# Client Alert Commentary

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# **Germany Clears Path for European Unitary Patent System**

The new unitary patent system and the harmonized jurisdiction of a new Unified Patent Court will improve patent protection for patent owners in Europe.

On December 18, 2020, Germany cleared the path for the European Unitary Patent System, which is expected to launch early 2022. Germany was the last European state whose ratification was required. In November 2020, the German Bundestag approved the introduction of a European Unitary Patent (UP) and a Unified Patent Court. On December 18, the German Bundesrat agreed. (The German President still needs to sign the law before it comes into effect, however, this action is deemed to be a formality.) Germany will subsequently inform the Council of Europe Secretariat of the ratification, and the Unified Patent Court can then be established.

Patent users worldwide have been waiting for the European Unitary Patent for 45 years. With the introduction of the European Unitary Patent System, every holder of the new UP will enjoy protection in 24 participating Member States. Companies and individuals worldwide will be affected by this shift in the patent system if they seek patent protection in Europe.

Currently, companies and individuals are able to protect their inventions with a traditional European Patent. However, the traditional European Patent must be declared valid in each participating state in order to receive comprehensive protection and the result is a bundle of national rights. With the introduction of the new patent system, this will change. Once a European Patent has been granted, companies and individuals will be able to apply for simultaneous protection in 24 of the 27 Member States (all Member States excluding Croatia, Poland, and Spain). Applicants will be able to save time and money, given the fact that only one patent application will be necessary. As an additional benefit, annual fees for the UP will be paid centrally to the European Patent Office — meaning patent owners will no longer have to pay national renewal fees in different countries according to different fee scales.

The European Patent Office will establish a register for UPs. Transfers and assignments of rights and licences can then take place under a single legal system instead of numerous parallel proceedings in the individual countries, as is currently the case. The Unified Patent Court can be appealed for the enforcement or challenge of UPs in all participating Member States. The court will consist of a central chamber, with its seat in Paris and a division in Munich as well as further local and regional chambers. The Court of Appeal of the Unitary Patent Court will have its seat in Luxembourg.

The UP will not be introduced in the United Kingdom, which withdrew its consent to the European Patent Convention in July 2020. The United Kingdom's withdrawal may theoretically delay the implementation of the new Unitary Patent System. The current European system of patent protection will also remain in place. This means that patent applicants may choose to either apply for a traditional European Patent and national patents as before or a UP.

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