Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection

REGULATION (EU) No 1257/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

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implementing enhanced cooperation in the area of the creation of unitary patent protection

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union and in particular the first paragraph of Article 118 thereof,

Having regard to Council Decision 2011/167/EU of 10 March 2011 authorising enhanced cooperation in the area of the creation of unitary patent protection[(1)],

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure[(2)],

Whereas:

(1) The creation of the legal conditions enabling undertakings to adapt their activities in manufacturing and distributing products across national borders and providing them with greater choice and more opportunities contributes to the attainment of the objectives of the Union set out in Article 3(3) of the Treaty on European Union. Uniform patent protection within the internal market, or at least a significant part thereof, should feature amongst the legal instruments which undertakings have at their disposal.

(2) Pursuant to the first paragraph of Article 118 of the Treaty on the Functioning of the European Union (TFEU), measures to be taken in the context of the establishment and functioning of the internal market include the creation of uniform patent protection throughout the Union and the establishment of centralised Union-wide authorisation, coordination and supervision arrangements.

(3) On 10 March 2011, the Council adopted Decision 2011/167/EU authorising enhanced cooperation between Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, France, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom (hereinafter ‘participating Member States’) in the area of the creation of unitary patent protection.

(4) Unitary patent protection will foster scientific and technological advances and the functioning of the internal market by making access to the patent system easier, less

costly and legally secure. It will also improve the level of patent protection by making it possible to obtain uniform patent protection in the participating Member States and eliminate costs and complexity for undertakings throughout the Union. It should be available to proprietors of a European patent from both the participating Member States and from other States, regardless of their nationality, residence or place of establishment.

(5) The Convention on the Grant of European Patents of 5 October 1973, as revised on 17 December 1991 and on 29 November 2000 (hereinafter 'EPC'), established the European Patent Organisation and entrusted it with the task of granting European patents. This task is carried out by the European Patent Office (hereinafter 'EPO'). A European patent granted by the EPO should, at the request of the patent proprietor, benefit from unitary effect by virtue of this Regulation in the participating Member States. Such a patent is hereinafter referred to as a 'European patent with unitary effect'.

(6) In accordance with Part IX of the EPC a group of Contracting States to the EPC may provide that European patents granted for those States have a unitary character. This Regulation constitutes a special agreement within the meaning of Article 142 of the EPC, a regional patent treaty within the meaning of Article 45(1) of the Patent Cooperation Treaty of 19 June 1970 as last modified on 3 February 2001 and a special agreement within the meaning of Article 19 of the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883 and last amended on 28 September 1979.

(7) Unitary patent protection should be achieved by attributing unitary effect to European patents in the post-grant phase by virtue of this Regulation and in respect of all the participating Member States. The main feature of a European patent with unitary effect should be its unitary character, i.e. providing uniform protection and having equal effect in all the participating Member States. Consequently, a European patent with unitary effect should only be limited, transferred or revoked, or lapse, in respect of all the participating Member States. It should be possible for a European patent with unitary effect to be licensed in respect of the whole or part of the territories of the participating Member States. To ensure the uniform substantive scope of protection conferred by unitary patent protection, only European patents that have been granted for all the participating Member States with the same set of claims should benefit from unitary effect. Finally, the unitary effect attributed to a European patent should have an accessory nature and should be deemed not to have arisen to the extent that the basic European patent has been revoked or limited.

(8) In accordance with the general principles of patent law and Article 64(1) of the EPC, unitary patent protection should take effect retroactively in the participating Member States as from the date of publication of the mention of the grant of the European patent in the European Patent Bulletin. Where unitary patent protection takes effect, the participating Member States should ensure that the European patent is deemed not to have taken effect on their territory as a national patent, so as to avoid any duplication of patent protection.

(9) The European patent with unitary effect should confer on its proprietor the right to prevent any third party from committing acts against which the patent provides protection. This should be ensured through the establishment of a Unified Patent Court. In matters not covered by this Regulation or by Council Regulation (EU) No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of unitary patent protection with regard to the applicable translation arrangements[(3)], the provisions of the EPC, the Agreement on a Unified Patent Court, including its provisions defining the scope of that right and its limitations, and national law, including rules of private international law, should apply.

(10) Compulsory licences for European patents with unitary effect should be governed by the laws of the participating Member States as regards their respective territories.

(11) In its report on the operation of this Regulation, the Commission should evaluate the functioning of the applicable limitations and, where necessary, make appropriate proposals, taking account of the contribution of the patent system to innovation and technological progress, the legitimate interests of third parties and overriding interests of society. The Agreement on a Unified Patent Court does not preclude the European Union from exercising its powers in this field.

(12) In accordance with the case-law of the Court of Justice of the European Union, the principle of the exhaustion of rights should also be applied to European patents with unitary effect. Therefore, rights conferred by a European patent with unitary effect should not extend to acts concerning the product covered by that patent which are carried out within the participating Member States after that product has been placed on the market in the Union by the patent proprietor.

(13) The regime applicable to damages should be governed by the laws of the participating Member States, in particular the provisions implementing Article 13 of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights[(4)].

(14) As an object of property, a European patent with unitary effect should be dealt with in its entirety, and in all the participating Member States, as a national patent of the participating Member State determined in accordance with specific criteria such as the applicant's residence, principal place of business or place of business.

(15) In order to promote and facilitate the economic exploitation of an invention protected by a European patent with unitary effect, the proprietor of that patent should be able to offer it to be licensed in return for appropriate consideration. To that end, the patent proprietor should be able to file a statement with the EPO that he is prepared to grant a license in return for appropriate consideration. In that case, the patent proprietor should benefit from a reduction of the renewal fees as from the EPO's receipt of such statement.

(16) The group of Member States making use of the provisions of Part IX of the EPC may give tasks to the EPO and set up a select committee of the Administrative Council of the European Patent Organisation (hereinafter 'Select Committee').

(17) The participating Member States should give certain administrative tasks relating to European patents with unitary effect to the EPO, in particular as regards the administration of requests for unitary effect, the registration of unitary effect and of any limitation, licence, transfer, revocation or lapse of European patents with unitary effect, the collection and distribution of renewal fees, the publication of translations for information purposes during a transitional period and the administration of a compensation scheme for the reimbursement of translation costs incurred by applicants filing European patent applications in a language other than one of the official languages of the EPO.

(18) In the framework of the Select Committee, the participating Member States should ensure the governance and supervision of the activities related to the tasks entrusted to the EPO by the participating Member States, ensure that requests for unitary effect are filed with the EPO within one month of the date of publication of the mention of the grant in the European Patent Bulletin and ensure that such requests are submitted in the language of the proceedings before the EPO together with the translation prescribed, during a transitional period, by Regulation (EU) No 1260/2012. The participating Member States should also ensure the setting, in accordance with the voting rules laid down in Article 35(2) of the EPC, of the level of the renewal fees and the share of the distribution of the renewal fees in accordance with the criteria set out in this Regulation.

(19) Patent proprietors should pay a single annual renewal fee for a European patent with unitary effect. Renewal fees should be progressive throughout the term of the patent protection and, together with the fees to be paid to the European Patent Organisation during the pre-grant stage, should cover all costs associated with the grant of the European patent and the administration of the unitary patent protection. The level of the renewal fees should be set with the aim of facilitating innovation and fostering the competitiveness of European businesses, taking into account the situation of specific entities such as small and medium-sized enterprises, for example in the form of lower fees. It should also reflect the size of the market covered by the patent and be similar to the level of the national renewal fees for an average European patent taking effect in the participating Member States at the time when the level of the renewal fees is first set.

(20) The appropriate level and distribution of renewal fees should be determined in order to ensure that, in relation to the unitary patent protection, all costs of the tasks entrusted to the EPO are fully covered by the resources generated by the European patents with unitary effect and that, together with the fees to be paid to the European Patent Organisation during the pre-grant stage, the revenues from the renewal fees ensure a balanced budget of the European Patent Organisation.

(21) Renewal fees should be paid to the European Patent Organisation. The EPO should retain an amount to cover the expenses generated at the EPO in carrying out tasks in relation to the unitary patent protection in accordance with Article 146 of the EPC. The remaining amount should be distributed among the participating Member States and should be used for patent-related purposes. The share of distribution should be set on the basis of fair, equitable and relevant criteria, namely the level of patent activity and the size of the market, and should guarantee a minimum amount to be

distributed to each participating Member State in order to maintain a balanced and sustainable functioning of the system. The distribution should provide compensation for having an official language other than one of the official languages of the EPO, having a disproportionately low level of patenting activity established on the basis of the European Innovation Scoreboard, and/or having acquired membership of the European Patent Organisation relatively recently.

(22) An enhanced partnership between the EPO and central industrial property offices of the Member States should enable the EPO to make regular use, where appropriate, of the result of any search carried out by central industrial property offices on a national patent application the priority of which is claimed in a subsequent European patent application. All central industrial property offices, including those which do not perform searches in the course of a national patent-granting procedure, can play an essential role under the enhanced partnership, inter alia, by giving advice and support to potential patent applicants, in particular small and medium-sized enterprises, by receiving applications, by forwarding applications to the EPO and by disseminating patent information.

(23) This Regulation is complemented by Regulation (EU) No 1260/2012, adopted by the Council in accordance with the second paragraph of Article 118 of the TFEU.

(24) Jurisdiction in respect of European patents with unitary effect should be established and governed by an instrument setting up a unified patent litigation system for European patents and European patents with unitary effect.

(25) Establishing a Unified Patent Court to hear cases concerning the European patent with unitary effect is essential in order to ensure the proper functioning of that patent, consistency of case-law and hence legal certainty, and cost-effectiveness for patent proprietors. It is therefore of paramount importance that the participating Member States ratify the Agreement on a Unified Patent Court in accordance with their national constitutional and parliamentary procedures and take the necessary steps for that Court to become operational as soon as possible.

(26) This Regulation should be without prejudice to the right of the participating Member States to grant national patents and should not replace the participating Member States' laws on patents. Patent applicants should remain free to obtain either a national patent, a European patent with unitary effect, a European patent taking effect in one or more of the Contracting States to the EPC or a European patent with unitary effect validated in addition in one or more other Contracting States to the EPC which are not among the participating Member States.

(27) Since the objective of this Regulation, namely the creation of unitary patent protection, cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale and effects of this Regulation, be better achieved at Union level, the Union may adopt measures, where appropriate by means of enhanced cooperation, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION: