

# UPC LATEST NEWS

19 January 2022 | Europe  
Legal Briefings

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## THE UPC IS GO! SUFFICIENT RATIFICATION OF THE PROTOCOL ON PROVISIONAL APPLICATION MEANS THE UPC IS GUARANTEED TO COMMENCE AND FINAL PRACTICAL PREPARATIONS CAN NOW BE MADE FOR A START THAT COULD BE AS EARLY AS AUTUMN 2022

19 January 2022

The General Secretariat of the Council of the European Union, has declared that the Protocol on Provisional Application of the UPC Agreement has entered into force today (19.01.22) after Austria [deposited](#) its instrument of ratification of the Protocol yesterday, giving legal capacity to the court and allowing the provisional application period to commence. The final practical preparations for the new court system can now be made, safe in the knowledge that the UPC will commence. Work will include the setting up of the functional committees which will run the new court system, the recruitment and training of judges, the practical arrangements for the new court locations and finalisation of the UPC Rules of Procedure.

The [UPC Preparatory Committee commented](#) that:

*“This event marks the start of the Provisional Application Period (PAP) and the birth of the Unified Patent Court as an international organisation. During the PAP, the last part of the preparatory work in establishing the Court will be conducted. The practical work will start with the inaugural meetings of the governing bodies of the Court, namely the Administrative Committee, the Advisory Committee and the Budget Committee. Thereafter the crucial work of finalising the recruitment of the judges of the Court will be carried out. It is deemed that the PAP will last at least eight months. When the State Parties are confident that the Court is functional, Germany will deposit its instrument of ratification of the UPC Agreement, which will trigger the countdown until this Agreement’s entry into force and set the date for the start of the UPC’s operations”.*

**The UPC could be as little as 8 months away**

Although there is no prescribed period for the provisional application period, the UPC Preparatory Committee states that it is deemed that it will last at least 8 months (see below), which suggests that **the UPC may be ready to hear cases in early autumn this year.**

Once the UPC commences, unitary patents (UPs) will also become available, providing a single patent right across all participating EU Member States (currently 17 of them, but more are likely to confirm their participation in the run-up to the start of the new system). UPs will be enforced exclusively through the new court system. EPs designating participating states will also fall under the jurisdiction of the UPC (although national courts will also have jurisdiction over them for a transitional period of at least 7 years). EPs can be opted out of the UPC's jurisdiction and there will be a "sunrise period" during which applications to opt-out can be made in advance of the UPC commencing.

For more on these issues and how the UPC and UP system will work, see our [our dedicated UPC and UP Hub.](#)

### **German ratification will be the final trigger**

Germany's instrument of ratification of the UPCA must be deposited before the UPC can commence. But once this is lodged with the EU Council it will trigger the timetable set out in the UPC Agreement (that the UPC will start functioning as a court on the 1st day of the fourth month after the month in which the last required ratification is deposited). Germany will not do this until the preparations are truly complete. Today's announcement means that sufficient of the participating states have committed to the UPC for it to be guaranteed to commence once Germany does so.

**Our fully integrated, market leading European patent litigation team is ready to advise on all aspects of the practical and strategic issues you should be considering in preparation for the UPC. Please contact us for further information.**

## **PREVIOUS UPC NEWS**

**Austrian government completes ratification of Protocol on Provisional Application of the UPC Agreement - once this is deposited the UPC may start within 8 months**

**10 January 2022**

The [EPO has announced](#) that the Austrian government has successfully completed its ratification of the Protocol to the Agreement on a Unified Patent Court on provisional application (**PPA**). Once this ratification is deposited with the EU Council, then the provisional application period can commence and final preparations can be made for the arrival of the UPC, with the knowledge that its commencement is assured. The UPC Preparatory Committee has estimated that this preparation period would need to last around 8 months, so the UPC could start around 8 months from Austria's deposit (depending of course on when Germany deposits its ratification of the UPC Agreement (**UPCA**) itself - see below).

Austria would be the thirteenth participating Member State of the UPC to approve the PPA, which would be a sufficient number for the PPA to enter into force. As we mentioned in our post of 25 November, the Chairman of the UPC Preparatory Committee has already been given a mandate to organise a signing ceremony of the Declaration relating to the start of the provisional application period, so any further delay in the process looks unlikely.

Once the provisional application period starts, the UPC Preparatory Committee has estimated that it would need to run for around 8 months in order to allow the preparations for the UPC to be completed. These include the making ready of the various court sites and the finalisation of the IT system, as well as the employment of legal and technical judges.

If the deposit of Austria's ratification of the PAP were to be made this month, and the UPC Preparatory Committee's provisional application period estimates stand, then the UPC would start operating in September this year - though it could be earlier (or later) if it turned out that the necessary preparations took less (or more) time than the UPC Preparatory Committee currently envisages.

The deposit of Germany's instrument of ratification of the UPCA itself, is of course the final step needed to trigger the time period set out in the UPCA for the UPC's commencement (it will start operating on the first day of the 4th month after the month in which Germany's ratification is deposited). The UPC Preparatory Committee has confirmed that Germany's deposit will not occur until it is clear that the practical arrangements for the UPC will be ready in time.

About 3 months prior to the UPC start date (likely to be shortly after Germany deposits its UPCA ratification) a sunrise period will commence, during which current EPs and EP applications can be opted-out of the jurisdiction of the UPC in advance of it coming into operation

## **PROGRESS IN AUSTRIA BRINGS THE UPC EVER CLOSER**

**25 November 2021**

Progress continues at pace towards the new Unified Patent Court ("**UPC**") in Europe, with news that the National Council of the Austrian Parliament (Nationalrat) has unanimously approved the Protocol on Provisional Application ("**PPA**"). The next step is for the PPA to be approved by the Austrian Bundesrat (Federal Council), and this is likely to happen before the end of this year.

Therefore Austria is likely to be the thirteenth participating Member State of the UPC to approve the PPA, which is all that is required for the PPA to enter into force. The Chairman of the Preparatory Committee has already been given a mandate to organise a signing ceremony of the Declaration relating to the start of the Provisional Application Period, so it looks unlikely that there will be much further delay in the process.

Once the Provisional Application period starts, it is expected to run for around 8 months in order to allow the preparations for the start of the UPC to be completed. Therefore the UPC may start operating in late summer or early autumn of 2022 (though it could be earlier if it turns out that the necessary preparations take less time than the UPC Preparatory Committee envisages).

Our fully integrated, market leading European patent litigation team is ready to advise on all aspects of the practical and strategic issues which you should be considering in preparation for the UPC - please contact us for further information.

## **UPC - DOORS OPEN IN 2022**

**2 November 2021**

Recent comments from the UPC Preparatory Committee make it look increasingly likely that the UPC will open its doors for business during 2022. The Committee announced that the start of the Provisional Application Period during which all the practical arrangements are made for the start of the court is "*currently expected for late 2021 or early 2022*".

[Read full post on the IP Notes blog](#)

## **ITALY NEEDS TO FIGHT FOR THE UPC CENTRAL DIVISION PREVIOUSLY ALLOCATED TO LONDON**

**30 September 2021**

Laura Orlando, Managing Partner in our Milan office has been interviewed by [Managing IP \(MIP\)](#), regarding which city will replace London as the site of the central division seat for the UPC dealing with pharmaceutical matters.

Laura's comments include:

*The question of which city, if any, will replace London is ultimately a political one, and it will require a diplomatic effort on the part of the successful candidate's government to secure the seat.*

MIP reports that, "in Orlando's opinion, the Italian state's historic lack of interest in IP represents a "huge risk" to Milan's candidacy" and that "the danger, she argues, is that any lack of engagement from the Italian government will simply result in Munich and Paris - the two current hosts - remaining as the only two central division seats".

You can read the full article on the Managing IP website [here](#).

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## **THE UNIFIED PATENT COURT (UPC) - ANOTHER STEP FORWARD - PROVISIONAL APPLICATION PERIOD CLOSE TO COMMENCING**

**29 September 2021**

Germany's deposit of its ratification of the UPC protocol on provisional application on 27 September, 2021, and suggestions that Slovenia and Austria may also ratify shortly, mean that the **provisional application period** during which the practical arrangements for the UPC will be put in place, which this protocol (once sufficiently ratified) will usher in, now **looks likely to commence before the end of 2021** and possibly even as soon as October. If so, **the UPC could start to function fully from mid-2022**, as has been suggested by the UPC Preparatory Committee in recent [comments](#).

The UPC start date is still dependent on the date of Germany's deposit of its instrument of ratification of the UPC Agreement (UPCA) with the EU Council, but once deposited, the new court system will commence on the 1st day of the fourth month after the month in which that deposit occurs. Germany will not trigger this timetable until all the practical arrangements are in place. As the UPC Preparatory Committee commented following Germany full ratification of the protocol this week, "When it is clear that the UPC will be operational upon the entry into force of the UPCA the final ratification of the Agreement by Germany can take place serving as a "gatekeeper" for Member States to ensure a proper process".

[Read full post on the IP Notes blog](#)

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# KEY UPC LEGISLATION RATIFIED IN GERMANY, MARKING FURTHER PROGRESS TOWARDS THE ADVENT OF A NEW PATENT SYSTEM IN EUROPE

16 August 2021

The key legislation underpinning the Unified Patent Court ("**UPC**") and the unitary patent system has been ratified in Germany. The Federal President signed the legislation on 7 August 2021, and it was published in the Federal Law Gazette on 12 August 2021.

The next step is for Germany's ratification of the UPC Protocol on Provisional Application (the "**PPA**") to be deposited with the Council of the European Union, and for two other UPC Agreement signatory states to ratify it. It is likely that this will happen during the Autumn of this year. The PPA provides for a provisional application period in which various preparations will be made so that the UPC can become fully operational, including the employment of judges, the making ready of administration of the court and the finalising the UPC Rules of Procedure.

The German instrument of ratification of the UPC Agreement ("**UPCA**"), will be deposited by Germany at a later date, once the UPC is almost ready to start operating, as this will trigger the 'UPC countdown', with the UPC opening its doors approximately 4 months later.

Alexander Ramsay, head of the UPC Preparatory Committee, has recently been quoted as saying that "If everything runs smoothly, we can expect a functioning UPC late in 2022, or possibly early 2023".

For more on the UPC and unitary patent, see [our dedicated UPC & UP hub](#).

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## UPC TAKES A BIG STEP FORWARD AS GERMAN CONSTITUTIONAL COURT REJECTS FURTHER CHALLENGES

9 July 2021

It has been [announced today](#) that the German Constitutional Court has rejected the latest challenges to ratification of the UPC Agreement ("**UPCA**"). The full decision (in German) can be found [here](#). The decision paves the way for ratification to take place and may lead to the UPC coming into force as early as **Autumn 2022**.

The most recent constitutional challenges to the UPC came when two complainants applied for preliminary injunctions after the German upper house (Bundesrat) approved key pieces of UPC legislation in December 2020. This led to the German Constitutional Court asking the Federal President to withhold his signature, thus preventing ratification. However, today's decision rejects these preliminary injunction applications on the grounds that the complaints are inadmissible. In particular, the Court has found that the complainants did not sufficiently substantiate the possibility of a violation of their fundamental rights.

Germany's ratification can now go ahead, even while a main action is formally still pending – in particular, after today's result, the main action will be rejected and therefore may not be pursued by the complainants at all.

This means the Protocol on Provisional Application (“**PPA**”) may come into force as early as **Autumn 2021**. The PPA provides for a period of provisional application of the UPCA, during which various preparations will be made so that the UPC becomes fully operational. These preparations include the employment of judges and finalising the UPC Rules of Procedure. The Administrative Committee, the Budget Committee and the Advisory Committee will have responsibility for these preparations, having taken over from the UPC Preparatory Committee at the start of the provisional application period. There is no prescribed time-frame for the provisional application period, however, it is currently expected that it may take **approximately 12 months**.

Germany is expected to hold off on depositing the ratification of the UPCA until the UPC is almost ready to start operating. Once the ratification of the UPCA is deposited, the UPC will come into effect approximately 4 months later. If the provisional application period starts in Autumn 2021, Germany might deposit the ratification of the UPCA in Q2 or Q3 of 2022. Therefore, the UPC could open its doors **in the second half of 2022**.

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## **CHALLENGES TO GERMAN RATIFICATION OF THE UPC AGREEMENT TRIGGER DELAY BUT POSSIBLY NOT FOR LONG**

**28 January 2021**

After the German Parliament's upper house, the Bundesrat, passed the legislation to allow Germany to ratify the UPC Agreement (UPCA), there have been two challenges filed before the German Constitutional Court. As a result, according to information from the Federal President's office, he has been asked to delay his signature, which is required in order for the legislation to enter into force. This legislation includes the German consent to the Protocol on Provisional Application (PPA), which requires German ratification to enter into force. Therefore the Provisional Application Period (PAP) (see our previous post [here](#)) cannot presently commence, delaying the further preparation of the UPC.

One of the two challenges comes from Ingve Stjerna who mounted a successful challenge back in 2017 on the basis that the required two-thirds majority had not been achieved in the parliamentary vote. Once this had been confirmed by the Constitutional Court, the measures returned to the Bundestag and Bundesrat and were passed by the latter on 18 December 2020. The identity of the other applicants is not known other than that it is a joint application of an individual, an association and a company.

Like last time, Stjerna has applied for an interim injunctive measure requesting the court to make an order preventing German ratification pending the full decision of the court. The same application has been made in the other challenge. However, while last time the Court did not decide on the injunctive relief because the Federal President held off his signature until the full decision, we understand that this time the Constitutional Court is expected to decide on the interim injunction, so that if the interim injunction is dismissed, the ratification will proceed. It is unclear when this decision will issue. There are rumours that it might take only weeks, but as details of the complaints are not yet available it is not possible to say how substantial the complaints are. It can be expected that the Court will need to look into the complaints closely given the prejudice the interim decision creates for the full decision and further the fact that when Germany deposits its ratification the UPC will go ahead.

The Bundestag has decided to take as active a role as it can in the proceedings by joining the proceedings, which allows the Bundestag to make additional submissions and be represented by a lawyer (in addition to the opinion already submitted in January at the request of the Constitutional Court).

If the interim injunction applications are unsuccessful, the UPCA legislation ratification and the PPA ratification will be finalised and Germany could then deposit, inter alia, the PPA instrument, while the full decision of the court is still pending. This deposit would be instrumental in allowing the PAP to begin (the UPC Preparatory Committee website states that two more PPA ratifications are also required). Once the PAP is fully ratified, the practical arrangements for the court can be completed, such as recruitment of judges, finalization of IT systems etc.

We expect that if the interim injunction applications are rejected, Germany will deposit and not await the full decision.

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## **BUNDESRAT PASSES UPC LEGISLATION - UPC COULD OPEN ITS DOORS IN 2022**

**18 December 2020**

Today, the German Bundesrat (the upper house of the German Parliament) passed the Unified Patent Court (**UPC**) legislation, bringing us one step closer to the start of the UPC. To come into force, the law will now have to be signed by the Federal Government, the Federal President and, finally, published in the Federal Law Gazette.

For the ratification to trigger the UPC “count-down” it needs to be deposited with the Council of the European Union. The UPC will come into effect on the first day of the fourth month after the month in which Germany’s ratification is deposited with the EU Council. However, before the UPC can open its doors, the Provisional Application Period needs to start. Accordingly, Germany is not expected to deposit its ratification of the UPC Agreement immediately.

The Protocol on Provisional Application (PPA) provides for the institutional, organisational and financial sections of the UPC Agreement to come into force before the Agreement becomes effective in its entirety. For the PPA to come into force, two other UPC Member States will need to sign it. It is thought that this could happen by February 2021. Once the PPA comes into effect and the Provisional Application Period starts, allowing final practical preparations (e.g. the employment of judges) to be made in advance of the UPC formally starting to hear cases. We estimate that the Provisional Application Period may last for around 8-12 months, and so the UPC could be open for business in the first half of 2022.

For further information on the UPC, please contact any of the members of our European patent litigation team.

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## **BUNDESTAG PASSES UPC LEGISLATION**

**8 December 2020**

The Unified Patent Court (UPC) took another step closer to coming into being on November 26 with a Bundestag vote passing the legislation necessary for Germany to ratify the UPC Agreement and the Protocol on Provisional Application with (more than) the two thirds majority found to be required by the German Federal Constitutional Court.

Germany’s ratification is the last piece of the jigsaw for the UPCA to come into force. The legislation will now be submitted to the German upper house (Bundesrat) where approval is expected to take place on December 18. The next steps after that are a countersignature by the Federal Government (a formality) and the signature of the Federal President (so-called “Ausfertigung” or legalization). This is followed by the publication in the Federal Law Gazette, by which the law enters into force, allowing the Federal Government to deposit the ratification of the UPCA and sign the Protocol.

In the first German ratification attempt the Federal President did not sign because a constitutional challenge had been filed after the Bundesrat vote and the Constitutional Court asked the Federal President to delay his signature to await the outcome of the challenge, which in the end was successful based on the majority vote issue. A “Foundation for a Free Information Infrastructure” (FFII) has following the Bundestag vote started a crowd-funding campaign for a new constitutional challenge. However, unless the FFII or others started preparation a while ago it seems highly unlikely that such a challenge could be filed before the law enters into force. Further, it seems unlikely that the Constitutional Court will once again ask the Federal President to delay his signature. In our view it is unlikely that any further challenge would succeed in any case.

Once the German ratification is deposited, the UPC will commence on the 1st day of the fourth month after the month of the deposit of instrument of ratification. Germany is expected to delay the deposit of its ratification of the UPCA until the UPC has become fully operational during a period of provisional application as explained further below.

HSF’s EU-wide patent litigation practice stands ready to represent clients in the UPC and to manage multi-jurisdictional patent litigation as it always has.

For more on this see our post [here](#) on HSF's [Intellectual Property Notes](#) blog.

[Read more on this news here](#)

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## **UK’S EXIT FROM THE UPC NOW FINAL**

**21 July 2020**

On 20 July 2020, the UK officially withdrew its ratification of the Unified Patent Court Agreement. This was expected, following the announcement from the UK Prime Minister's Office on 28 February 2020 – see our previous post [here](#). Details can be viewed here on the [UPC website](#).

In a written statement in the House of Commons, Amanda Solloway (Parliamentary Under Secretary of State, Minister for Science, Research and Innovation), explained the decision as follows:

"...in order to ensure clarity regarding the United Kingdom's status in respect of the Agreements and to facilitate their orderly entry into force for other States without the participation of the United Kingdom, the United Kingdom has chosen to withdraw its ratification of the Agreements at this time. The United Kingdom considers that its withdrawals shall take effect immediately and that it will be for the remaining participating states to decide the future of the Unified Patent Court system."

It is now up to the Preparatory Committee to convene and find a way forward. We will report on any further announcements from the Committee as and when they become available.

Meanwhile, HSF's EU-wide patent litigation practice stands ready to represent clients in the UPC despite the UK's exit from the project, and to manage multi-jurisdictional patent litigation as it always has.

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## **THE UK WILL NOT PARTICIPATE IN THE UPC CONFIRMS IP MINISTER RESPONDING TO HOUSE OF LORDS' LETTER**

**22 April 2020**

IP Minister Amanda Solloway has written to the House of Lords in response to their letter formally requesting confirmation that the UK would not be participating in the UPC. This request by the House of Lords followed a response given by the Government in February to a parliamentary question (recorded on Hansard) which said this was the case (see our post [here](#)); no formal statement had otherwise been made.

The IP minister's response was confirmatory - the UK will not take part in the UPC system. See the extract from her [letter](#) (of 24 March) below:

"As you will be aware the Government published our approach to negotiations with the EU on 27th February. This set out our vision for future cooperation between legally autonomous sovereign equals. It ruled out any obligation for our laws to be aligned with the EU's, or for the EU's institutions to have any jurisdiction in the UK. That explicitly included the Court of Justice of the EU.

Continued participation in the Unified Patent Court would mean ceding jurisdiction over key patent disputes in the UK to a court that is bound to apply and respect the supremacy of EU law, including judgments of the CJEU. Participating in such a system would be incompatible with our overall approach to future relations with the EU that I have set out above.

Consequently, the Government will not be seeking the UK's continued participation in the Unitary Patent and Unified Patent Court."

[Read full post on the IP Notes blog](#)

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## **WHAT'S NEXT FOR THE UPC PROJECT? OUR ANALYSIS FOLLOWING THE GERMAN FEDERAL CONSTITUTIONAL COURT DECISION**

**30 March 2020**

The Bundesverfassungsgericht (the German Federal Constitutional Court) has released its long-awaited [ruling](#) on the complaint against the German ratification of the UPC Agreement. It has found, by 5:3 majority, that the Act by which Germany was to accede to the UPC Agreement is void, because it was not passed with the required parliamentary majority. Without Germany's ratification, the UPC Agreement cannot come into force. What is likely to happen next, and when?

In theory, the Constitutional Court's objection could simply be overcome by getting the required parliamentary majority for the Act on a second attempt. The Bundestag (the German federal parliament) is still sitting, despite the ongoing Covid-19 crisis. Further, on 26 March 2020, the [Federal Justice Minister at the Bundestag said](#) that the Federal Government "will carefully evaluate the decision of the Federal Constitutional Court and examine possibilities to remedy the identified lack of form before the end of this legislative period" (that period runs until approximately October to December 2021).

[Read full post on the IP notes blog](#)

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## **NO PLAIN SAILING FOR THE UPC - GERMAN COURT UPHOLDS CONSTITUTIONAL CHALLENGE**

**20 March 2020**

The Bundesverfassungsgericht (German Federal Constitutional Court) has this morning announced that it has found (by a majority decision) that the Act of the Bundestag which sought to approve and implement the Unified Patent Court in Germany is void. The Court indicated that the Act would amend the German constitution in substantive terms, but had not been approved in the Bundestag with the two-thirds majority necessary for such amendments.

In its press release, the Court stated that “in order to safeguard their right to influence the process of European integration by democratic means, this, in principle, also entails the right of citizens that sovereign powers be conferred only in the ways provided for by the Basic Law. An act of approval to an international treaty that has been adopted in violation thereof cannot provide democratic legitimation for the exercise of public authority by the EU or any other international institution supplementary to or otherwise closely tied to the EU.”

<https://www.bundesverfassungsgericht.de/SharedDocs/Pressemitteilungen/EN/2020/bvg20-020.html>

The decision leads to further uncertainty as to if and when the UPC will come into effect. It does not appear, however, that the reasoning precludes the UPC being adopted by Germany in a constitutionally correct manner. More analysis will follow.

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## **GERMAN FEDERAL CONSTITUTIONAL COURT TO ANNOUNCE UPC DECISION THIS FRIDAY 20 MARCH 2020**

**18 March 2020**

The German Federal Constitutional Court, which is handling a case objecting to the ratification of the UPCA by Germany, has [announced](#) that it will hand down its decision this Friday, 20 March 2019, without a further oral hearing.

It is generally thought that the German court is likely to reject the objector’s case. If this is the outcome on Friday, all eyes will turn to the question of what the next steps are, now that the UK has left the EU and the UK Government has confirmed that the UK will not participate in the UPC system.

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## **UK WILL NOT BE A PART OF THE UPC - GOVERNMENT CONFIRMS**

**28 February 2020**

The UK Prime Minister's Office has confirmed (27.02.20) that the UK will not be participating in the UPC system: saying "Participating in a court that applies EU law and bound by the CJEU is inconsistent with our aims of becoming an independent self-governing nation."

Perhaps not surprising, given the wider signs emerging from Downing Street of late and whilst it may be a negotiating tactic, we wouldn't bet on it. It will be interesting now to see what happens next with the UPC project, post this UK government announcement. All eyes will now turn to Germany and the approach they intend to take. What is certainly clear is that the UPC will be less attractive to business without the UK's participation in it.

Meanwhile, HSF's EU-wide patent litigation practice stands ready to manage multi-jurisdictional patent litigation as it always has, whether the UK is part of the UPC or not.

[See here](#) for the latest news on the Unified Patent Court and Unitary Patent.

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## **OPTIMISM FROM THE EPO AND UPC PREPARATORY COMMITTEE ON UPC START DATE; EU JURI COMMITTEE REPORT HIGHLIGHTS CONTINUING CHALLENGES**

**07 February 2020**

Despite positivity from the EPO and UPC preparatory committee on the speed with which the Unitary Patent package (the Unified Patent Court and unitary patent system) can be implemented once a favourable decision is given by the German courts on the constitutional complaint, there remains much to do to get the UPC started, not least a decision on whether the UK can remain part of the system post-transition.

The "EU Patent and Brexit" report commissioned by the European Parliament reviews the positions of the UK Government, the European Parliament, the CJEU and the European Council on options for the UPC at the end of the Brexit transition period and whether the UK can remain a member - in the process revealing that there is still much to resolve.

### **The EPO and UPC Preparatory Committee meeting**

The EPO and the UPC preparatory committee met on Friday 10 January 2020, in a meeting purportedly triggered by an interview by Managing IP with the judge rapporteur in the constitutional complaint against the German UPC legislation, [Judge Huber](#), in which he suggested that a decision on the German constitutional complaint would be given in the first quarter of 2020. This meeting is reported on EPO website "[The EPO and representatives from EU Member States call for the speedy implementation of the Unitary Patent package](#)".

Key points to arise in this meeting were that the EPO President and representatives from EU Member States expressed their optimism that the German Court will render its judgment as announced and their hope that this will clear the way for German ratification. They emphasised that the UPC and Unitary Patent are of paramount importance to competitiveness, growth and innovation in Europe and called for the speedy implementation of the system. The EPO article emphasised the state of readiness of the UPC, with EPO President Antonio Campinos quoted as saying: "We are confident that the necessary steps can be accomplished in time for the Unitary Patent package to become operational at the end of 2020." [Alex Ramsay, the chair of the UPC Preparatory Committee had said before Christmas in his end of year message](#) that he expected the UPC to be ready to go "early in 2021".

However, there remains much to do to get the UPC started, not least a decision on whether the UK can remain part of the system post-transition. As Mr Ramsay said, once Germany signs the Provisional application protocol, the provisional application period would last 8 months for everything to be ready, although the sunrise period opt-out system is already ready. He also said that judge selection has continued and candidates will be informed of their selection once the provisional application period starts. In [his interview with Juve, which predicts the arrival of the UPC in early 2021](#), Mr Ramsay stated that he was "keen to keep all the signatory states, including the UK, in the UPC system. ...it would be realistic to expect the UPC to be operational in early 2021. And yes - I believe the UK will be a part of it."

### **The JURI report on "EU Patent and Brexit"**

The optimism of a speedy implementation of the UPC does not appear to be reflected in the "[EU Patent and Brexit](#)" report requested by the JURI Committee (the European Parliament's Committee on Legal Affairs) published in November 2019. This report reviews the various options for the UPC when the UK functionally leaves the EU at the end of the Brexit transition period, and whether the UK can stay a member of the UPC by digesting the positions of the UK Government, the European Council, the European Parliament and the CJEU.

In its analysis the report finds that: "The recent ratification of the UPCA has proved that the UK intends to stay within the framework of a European Patent system that goes beyond the EPC, even after Brexit. In certain ways this sends a somewhat mixed message, as the UK wishes to leave the Single Market of the EU and the jurisdiction of the CJEU. On the other hand, it seems not per se legally impossible that the UK can stay within the UPCA, even when not an EU Member State". However, it goes on to say that this intention of the UK is countered by the UK Government's statement that "the end of the jurisdiction of the CJEU in the UK was one of the main intentions of the whole Brexit process".

When considering the consequences of its analysis, it reaches the following conclusions:

First, that "[m]aintaining the UK within the UPCA would need innovative legal solutions, as the UPC is an international court applying EU law -and the reason for Brexit was all about not applying EU law any more. All EU actors are of the opinion that the CJEU would have the final say about interpretation of existing EU Law, that the primacy of EU law has to be respected and that the CJEU is the ultimate guardian of EU intellectual property law. On the other hand, the jurisprudence of the CJEU is not expressly excluding the possibility to allow a non-EU Member State forming part of the UPCA".

Secondly that "As any UPCA contracting state has the right to nominate judges, any British judge would decide about the interpretation and application of EU (patent) law. It would be only logical that the UK authorities accept the primacy of EU law when it comes to judgements which have been issued by UPC sections with the participation of UK judges, especially from the London specialised section".

It seems that the issues raised in the report need to be dealt with before implementation can occur.

Interestingly, the report also suggests that to move the London Section of the UPC's Central Division somewhere else would, in the European Council's opinion, not be a purely administrative decision (as was the case with moving the European Medicines Agency), but would require the unanimous amendment of the UPC Agreement and thus the agreement of all signatories including the UK.

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## **RATIFICATION OF THE UPC AGREEMENT IN SIGHT? GERMAN CONSTITUTIONAL DECISION LIKELY EARLY IN 2020**

**16 December 2019**

As those with an interest in patents will be aware, the Unified Patent Court is still not a reality. The final ratification of the Unified Patent Court Agreement ("UPCA") required for the agreement to come into effect, is that of Germany (over 13 states having ratified including the UK and France, which, along with Germany, were the three states which were required to have ratified along with at least ten more, before the UPCA could come into force - see [here](#) for ratification details). Without the UPC established to enforce them, unitary patents cannot be granted. Germany's ratification has yet to be received.

The outcome is still awaited of the constitutional case objecting to a ratification of the UPCA by Germany, which was listed to be decided in 2019. In a recent [interview](#), Judge Huber of the German Federal Constitutional Court (which is the court due to decide the case) denied that the delay had anything to do with Brexit, rather that other important cases were also waiting to be decided and took precedence. He suggested that the case might be decided in the early part of 2020.

It is generally thought that the German court is likely to reject the objector's case, but only once this is determined can the German government make a decision on whether to ratify the UPCA. Indications are that all administrative preparation to ratify had been made in readiness, however the issue of Brexit is also key, in governmental terms at least. In July 2019, in a response to a Brief Enquiry, the Federal Government stated that the consequences of Brexit were as yet unknown (and by implication were delaying ratification), but also reasserted the current Federal Government's commitment to the unitary patent and UPC project.

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## **RATIFICATION OF THE UPC AGREEMENT BY GERMANY CONTINUES TO BE HELD UP BY CONSTITUTIONAL COURT CASE AND BREXIT**

**17 October 2019**

As those with an interest in patents will be aware, the Unified Patent Court is still not a reality. The final ratification of the Unified Patent Court Agreement ("UPCA") required for the agreement to come into effect, is that of Germany (over 13 states having ratified including the UK and France, which, along with Germany, were the three states which were required to have ratified along with at least ten more, before the UPCA could come into force - see [here](#) for ratification details). Without the UPC established to enforce them, unitary patents cannot be granted. Germany's ratification has yet to be received.

The outcome is still awaited of the constitutional case objecting to a ratification of the UPCA by Germany, which was listed for this year (2019) but which has yet to be heard. It is generally thought that the German court is likely to reject the objector's case, but only once this is determined can the German government make a decision on whether to ratify the UPCA. Indications are that all administrative preparation to ratify had been made in readiness, however the issue of Brexit is also key. In a response to a recent Brief Enquiry, the Federal Government stated that the consequences of Brexit were as yet unknown (and by implication were delaying ratification), but also reasserted the current Federal Government's commitment to the unitary patent and UPC project.

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# DESPITE AN "UNPREDICTABLE ENVIRONMENT" PREPARATIONS FOR THE UPC CONTINUE

20 December 2018

The UPC Preparatory Committee has issued a "[Status of the Unified Patent Court Project](#)" press release, confirming that there are now 16 states which have ratified the UPC, and that German ratification is still awaited (dependent on the outcome of the complaint pending before the Constitutional Court in Germany) "before the project can move into the next phase, the period of provisional application".

"Despite the current, somewhat unpredictable environment, the technical and operational preparations are continuing allowing for the project to move at pace in the event of a positive outcome from the German Constitutional Court".

So, nothing more than was already known, but a confirmation that the status of the project is constantly being reviewed. The press release states that the Chairman of the UPC Preparatory Committee "continues to meet with the Executive Group and the operational team on a monthly basis" and notes that those that have applied for judicial positions in the Unified Patent Court are being contacted separately.

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# ITALY MOVES THE UNITARY PATENT A STEP CLOSER

5 December 2018

The Italian Government [approved a draft Bill on 21 November 2018](#) aimed at adapting the Italian IP Code to the Unitary Patent Regulation (EU 1257/2012) and the Unified Patent Court (UPC) Agreement. The next step before the Bill is passed will be for the Italian Parliament to give its favourable opinion.

The draft Bill will essentially amend the Industrial Property Code in Italy to incorporate unitary patent protection and the jurisdiction of the UPC.

**What's new?**

- **Safety net**

Under the current system a European patent acquires effect in Italy once an Italian translation of the patent has been filed with the Italian Patent Office within three months of the publication of the patent grant. Once the UPC is in place, holders of European patents will be entitled to apply for their European patents to have unitary effect in all 26 Member States that have participated in the enhanced cooperation to create the unitary patent, within one month of the patent grant being published on the European Patent Bulletin.

There is a degree of uncertainty as to whether the process for applying for unitary effect will take longer than the 3 months, in which case the patentee will have lost out on the chance to validate their patent in Italy.

The draft Bill has therefore introduced a safety net mechanism whereby if an application for unitary effect is rejected or withdrawn, the 3 month term for the validation in Italy will take effect from the date when they receive the rejection or of the withdrawal. This will allow patentees to validate a patent in Italy even if their unitary application is not granted.

- **Experimental use exception**

Another important amendment concerns the experimental use exemption. Under the draft Bill, the rights conferred by a patent shall not extend to acts carried out for experimental purposes relating to the subject matter of the patented invention or to the use of biological material for the purpose of breeding, or discovering and developing other plant varieties.

The previous wording of the Italian Industrial Property Code did not include a specification regarding the type of experimental use. In essence, this limitation of the experimental purposes to “the subject matter of the patented invention” could lead to a more restrictive interpretation of the scope of permitted “experimental use” (e.g. limited to experiment “on the patented invention” and not “with the patented invention” in line with Italian case law).

- **Infringement exemption for vessels/aircraft/vehicles**

The draft Bill would introduce an exemption for the use of patented inventions on board vessels or in the construction or operation of aircraft or land vehicles or other means of transport of countries of the International Union for the Protection of Industrial Property (Paris Union) or members of the World Trade Organisation, when such vessels or vehicles temporarily or accidentally enter the Italian territory.

- **Transition period**

The draft Bill guarantees the application of Italian law to proceedings concerning European patents until the UPC Agreement comes into force and for the duration of its transition period.

### **The final touches**

The remainder of the draft Bill is aimed at removing any inconsistencies with existing provisions governing patents in force in Italy and their application to unitary patents where necessary. If significant changes are not required to it, the draft Bill could be approved in the near future.

The draft Bill rounds off Italy's preparations for the unitary patent and UPC system, which had been put into motion with the amendment of the Italian Industrial Property Code to incorporate provisions on indirect infringement as required by the UPC Agreement.

For more information see our IP blog [www.hsfnotes.com/ip/](http://www.hsfnotes.com/ip/)

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## **BULGARIA RATIFIES THE PROTOCOL ON PROVISIONAL APPLICATION OF THE UPC AGREEMENT BUT DELAYS STILL IN STORE FOR THE UPC**

**21 August 2018**

On 24 July Bulgaria ratified the Protocol on Provisional Application of the UPC Agreement ([Protocol](#)). Four more ratifications/declarations are needed, including Germany, for the Protocol to come into effect and allow the practical workings of the Unified Patent Court (UPC) to be established in preparation for the court coming into operation, which will happen once the UPC Agreement (UPCA) itself has been sufficiently ratified. In both cases, ratification by Germany is a prerequisite. Recently reported comments from the Chairman of the UPC Preparatory Committee have revealed that there may be at least a 6-8 month delay once Germany is ready to ratify the UPCA, given how much needs to be done for the UPC to be ready to open its doors. It therefore looks increasingly unlikely that the UPC will take effect before Brexit unless Germany ratifies the Protocol in the next few months.

## **BACKGROUND**

The Protocol allows the provisional application of the institutional, financial and administrative provisions of the UPCA to enable the necessary legal and practical arrangements to be made in contemplation of the establishment of the UPC, including the appointment of judges. The EPO has commented that the Protocol "should ensure that the Court is fully operational and ready to hear cases on the very day the [UPC] Agreement formally enters into force by the contracting states".

However, for the Protocol to come into effect, 13 signatory states (which must include France, UK and Germany) which have ratified the UPCA or informed the depositary that they have received parliamentary approval to ratify the UPCA, must have signed and also either ratified, accepted or approved the Protocol or declared that they consider themselves bound by the provisional application of the articles of the UPCA mentioned in Article 1 of the Protocol. These Articles cover, inter alia, the establishment of the UPC, the Registry, the Mediation and Arbitration Centre, the training and appointment of judges, and the provisions allowing for the UPC Statute and Rules, legal aid, remuneration of judges, the setting up of local or regional divisions, and the establishment of the pool of judges.

Two of the three mandatory signatories and ratifiers/declarers, France and the UK, have ratified and declared (respectively) with respect to the Protocol, but Germany has still not done either. Bulgaria's ratification brings the total Protocol ratifying/declaring states to eight (see the Council of the EU's [page](#) listing signatories and ratifiers to the Protocol), so a few more will be required, alongside Germany, for the Protocol to come into effect.

## **IMPACT ON THE SPEED AT WHICH THE UPC CAN BE ESTABLISHED**

The Protocol must be fully ratified before judges can be employed and local divisions etc fully established; basically all the ground work that needs to be in place before the actual UPC court can get started cannot start without the Protocol's full ratification. However, signatory states cannot ratify the Protocol unless they have already ratified the UPC Agreement or declared themselves ready to do so.

In a recently reported comment, the Chairman of the UPC Preparatory Committee, claimed that there would need to be 6 to 8 months of preparation time from full ratification of the Protocol, before the UPC could be fully functional. This suggests that were Germany to declare itself ready to ratify the UPCA and thus was then able to ratify the Protocol, there would need to be a delay between it ratifying the Protocol and actually ratifying the UPCA, since once fully ratified the UPCA will come into force, i.e. the UPC will be established (and unitary patents will be available also since the Unitary Patent Regulation would also come into force), on the first day of the fourth month after the month in which the German ratification occurs, and the implication of the Preparatory Committee Chair's comment is that this would not allow sufficient time for the court to be ready.

In summary, the UPC is still some way off; in fact at least 6-8 months away, even once Germany announces its readiness to ratify. The timings suggest that the UPC may be unlikely to be operational before the UK leaves the EU unless German ratification of the Protocol occurs shortly.

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## **UK GOVERNMENT'S BREXIT WHITE PAPER HIGHLIGHTS IMPORTANCE TO THE UK OF THE UPC AND IP RIGHTS IN GENERAL POST-BREXIT**

**17 July 2018**

Significantly, for those with interests in IP rights generally and the Unified Patent Court in particular, the UK Government's White Paper on Brexit makes encouraging noises about future recognition and security for IP in the UK and in the UK's relationship with the EU, including support for the Unified Patent Court and the UK's role within the new patent system.

The [White Paper](#) (published on 12 July 2018) details the Government's proposals for the future relationship between the United Kingdom and the European Union and includes a limited number of proposals relating to intellectual property:

- The United Kingdom intends to explore staying in the Unified Patent Court (UPC) and Unitary Patent system post-Brexit. The United Kingdom will work with the member states that have signed up to the UPC Agreement to ensure that the agreement can continue on a firm legal basis.
- Arrangements on future co-operation on intellectual property are recognised as important to provide confidence and security to rights holders operating in and between

the United Kingdom and the European Union.

- The United Kingdom will establish its own geographical indications (GIs) scheme to provide continuous protection for UK GIs in the United Kingdom and protection for new GIs applied for by UK and non-UK applicants.

## **UPC AND UNITARY PATENT**

Opinions vary on the likelihood of whether the United Kingdom could continue as part of the UPC and Unitary patent system post-Brexit. The foreword to the White Paper by the Prime Minister states that the proposals in the White Paper would end the jurisdiction of the Court of Justice of the European Union in the United Kingdom. It is not clear whether the United Kingdom would nevertheless accept the role of the Court of Justice of the European Union in respect of references from the UPC on matters of European law. The support for the new system offered by the White Paper is however an encouraging start.

## **FUTURE CO-OPERATION ON INTELLECTUAL PROPERTY**

IP rights which are designated as applying across the EU (EU trade marks, Community plant variety rights, Community registered designs and Community unregistered designs) and those, qualification for which involves activity within the EU (such as database rights), are all at risk of termination in relation to the territory of the UK once the definition 'EU' no longer includes the UK. The draft withdrawal agreement of 19 March 2018 (as supplemented by the joint statement on 19 June 2018) set out the text (highlighted in green in the draft) agreed between the Commission and United Kingdom at negotiator level, in relation to the replacement of EU-wide rights with equivalent UK rights, which may indicate that there will be substantive future co-operation. The statement above in the White Paper serves to underline this approach as well as recognising the significance of this issue for rights holders in the UK and across the EU.

For more on the UK's White Paper, what has been agreed so far at negotiator level between the EU and the UK on the withdrawal agreement, and the impact of Brexit on intellectual property rights - see the [Intellectual Property section](#) of our [Brexit Legal Guide 2018](#).

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# **THE UK RATIFIES THE UNIFIED PATENT COURT AGREEMENT ON WORLD IP DAY**

**26 April 2018**

The UK has ratified the UPC Agreement today, which also happens to be World IP Day.

The UK IP Minister announced the ratification at a World IP Day event at the House of Commons this afternoon. It seems that the UK Government has listened to the many representative groups in the Patent arena who suggested that being part of the new system prior to Brexit was preferable to trying to join it post-Brexit. Now we need to wait to see if the German constitutional challenges can be resolved before the end of March next year.

The UK, along with France and Germany, is one of three signatory states which must ratify before the Agreement can come into force. France ratified long ago (2014), so German ratification is all that is now needed. Ratification by Germany has been held up by challenges to the legislation which was passed to allow Germany to ratify in both the Bundestag and the German Constitutional Court. Neither has yet been resolved.

15 other countries have already ratified the UPC Agreement. Once Germany ratifies, the Agreement will come into force on the first day of the fourth month after the month of that last required ratification. Assuming the constitutional challenges fail, German ratification will likely be timed to coordinate with the new Unitary Patent Court being ready to operate. Once in effect, the UPC court will operate across all current EU states except Croatia, Poland and Spain which have not signed up to the Agreement. A European patent with unitary effect (otherwise known as a unitary patent) will be available, covering all the participating states, once the UPC is established. Unitary patents will be enforced through the UPC which will also have jurisdiction over European patents which have not been opted out of the new system.

For more on the UPC Agreement including the other states which have ratified already see the UPC Agreement section of our UPC hub ([www.hsf.com/upc](http://www.hsf.com/upc)).

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## **THE UPC AND UNITARY PATENT - MARCH 2018 UPDATE**

**1 March 2018**

On 21 February details were published of cases listed to be heard by the German Federal Constitutional Court which included the complaint against Germany's participation in the UPC system which has been holding up further preparations for ratification of the Unified Patent Court Agreement (UPCA) by Germany (see the [Unified Patent Court Agreement section](#) of our UPC Hub for more detail on this). The listing of the application raises the prospect of a decision sometime in 2018 which, if in favour of Germany being able to ratify, would allow the UPC to move towards commencement, but only if the UK also ratifies. The timing of any result of the hearing will be significant: early, and the UPC may be able to get going before Brexit, late and there may be more problem with the UK being part of the UPC if it is already outside the EU by the time the UPC commences (which will only take effect on the first day of the fourth month after the month in which the last of Germany or the UK has ratified the UPCA). There is general uncertainty as to whether a non-EU member state can be part of the new system. Much will be dependent on whether the CJEU will accept such an arrangement.

The UK took a further step towards ratification by the Privy Council approving [The Unified Patent Court \(Immunities and Privileges\) Order 2018](#) on 8 February 2018 which confers legal capacity and grants immunities and privileges on the Unified Patent Court and its representatives, judges, Registrar, Deputy-Registrar and staff. This needed to be approved before the UK could proceed to ratification. As yet no date has been announced for UK ratification however.

For more on ratification, including the 15 EU member states who have already ratified (Latvia being the most recent, on 11 January 2018) and the potential impact of Brexit on the new system, see the [UPCA section](#) of our website.

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## **THE UNIFIED PATENT COURT - OPEN FOR BUSINESS IN 2018?**

**19 January 2018**

At the start of 2017 the expectation was that the UPC Agreement would achieve the required ratification levels and that the UK could well ratify in advance of Brexit in order to become a full participant, even given the question marks that arose about the ability of a non-EU jurisdiction to be part of the new unitary and European patent enforcement system. Now, at the start of 2018, things are still uncertain.

Despite the IP Minister's announcement in November 2016 that the UK would ratify, no ratification was forthcoming, although the UK has drawn closer to ratification as a result of the [International Organisations \(Immunities and Privileges\) \(Scotland\) Amendment \(No 2\) Order 2017](#) being [approved](#) by the Scottish Parliament on 25 October 2017. This order will confer certain privileges and immunities on the UPC and its judges and other staff. The equivalent statutory instrument, [the Unified Patents Court \(Immunities and Privileges Order\) 2017](#) was laid before the House of Commons on 26 June 2017 and following approval by both chambers of the Westminster parliament (including the House of Lords in December 2017), it is waiting approval by the Privy Council, along with the Scottish order. Representative bodies of IP practitioners joined together shortly before Christmas 2017 to send a note to the Government on the key areas that need addressing prior to Brexit, including ratification of the UPC Agreement (see our post on this [here](#)).

Elsewhere in the EU three more states ratified the UPCA in 2017: Italy, Estonia and Lithuania, and Latvia on 11 January 2018. This brings the total number of ratifying states to 15 more than the 13 required, but still missing two of the mandatory ratification states other than France: Germany and the UK (while it is still in the EU).

However, with France ratifying the Protocol on Privileges and Immunities at the end of December 2017 and Belgium adopting legislation in December to implement the UPC, the EU looks poised to commence the new court system as soon as possible once the UK leaves the EU. This will be possible only once Germany has ratified. Italy will take the place of the UK as the third mandatory ratifier after France and Germany, and has already ratified as mentioned above.

German ratification is dependent on the outcome of the challenge being mounted in the German Federal Constitutional Court (FCC) regarding the constitutionality of the law passed by German Parliament on the UPC's implementation. The German court has asked for observations on the case and had previously set a deadline for any comment by end of October 2017 - though it has been reported that this has now been extended to the end of the year. The FCC will then determine whether or not to dismiss the complaint, a process which is expected to take until at least April 2018. If the complaint is dismissed, Germany will be able to ratify the UPCA soon after. There has, however, been talk of the possibility of the case being referred to the Court of Justice of the EU (CJEU), which would cause substantial delay to the case being decided and ultimately to Germany's ratification.

The [Preparatory Committee of the UPC published a "Summing up and looking forward" press release](#) on 21 December 2017 detailing the "provisional application" phase and how this will work. It is essentially a pilot phase which will be allowed to come about if sufficient signatory states agree to the Protocol on the Agreement on a Unified Patent Court on Provisional Application. The protocol means that the State Parties agree to apply the institutional, organisational and financial parts of the UPCA provisionally before the UPCA enters into force. Once the Protocol enters into force, the organisation (as such) will therefore be created and acquire legal personality. The Administrative Committee, the Budget Committee and the Advisory Committee will be established at the start of provisional application and will then take over the responsibility of the preparations from the Preparatory Committee.

During the provisional application phase the organisation will be able to conclude necessary agreements with third parties and formalise all the preparatory work done by the Preparatory Committee. One area that cannot be conducted before the provisional application phase is the completion of the recruitment of the judges. This is obviously a significant difficulty for the committee. Only once the judges are appointed the two Presidents can be elected, the Presidium can be set up and the Registrar and the Deputy Registrar can be appointed.

However, for the Protocol on Provisional Application to come into effect, 13 signatory states - which have signed the UPCA (and which must include France, UK and Germany) and have ratified the UPCA or informed the depositary that they have received parliamentary approval to ratify the UPCA - must have signed and ratified, accepted or approved the Protocol (in accordance with Article 2(2) of the Protocol) or declared themselves bound by Article 1 of the Protocol. These cover, inter alia, the establishment of the UPC, the Registry, the Mediation and Arbitration Centre, the training and appointment of judges, and the provisions allowing for the UPC Statute and Rules, legal aid, remuneration of judges, the setting up of local or regional divisions, and the establishment of the pool of judges.

Now that the UK has signed the Protocol, along with the other 2 mandatory signatories, the Protocol is close to coming into effect, although a few more signatories and ratifications are needed. The UK will still need to pass legislation (via statutory instrument) to ratify the Protocol as will some other signatories.

The UPC Preparatory Committee says it has assessed that the (even once sufficient ratification of the Protocol has taken place) the provisional application phase needs to be a period of between six to eight months in order to have time to put everything in place and prepare for the Court to be operational.

## **NOVEMBER UPC UPDATE**

**7 November 2017**

In June we gave an [update](#) on the progress of the UPC, including the announcement by the UPC Preparatory Committee that the 1 December 2017 start date could not be maintained. We reported on the need for ratification of the UPC Agreement, as well as the [UPC Protocol on Provisional Application \(the Protocol\)](#), by a number of states including the UK and Germany, which are mandatory signatories along with France.

### **UK**

The UK has recently drawn closer to ratification as a result of the [International Organisations \(Immunities and Privileges\) \(Scotland\) Amendment \(No 2\) Order 2017](#) being [approved](#) by the Scottish Parliament on 25 October 2017. This order will confer certain privileges and immunities on the UPC and its judges and other staff. As we have [reported on](#) previously, the equivalent statutory instrument, [the Unified Patents Court \(Immunities and Privileges Order\) 2017](#) was laid before the House of Commons on 26 June 2017 and is awaiting approval by both chambers of the Westminster parliament. Before this can occur, it must pass through three committees: the Joint Committee on Statutory Instruments (JCSI), the Secondary Legislation Scrutiny Committee and the Delegated Legislation Committee. The members of the JCSI were [recently re-appointed](#) (on 31 October 2017), following its dissolution prior to the general election in June this year. It is now up to the JCSI to report on any instance where legislative power has been exceeded or the drafting of the order is defective or requires further explanation.

### **Germany**

There has been some delay to the German ratification of the UPCA, owing to a case pending before the German Federal Constitutional Court (FCC) regarding the law passed by German Parliament on its implementation. The German court has asked for observations on the case and had previously set a deadline for any comment by end of October 2017 – though it has been reported that this has now been extended to the end of the year. The FCC will then determine whether or not to dismiss the complaint, a process which is expected to take until at least April 2018. If the complaint is dismissed, Germany will be able to ratify the UPCA soon after. There has, however, been talk of the possibility of the case being referred to the Court of Justice of the EU (CJEU), which would cause substantial delay to the case being decided and ultimately to Germany's ratification.

Overall, according to the latest update on the UPC website, published on 21 September 2017, while good progress has been made, "[i]t is now difficult to predict any timeline".

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## **GUIDANCE ON THE UNITARY PATENT FROM HERBERT SMITH FREEHILLS AND THE EPO**

**15 September 2017**

Want to know how to obtain the new unitary patent right that will become available across 26 of the 28 EU member states (including the UK) once the Unified Patent Court is established? Wondering how the new right will impact on your patent portfolios and licensing schemes?

Herbert Smith Freehills' Laura Deacon (Of Counsel) and Joel Smith (Head of IP, UK) have had a [practice note on the unitary patent published by Practical Law](#) which looks at these issues, including patent portfolio management and transactions involving the new right.

A quick reminder on the basics of obtaining a UP:

- In order to be eligible for registration as a unitary right, a European patent must have been granted with the same set of claims in respect of all 26 participating Member States. The new EPO guide states that "It is therefore important not to withdraw the designation of any of the 26 participating Member States because this would rule out obtaining a Unitary Patent. Moreover, a European patent should not contain a different set of claims for any of the participating Member States, as this too would also prevent the EPO from registering a Unitary Patent."
- To obtain a UP: a formal "request for unitary effect" must be filed with the EPO in writing by the European patent proprietor. This request must be filed no later than one month

after the mention of the grant of the European patent is published in the European Patent Bulletin.

The EPO published guidance on obtaining, maintaining and managing unitary patents on 7 September [here](#).

The guidance details:

- How to obtain a unitary patent (UP)
- The compensation scheme for translation costs
- Renewal fees
- Publications and file inspection
- How to register transfers, licences and other rights and file statements on licences of right
- Procedural questions, language regime , representation and fee payment
- Legal remedies against EPO decisions: the role of the UPC

For more on the unitary patent see our dedicated UPC and UP Hub [here](#).

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## **LITHUANIA BECOMES 14TH TO RATIFY THE UPC AGREEMENT**

**6 September 2017**

Lithuania has now ratified the [UPC Agreement](#) (UPCA) (on 24<sup>th</sup> August 2017 - see the UPCA ratification index [here](#)).

Under the terms of the UPCA, the Agreement can only come into effect once at least 13 contracting states have ratified, but these must include France, Germany and the UK (if all other ratifications are in place prior to Brexit) or Italy (if post-Brexit). France and Italy have already ratified, as have Austria, Belgium, Bulgaria, Denmark, Estonia, Luxembourg, Malta, the Netherlands, Portugal, Sweden and Finland. Once all the required ratifications are in place the UPC can commence on the first day of the fourth month after the last required ratification.

The delay to German ratification has been caused by a complaint being filed at the German Constitutional Court which led to the Court asking the German parliament to delay signature of legislation that would have progressed the UPCA's ratification by Germany.

The UK put some of the UPC ratification legislation before Parliament in June. [The Unified Patent Court \(Immunities and Privileges\) Order 2017](#) was laid before Parliament on 26 June 2017 - see the explanatory memorandum [here](#). This Order implements the [Protocol on Privileges and Immunities of the UPC](#) (the Protocol) and confers legal status in the UK on the United Patent Court and privileges and immunities on the Court, its judges and staff, under the International Organisations Act 1968, which allows the grant of certain immunities and privileges to the international organisation and its officers and employees. This Order (and an equivalent measure in the Scottish Parliament) needs to be passed before the UK can ratify the Protocol as well as the UPC Agreement itself. However, both Houses of Parliament will be required to debate the measure before approving it and it will also need the approval of the Privy Council.

As we have reported [on our Intellectual Property Notes blog](#) and on this Hub, the timetable for the UPC appears to be slipping, due not only to delays by the UK, in part due to the recent general election, but also because of the challenge to German ratification mounted in the German Constitutional Court mentioned above. The UPC Preparatory Committee have withdrawn their 1 December 2017 start date and are as yet unable to confirm any further dates.

Ireland's ratification is not a pre-requisite for the UPCA to come into effect (now that there are already sufficient ratifiers) but its process is worthy of note as it requires a referendum. A recent [announcement](#) suggests this will happen at some point in the next two years.

One other key ingredient is also missing: there have also been delays to the Protocol on Provisional Application which is required to be ratified by contracting states in order to allow the administrative preparations for the courts, including the appointment of judges, to go ahead in order for the UPC to be ready immediately the UPC Agreement comes into force.

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# ESTONIA RATIFIES THE UPC AGREEMENT - 13 RATIFICATIONS NOW IN PLACE - JUST GERMANY AND THE UK TO GO

2 August 2017

Estonia ratified the UPC Agreement (UPCA) on 1 August 2017, making it the thirteenth contracting member state to do so (see the European Council's ratification index [here](#)). Under the terms of the UPCA, the Agreement can only come into effect once at least 13 contracting states have ratified, but these must include France, Germany and the UK (if all other ratifications are in place prior to Brexit) or Italy (if post-Brexit). France and Italy have already ratified, as have Austria, Belgium, Bulgaria, Denmark, Estonia, Luxembourg, Malta, the Netherlands, Portugal, Sweden and Finland. Once all the required ratifications are in place the UPC can commence on the first day of the fourth month after the last required ratification.

For our report on the delay to German ratification caused by a constitutional challenge see [here](#).

The UK put some of the UPC ratification legislation before Parliament in June ([The Unified Patent Court \(Immunities and Privileges\) Order 2017](#) see [here](#)).

Ireland's ratification is not a pre-requisite for the UPCA to come into effect (now that there are already sufficient ratifiers) but its process is worthy of note as it requires a referendum. A recent [announcement](#) suggests this will happen at some point in the next two years.

One other key ingredient is also missing: there have also been delays to the Protocol on Provisional Application which is required to be ratified by contracting states in order to allow the administrative preparations for the courts, including the appointment of judges, to go ahead in order for the UPC to be ready immediately the UPC Agreement comes into force.

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## GOVERNMENT LAYS PRE-RATIFICATION UPC LEGISLATION BEFORE PARLIAMENT

28 June 2017

[The Unified Patent Court \(Immunities and Privileges\) Order 2017](#) was laid before Parliament on 26 June 2017 – see the explanatory memorandum [here](#). This Order implements the [Protocol on Privileges and Immunities of the UPC](#) (the Protocol) and confers legal status in the UK on the United Patent Court and privileges and immunities on the Court, its judges and staff, under the International Organisations Act 1968, which allows the grant of certain immunities and privileges to the international organisation and its officers and employees. This Order (and an equivalent measure in the Scottish Parliament) needs to be passed before the UK can ratify the Protocol as well as the UPC Agreement itself. However, both Houses of Parliament will be required to debate the measure before approving it and it will also need the approval of the Privy Council.

As we have reported [on our Intellectual Property Notes blog](#) and on this Hub, the timetable for the UPC appears to be slipping, due not only to delays by the UK, in part due to the recent general election, but also the recent challenge to German ratification mounted in the German Constitutional Court. The UPC Preparatory Committee have withdrawn their 1 December 2017 start date and are as yet unable to confirm any further dates.

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## **PRIVATE CHALLENGE TO THE UPC SYSTEM MADE BEFORE GERMAN CONSTITUTIONAL COURT DELAYS PROGRESS OF GERMAN UPCA RATIFICATION**

**15 June 2017**

On 7 June, the UPC Preparatory Committee [announced](#) that the December start date could no longer be maintained. The Preparatory Committee says that it is monitoring UPCA ratification and participation in the Protocol continuously in order to be able to establish a timetable for a start date as soon as possible. Since that announcement, German press articles suggest that there has been a private challenge before the German Constitutional Courts concerning the UPC System in light of which the Court has requested that the approved bills are not signed, such that ratification by Germany cannot be completed. The nature of this challenge, and therefore the length of any delay it may cause, is currently unclear.

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# UPC COMMENCEMENT POSTPONED -1 DECEMBER 2017 START DATE CANNOT BE MAINTAINED ANNOUNCES PREPARATORY COMMITTEE

08 June 2017

In January we reported the UK IP Minister Jo Johnson's enthusiastic support for the UPC and ratification of the UPC Agreement (UPCA) whilst the UK is still a member of the EU. Without this, the UPC system would have to wait for the UK to leave, before the next most patent designated EU state at the date of signature of the UPCA (which would be Italy) could fulfil the role as third mandatory ratifier (after France and Germany). The UPC Preparatory Committee announced earlier this year that it was still confident of a 1 December 2017 start date, as long as the expected final ratifications were in place. This was a significant caveat given the Brexit situation and the need for further ratification of the [UPC Protocol on Provisional Application \(the Protocol\)](#) by UPC participating states before the practical arrangements can begin to be made for the new courts, such as the appointment of judges. The timetable looked even more hopeful when, subsequently, the UK general election was announced for June, implying an inevitable and resultant delay in the progress of any UK ratification until after the election at least. On 7 June, the UPC Preparatory Committee [announced](#) that the December start date could no longer be maintained. The Preparatory Committee says that it is monitoring UPCA ratification and participation in the Protocol continuously in order to be able to establish a timetable for a start date as soon as possible.

**UPC Protocol on Provisional Application:** Before final ratification of the UPCA, participation in the Protocol is needed in order that UPC judges can be appointed and the practical arrangements put in place for the new courts. This will allow the provisional application of the institutional, financial and administrative provisions of the UPCA and will enable the necessary legal and practical arrangements to be made in contemplation of the establishment of the UPC. However, for the Protocol to come into effect, 13 signatory states - which have signed the UPCA (and which must include France, UK and Germany) and have ratified the UPCA or informed the depositary that they have received parliamentary approval to ratify the UPCA - must have signed and ratified, accepted or approved the Protocol (in accordance with Article 2(2) of the Protocol) or declared by unilateral declaration or in any other manner that they consider themselves bound by the provisional application of the articles of the UPCA mentioned in Article 1 of the Protocol. These Articles cover, inter alia, the establishment of the UPC, the Registry, the Mediation and Arbitration Centre, the training and appointment of judges, and the provisions allowing for the UPC Statute and Rules, legal aid, remuneration of judges, the setting up of local or regional divisions, and the establishment of the pool of judges. The UK has signed the Protocol, along with the other 2 mandatory signatories, and the Protocol is close to coming into effect, although a few more signatories and ratifications are needed. The Council of the EU has a [page](#) listing signatories to the Protocol. The UK will still need to pass legislation (via statutory instrument) to ratify the Protocol as will some other signatories.

At its May meeting, the EU Competitiveness Council acknowledged that there were a few countries holding up the Protocol but that it could be done before the summer break and if so the UPC might still be on track for a December opening. The Preparatory Committee's announcement on 7 June indicates that this is not now expected to happen.

**UK ratification of the UPCA:** The UK's representative at the Competitive Council meeting in May noted that the UK's ratification of the UPCA itself would not occur until the next Parliament, but that the intention of the current Government was to ratify it. If the UK ratifies the UPCA, without amendment, and subsequently leaves the EU, any divisions of the UPC in the UK will have to cease operating. The transitional consequences of this are matters of detail to be negotiated as part of the UK's exit negotiations. If the UK cannot continue to take part in the UPC beyond Brexit, it will become one of the European jurisdictions where separate patent protection will need to continue to be sought following the introduction of the new UPC/UP system.

For a detailed insight into what this would mean for the UPC and intellectual property rights in general, in the UK and across Europe, please see our briefing following the Government's announcement on ratification [here](#).

**The latest version of the Draft Rules of Procedure of the UPC were published on the UPC Preparatory Committee website on 10 April 2017 - [here](#).** It is understood that these are the final version, although a finalised format has not been published.

**For more on the UPC and unitary patent system, see our Hub here: [www.hsf.com/upc](http://www.hsf.com/upc).**

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## **UK GENERAL ELECTION MAY DELAY UK RATIFICATION OF THE UPC AGREEMENT AND HENCE THE COMMENCEMENT OF THE UPC AND UP SYSTEM**

20 April 2017

The UPC Preparatory Committee's announced start date for the UPC of 1 December 2017 now looks in doubt as the UK general election will likely postpone the UK's ratification of the UPC Agreement, on which the commencement of the UPC is dependant. A 2018 start date appears more probable, barring any delay by Germany which must also ratify for the UPC (and UP) to go ahead.

For more on this and detail on the impact of the UPC and UP system see our [UPC hub](#).

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# **UPC PREPARATORY COMMITTEE RELEASES AN UPDATE TO THE 18TH DRAFT OF THE UPC RULES OF PROCEDURE**

12 April 2017

The UPC Preparatory Committee has [released](#) an updated version of the 18<sup>th</sup> draft of the UPC Rules of Procedure (with the amendments being dated 15 March 2017), which can be accessed [here](#).

Subject to formal adoption, we understand that this update may represent the final version of the UPC Rules of Procedure.

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# **UPC PREPARATORY COMMITTEE HOLDS FINAL MEETING AT WHICH IT SIGNALS ITS READINESS TO MOVE TO PROVISIONAL APPLICATION PHASE AND GERMANY PASSES BILLS NECESSARY TO RATIFY THE UPC AGREEMENT**

21 March 2017

The UPC Preparatory Committee held its final meeting on 15 March at which it agreed a final collection of legal, HR and financial documents and confirmed that the provisional application period could commence once the final Signatory States had acceded to the Protocol on Provisional Application. The Committee was confident this would be met in time to allow provisional application to commence at the end of May 2017 in order to allow for all the practical preparations to be made for a 1 December 2017 start for the UPC.

Matters such as the recruitment of judges, the IT and case management system and other practical arrangements for the opening of the Court and its local and central divisions are in progress, but will be dealt with by other teams.

Final amendments to the Rules of Procedure for the UPC were agreed and a full publication was promised on the UPC Preparatory Committee site shortly.

Patentees should note that the Committee again confirmed its expectation that the sunrise period for opt-outs of European patents from the jurisdiction of the UPC will start in September 2017. A review of all EPs held should now be instigated, if not already in progress, to determine which may be candidates for opt-out.

The Preparatory Committee acknowledged that the timetable of the entry into force of the UPC Agreement (and hence the UPC and unitary patent system) "is subject to change given the reliance on national governments to accede to the Protocol on Provisional Application", however regular updates were promised on its website.

Germany has now passed draft legislation to enable it to ratify the UPC Agreement and to provide corresponding amendments to German patent law. The UK is expected to ratify the UPC Agreement by the end of April 2017.

For more information and comment on what patentees and licensees should be doing now, see our e-bulletin of 21 March [here](#).

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## **ITALY RATIFIES THE UPC AGREEMENT - ONLY GERMANY AND THE UK NEEDED TO RATIFY BEFORE THE UPC CAN COMMENCE**

20 February 2017

On 10 February Italy lodged its instrument of ratification of the Unified Patent Court Agreement (UPCA) with the EU Council. Italy is the twelfth state to ratify the UPCA (for details of other ratifications see the UPCA section of our Unified Patent Court (UPC) and unitary patent (UP) Hub [here](#)). For the UPCA to come into force at least 13 contracting states must ratify including 3 specific ones: France, Germany and the UK. France has already ratified. The UK has announced that it will ratify (see [below](#)) and Germany is said to be holding on until August so that the 4 month lead-in period which applies once there is sufficient ratification can commence in time to allow a 1 December 2017 start date for the (under Article 89 UPCA, the agreement enters into force on the first day of the fourth month after the deposit of the thirteenth instrument of ratification).

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# UPC IN PLACE BY DECEMBER 2017 AND OPT-OUT STARTING IN SEPTEMBER - SAYS PREPARATORY COMMITTEE

19 January 2017

The UPC Preparatory Committee has [announced](#) its expectation that the UPC will be operational by December 2017 with a sunrise period for opting out patents from its jurisdiction from September 2017. However, it does sound a note of caution, stating that the "timetable is conditional and provided with the clear disclaimer that there are a number of factors that will dictate whether it is achievable. The most important factors in meeting these dates is the necessary ratifications of the UPCA and accession to the Protocol on Provisional Application. If these are not achieved the time-plan will be disrupted".

Teresa May's rejection of the CJEU in her Brexit speech on 17 January 2016 that the UK will make the UK's participation in the UPC post-Brexit difficult. See the comments by Mark Shillito, our Head of Intellectual Property, in this [article](#) "Brexit means ditching the CJEU, May makes clear", published in the Law Society Gazette on the same day.

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## BREXIT - WHAT IP ISSUES TO CONSIDER NOW

05 January 2017

We set out our thoughts and predictions upon how protection and enforcement of IP in the UK may be impacted once Brexit arrives. We have also suggested some immediate action points for consideration in the weeks or months to come, prior to Brexit, to ensure that your business is best protected prior to any changes.

[READ MORE >](#)

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[UPC HUB](#)

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



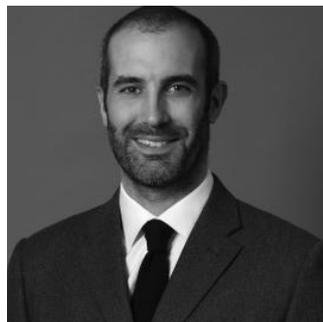
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