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IPFRONTIERS

Unitary European patent one step closer to fruition

As some of our readers may already be aware, the procurement of patents often can be a costly process. This is perhaps most true in Europe: once a patent is granted by the European Patent Office, that patent must then be validated separately in each European country in which patent protection is desired.

Costs, some of which are quite substantial, are associated with each of these validations. Last month, however, the European parliament voted favorably on legislation that potentially will mitigate the bulk of these costs by giving patent applicants the option of obtaining — for the first time ever — a truly unified “European patent.”

Prior to 1973, patents in Europe were obtained by filing and prosecuting patents in individual countries. The concept of a common patenting process for European countries culminated with the formation of the European Patent Office in 1977. All 27 European Union members, in addition to many other European countries who are not members of the EU, are now members of the European Patent Organization.

Even with this cooperative arrangement, because of the need to “validate” or register the European patent in each country, costs for patenting in Europe remained painfully high until 2008, when the “London Agreement” came into effect.

The London Agreement considerably reduced the costs for patentees validating their EP patent in individual countries by requiring translations of the full text of the granted patent into one of only English, German and French (the official languages of the European Patent Office), rather than translations into the language of each and every country, as had been required previously.

Eleven European countries still require translation of only the claims but not the rest of the patent. The current legislation also utilizes English, German and French. Interestingly, Italy and Spain have voted against the proposed measures, perhaps because their languages are not among those chosen to be official languages of the unitary patent, resulting (at this time) in a total of 25 countries that have indicated a willingness to partici-

pate in the unitary patent system.

In addition to the existence of the European Patent Office, each country still maintains its own national patent office. It is possible today for a patent applicant to apply for a patent in one or more countries through each country’s individual patent office or, alternatively, to file an application with the European Patent Office in order to have more streamlined prosecution.

This is generally a less expensive, less onerous option, as only one prosecution is necessary, rather than multiple parallel prosecutions in which translations of each and every communication with each national patent office may be required.

The proposal passed last month, once ratified, will enable the European Patent Office to go a step further and actually grant one unitary European patent that will be effective in each participating country.

The costs for obtaining a unitary European patent are expected to be substantially smaller than the price of patent protection in Europe under the existing system. One of the major benefits of the unitary European patent process involves the loosening of the requirement for translations. Eventually under the new proposal, patent applications will be able to be filed in any

official language of the European Union and will subsequently be translated into English, German and French.

The European Patent Office is developing a highly accurate machine translation program that will expedite this process. Further, validation in individual countries, and the filing and attorneys’ fees associated with these validations, will no longer be required for the 25 member states.

Current expenditures to obtain patents in all European countries can be \$50,000, but under the unitary patent system, it is estimated that the cost will be less than \$7,000 to obtain protection in all 25 member states. Small- and medium-sized entities, for which funding is an issue, presumably will find this cost savings especially beneficial.

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Further, the unitary European patent will be valid in all European countries that participate in the program, allowing for broader protection for the patentee who may not otherwise enter as many European countries due to the expense.

However, the very feature that makes a unitary European patent so beneficial on the one hand may also come with risks. One of the largest stumbling blocks of the long negotiations toward a unified patent arrangement involved how a court system would be administered for unitary patents. A compromise was finally reached whereby the to-be-formed Unified Patent Court will eventually be the arbiter of all patent cases in Europe.

Under the current system, if a patentee's German patent is found to be invalid during litigation in Germany, the patentee's patent in France would not be affected unless a similar lawsuit is brought successfully in France. On the other hand, if a unitary European patent is found to be invalid in the Unified Patent Court, that invalidity decision would render the patent unenforceable in all 25 unitary European patent countries.

Some applicants, therefore, may find it worth paying the high costs of procuring patents individually in each country in order to avoid a broad-swipe cancellation of their patent protection throughout the majority of Europe.

Jan. 1, 2014, is the earliest date on which the new rules could come into effect; however, the legislation described above must be ratified by 13 European member states in order to be approved. Presuming that the legislation is ratified and the unitary European patent becomes reality, patent applicants will have three separate methods of obtaining patent protection in European countries.

The first method is currently in existence (and will remain so)

and involves entering each country separately through its national patent office. The second method, which is also available currently (and will remain so), entails applying for a patent through the European Patent Office and, upon grant, validating separately in each desired country; this is the so-called "classical" European patent.

The third method, the unitary patent, requires filing a patent application with the European Patent Office and designating the patent as a unitary European patent at the time of grant. Some countries are members of the European Patent Convention but are not participating in the unitary patent program (for instance, Spain and Italy); in this case, a patent applicant may wish to file for a unitary patent for the 25 member countries (the third method, above) and validate separately in other specific countries through the second method noted above.

Circumstance will determine which single method or combination of methods to obtain adequate patent coverage in Europe may be appropriate in each instance for each applicant.

While last month's positive vote does not guarantee that the unitary patent will come to fruition, it appears promising that, come January 2014, a single European patent may be an available option to patentees. The availability of three different options for patenting in Europe offers a great deal of choice for patent applicants. It will be intriguing to see how these options are utilized and how the European patent system handles the separate processes.

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