

The Unitary Patent as an object of property

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The Unitary Patent
as an object of property

Overview

- The concept of a patent
“as an object of property”
- Hot areas
 - entitlement
 - employee inventions
 - co-ownership
 - assignment and licence
 - levy of execution

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The Unitary Patent
as an object of property

The concept of a patent *"as an object of property"*

- A patent is usually considered for the right it confers to exclude others from using, making or selling the invention,
a subject of property
- But the patent should also be considered, for certain purposes, as an asset,
an object of property

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The Unitary Patent
as an object of property

The concept of a patent *"as an object of property"* applied to the Unitary Patent

The concept of a "*European patent with unitary effect as an object of property*" is used twice in Regulation (EU) N° 1257/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection:

- Chapter II, Article 5: Effects of a European patent with unitary effect
- Chapter III, Article 7: A European patent with unitary effect as an object of property

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European Patent with Unitary Effect: not a stateless patent

- The national law applicable to the Unitary Patent as an object of property defines the acts against which the patent provides protection (Art. 5 (3))
- The Unitary Patent as an object of property is treated as a national patent of a participating Member State determined by reference to the residence of the applicant (Art. 7 (1))

Articles 3, 5 and 7 Regulation (EU) N° 1257/2012

- Article 3 (2): (The European patent with unitary effect) *shall provide uniform protection and shall have equal effect in all the participating Member States.*
- Article 5 (3): *The acts against which the patent provides protection referred to in paragraph 1 and the applicable limitations shall be those defined by the law applied to European patents with unitary effect in the participating Member State whose national law is applicable to the European patent with unitary effect as an object of property in accordance with Article 7.*
- Article 7 (1): *A European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the participating Member State in which that patent has unitary effect and in which, according to the European Patent Register...*

Other IP rights *"as an object of property"*

The concept of an intellectual property right as an object of property is known in patent law and in other areas of intellectual property law:

- European patent applications
- Community trade marks and designs
- Community plant variety rights

The European Patent Convention

The European patent application as an object of property

Article 74: Law applicable

*Unless this Convention provides otherwise, the European patent **application as an object of property** shall, in each designated Contracting State and with effect for such State, be subject to the law applicable in that State to national patent applications.*

= national patent in each designated State

Regulation № 207/2009 of 26 February 2009 on the Community trade mark

The Community trade mark as an object of property

Article 16: Dealing with Community trade marks as national trade marks

1. Unless Articles 17 to 24 provide otherwise, a Community trade mark **as an object of property** shall be dealt with in its entirety, and for the whole area of the Community, as a national trade mark registered in the Member State in which, according to the Register of Community trade marks:

(a) **the proprietor has his seat or his domicile on the relevant date;**

(b) where point (a) does not apply, the proprietor has an establishment on the relevant date.

2. In cases which are not provided for by paragraph 1, the Member State referred to in that paragraph shall be the Member State in which the seat of the Office is situated.

3. If two or more persons are mentioned in the Register of Community trade marks as joint proprietors, paragraph 1 shall apply to the joint proprietor first mentioned; failing this, it shall apply to the subsequent joint proprietors in the order in which they are mentioned. Where paragraph 1 does not apply to any of the joint proprietors, paragraph 2 shall apply.

Regulation № 6/2002 on Community designs:

Title 3: Community designs as objects of property: same content

Single applicant


Determination of the applicable national law by reference to the applicant



1. A European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the participating Member State in which that patent has unitary effect and in which, according to the European Patent Register:
 - a. **the applicant had** his residence or principal place of business **on the date of filing of the application** for the European patent; or
 - b. where point (a) does not apply, the applicant had a place of business on the date of filing of the application for the European patent.

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Several applicants
**Determination of the applicable national law
by reference to the applicant**



2. Where two or more persons are entered in the European Patent Register as joint applicants, point (a) of paragraph 1 shall apply to the **joint applicant indicated first**. Where this is not possible, point (a) of paragraph 1 shall apply to the next joint applicant indicated in the order of entry. Where point (a) of paragraph 1 does not apply to any of the joint applicants, point (b) of paragraph 1 shall apply accordingly.

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No PMS applicant
**Determination of the applicable national law
by reference to the applicant**

3. Where **no applicant had his residence**, principal place of business or place of business **in a participating Member State** in which that patent has unitary effect for the purposes of paragraphs 1 or 2, the European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the State where the European Patent Organisation has its headquarters in accordance with Article 6(1) of the EPC.

= German law 

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Applicable law

Art. 5 Regulation indirectly refers to Art. 25-30 UPC Agreement

The diagram illustrates the legal framework for the Unitary Patent. It features three main components: 1) A box on the left representing 'Regulation 1257/2012' with 'Article 5', 'Former Articles 6-8', and 'Article 7'. A red arrow points from Article 5 to Article 7, with the text 'Article 5 Regulation refers to Article 7 Regulation for applicable national law'. 2) A box on the right representing the 'Art. 25-30 Agreement (scope of the right and limitations)'. 3) A central box representing 'Art. 25-30 Agreement are "national law"', which is framed by a multi-colored border (red, yellow, green) and labeled 'National law' at the bottom. Red arrows point from both the 'Regulation 1257/2012' box and the 'Art. 25-30 Agreement' box to this central box.

Article 5 Regulation refers to Article 7 Regulation for applicable national law

Art. 25-30 Agreement (scope of the right and limitations)

Art. 25-30 Agreement are "national law"

National law

Regulation 1257/2012

Art. 5, Former Articles 6-8, Article 7

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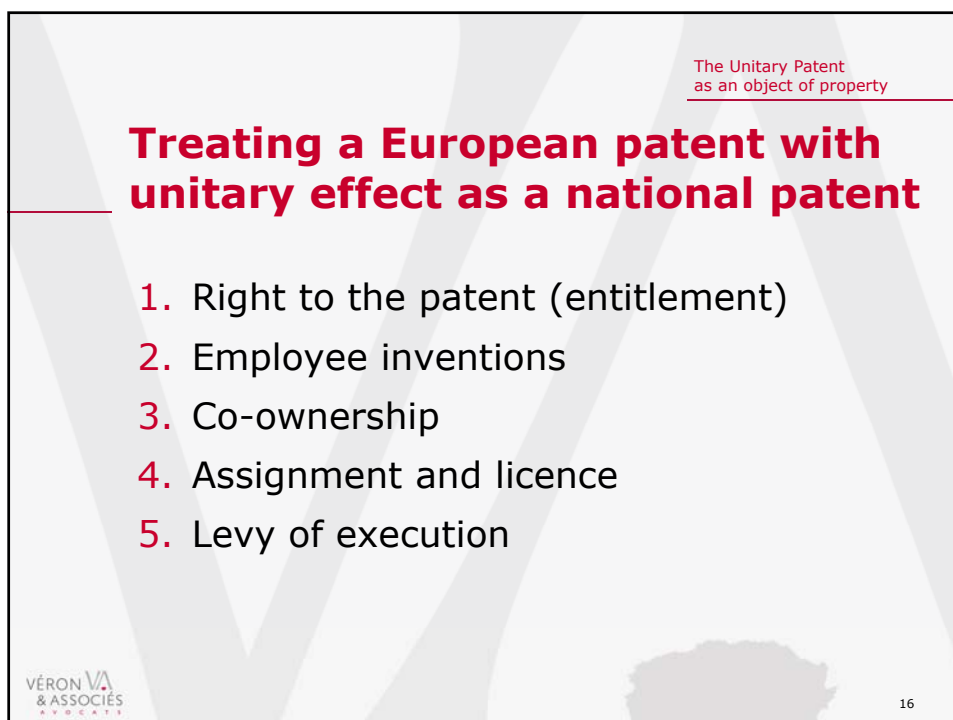
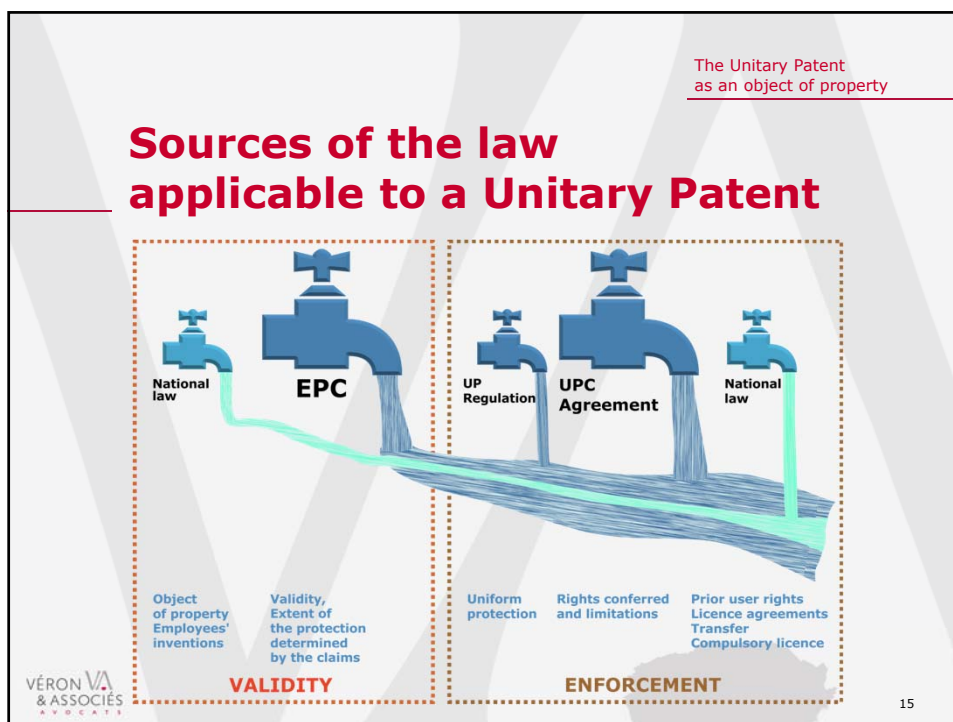
Uniform protection: conclusion

Reference to **national law** for the definition of the acts against which the patent provides protection is a *trompe l'œil* because all national laws of the participating Member States defining the acts against which the patent provides protection are indeed the same:

the Unified Patent Court Agreement

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Practical issues

Right to the patent (entitlement)

- Who is entitled to apply for a patent in case of joint research programmes?
- Stolen inventions?

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Article 60 EPC

Right to the patent (entitlement)

(1) The right to a European patent shall belong to the inventor or his successor in title. If the inventor is an employee [... other slide].

(2) If two or more persons have made an invention independently of each other, the right to a European patent therefor shall belong to the person whose European patent application has the earliest date of filing, provided that this first application has been published.

(3) In proceedings before the European Patent Office, the applicant shall be deemed to be entitled to exercise the right to a European patent.

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Jurisdictional issues

Right to a patent (entitlement)

Competence to decide on patent ownership issues

- National courts
Art. 32 (2) UPC Agreement gives jurisdiction to national courts for actions other than those listed in Art. 32 (1) UPC Agreement (infringement, non-infringement, revocation, etc.)
- Unified Patent Court
 - ▶ If entitlement is raised as a defence to a patent infringement action [Art. 32 (1) (a) UPC Agreement]
 - ▶ Would Art. 32 (2) UPC Agreement give **concurrent jurisdiction** to national courts and to the UPC for actions other than those listed in Art. 32 (1) UPC Agreement ?

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Practical issues

Employee inventions

- Who is entitled to a patent in case of employee inventions?
*"If the inventor is an employee, the right to a European patent shall be determined in accordance with **the law of the State in which the employee is mainly employed**; if the State in which the employee is mainly employed cannot be determined, the law to be applied shall be that of the State in which the employer has the place of business to which the employee is attached."*
Article 60 EPC
- Sums to be paid to the employee (fair price, additional remuneration, etc.):
law applicable to the working relationship

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Jurisdictional issues

Employee inventions

- National courts
 - ▶ In France: National Commission on Employee Inventions (CNIS) and *tribunal de grande instance de Paris*
 - ▶ In the UK: Patent Office or Patent Courts
 - ▶ In Germany: *Schiedsstelle* or *Landgerichte*
- UPC??

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Practical issues

Co-ownership

- Can a co-owner grant a licence of a Unitary Patent or assign its share of ownership?
- Which co-owner can commence infringement action?

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Co-ownership

Applicable law

- National law identified according to Art. 7 Regulation (NB: if several co-owners: first one mentioned is the most important)
- Co-owners may set up a co-ownership regime if the applicable national law allows it
- Issue governed by the UPC Agreement: right for a co-owner to commence infringement action: Art. 47 (1) Agreement and Rule 13 f)?

Jurisdictional issues

Co-ownership

Jurisdiction to decide on co-ownership issues

- National courts
Art. 32 (2) UPC Agreement gives jurisdiction to national courts for actions other than those listed in Art. 32 (1) UPC Agreement
- Unified Patent Court?
 - ▶ If a co-ownership issue is raised as a defence to a patent infringement action [Art. 32 (1) (a) UPC Agreement]
 - ▶ Would Art. 32 (2) UPC Agreement give **concurrent jurisdiction** to national courts and to the UPC for actions other than those listed in Art. 32 (1) UPC Agreement?

Co-ownership regime: differences in national laws

France: Art. L. 613-29 IPC

- Each co-owner can independently exploit the invention but **must pay a fair indemnity** to the other non-exploiting owners
- Each co-owner can start a patent infringement action but must notify the summons to the other co-owners
- Each co-owner can grant a non-exclusive licence but must pay a fair indemnity to the other co-owners
- Exclusive licence only with all co-owners' authorisation
- Assignment of the share of ownership possible, but an offer to purchase must be made to the other co-owners

Co-ownership regime: differences in national laws

The United Kingdom Patents Act 1977

- Each co-owner can independently exploit the invention themselves (or by an agent, short of a licence) without the others' consent and **without any accounting of profit**
- Co-owners cannot, however, assign or license a patent (even non-exclusively) without the consent of all co-owners
- A co-owner can independently start infringement proceedings, but has to include all other co-owners either as co-claimants or 'defendants' (to ensure they are notified and aware of the proceedings)

Co-ownership regime: differences in national laws

Germany: no specific statutory law provisions (general civil law principles):

- Each co-owner can independently exploit the invention themselves (or by an agent, short of a licence) without the others' consent
- **Compensation for the use by one co-owner for the others?** Under which circumstances?

Co-ownership regime: differences in national laws

Germany (cont'd)

- Co-owners can assign their share in the patent without the consent of all co-owners
- No assignment of a patent as a whole without the consent of the other co-owners
- No grant of a licence (exclusive or non-exclusive) without the consent of the other co-owners
- The co-owner can independently start infringement proceedings, but has to bring claims for all co-owners

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Practical issues

Assignment and licence

- In which conditions may a patent be assigned or licensed?
- What are the formal requirements for a patent assignment or licence agreements?
- Should the assignment or licence be registered in the Patent Register?
- Interpretation of the licence absent a choice of law by the parties

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Assignment and licence

Applicable law

- National law identified according to Art. 7 Regulation
- Conflict with Regulation N° 593/2008 on the law applicable to contractual obligations (Rome I): Art. 3 (freedom of choice) and 4 (characteristic performance)?
- Issues governed by the Regulation on UP
 - ▶ Art. 7-4 Regulation: "*The acquisition of a right may not be dependent on any entry in a national patent register.*"
 - ▶ Art. 47-2 UPC Agreement on actions initiated by a licensee

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Assignment and licence Differences between national laws

France Art. L. 613-8 Intellectual Property Code

- Assignment in writing only
- Patent can be enforced against the licensee in case of breach of the agreement
- Assignment has effect vis-à-vis third parties only after registration on French National Patent Register (conflict with Art. 7-4 Regulation on UP?)

Assignment and licence Differences between national laws

United Kingdom, Patents Act 1977

- Assignment in writing, signed by assignor
- Registration not required to confer rights against third parties but restrictions on legal cost recovery if transaction not registered before action started

Assignment and licence Differences between national laws

Germany

- No form prescribed for assignment
- May happen also orally or even implicitly;
problem: issues of proof and evidence
- Registration in the patent register at the GPTO
required to be able to bring claims for
infringement; if the assignor is still registered,
claims must reflect the assignment

Jurisdictional issues

Assignment and licence

Jurisdiction for disputes regarding patent assignment and grant of licence rights

- National courts for disputes regarding
assignment and licence
- UPC
 - ▶ Art. 32 (1) (a) UPC Agreement: counterclaims
concerning licences (e.g. validity of patent
assignment or licence as a condition of
admissibility of claim?)
 - ▶ For main actions?

Compulsory licence

Recital 10 of Regulation N° 1257/2012:

“Compulsory licences for European patents with unitary effect should be governed by the laws of the participating Member States as regards their respective territories”

Practical issues

Levy of execution

- Can a Unitary patent be levied in execution?
- What law governs the procedure for levy?

Levy of execution

- Applicable law: set by Art. 7 Regulation
- Relevant date to assess applicable law:
 - ▶ Art. 7 Regulation: on the date of filing of the application for the European patent
 - ▶ The law remains unchanged if the owner changes
 - ▶ A company's patent portfolio may be subject to different applicable laws

Jurisdictional issues

Levy of execution

- National courts
 - ▶ Art. 32(2) UPC Agreement gives jurisdiction to national courts for actions other than those listed in Art. 32(1) UPC Agreement
 - ▶ Which national court? Regulation N° 1215/2012 (Brussels I)?
- UPC??
 - ▶ If Art. 32(2) UPC Agreement only gives non-exclusive jurisdiction to national courts for actions other than those listed in Art. 32(1) UPC Agreement?

Tips

- Check your agreements (e.g. research agreement to specify the order of the names of the patent applicants; licence agreement about right to commence infringement proceedings)
- Check European Patent Register (also useful for classical (bundle) European patents for opt-out)

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Thank you

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