member State will no longer have jurisdiction over matters relating to the infringement and validity of European patents. However, Member States will thus have jurisdiction in actions involving patent disputes which do not fall under the exclusive jurisdiction of the Unified Patent Court, as will be the case of criminal or regulatory offense proceedings and opt-out situations.

The creation of a genuine unitary system of European patents including its procedural system, which represents a model that is completely different from the existing one, provides for a transitional arrangement for “classical” European patents which aims to give the market some time to adapt to this new system. During a transitional period of at least seven years after the entry into force of Agreement on a Unified Patent Court, actions for infringement or revocation of “classical”

European patents may continue to be brought before the national courts of each Member State upon exercise of an opt-out right by the proprietors of such patents.

The proprietors of “classical” European patents may exercise their right to *opt-out* of the new system from 1st March 2023 and throughout the transitional period. To do so, they must notify their decision to the registry of the court no later than a month before the end of the referred transitional period. This option may be revoked at any time (which will then consist in an *opt-in* right), provided that the action has not yet been brought before a national court in the meantime.

European patent holders are therefore forced to rethink their strategy and choose the path that best addresses their interests. Moreover, the interaction with countries that are not part of the Agreement on a Unified Patent Court can be considered a decisive factor in the strategy to be pursued.

The novelty of this jurisdiction and the uncertainty that still remains regarding various substantive aspects (namely the sources of law and the application of each Member State’s national law) and procedural aspects explain the fact that the Unified Patent Court is not yet seen, at least for the time being, as a substitute for litigation in the various European jurisdictions, but rather as a possible *plus* in the definition of patent strategy.

Regarding the Portuguese jurisdiction, an issue immediately arises concerning the compatibility between the Agreement on a Unified Patent Court and [Law no. 62/2011 of 12 December 2011](#), which provides for specific rules on disputes arising from industrial property rights when medicines and generic medicines are at stake, particularly in respect of the compliance with the 30-day deadline for initiating the respective proceedings.

On the other hand, the creation of this new system will generate challenges not only to the industry but also to its lawyers. In this respect, from now on, partnerships between law firms from different jurisdictions to seek additional expertise and cover different angles when advising on matters related to cross-border patent litigation are expected to become a frequent phenomenon.

Morais Leitão's Intellectual Property team will continue to closely monitor the developments regarding the Unified Patent Court.

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