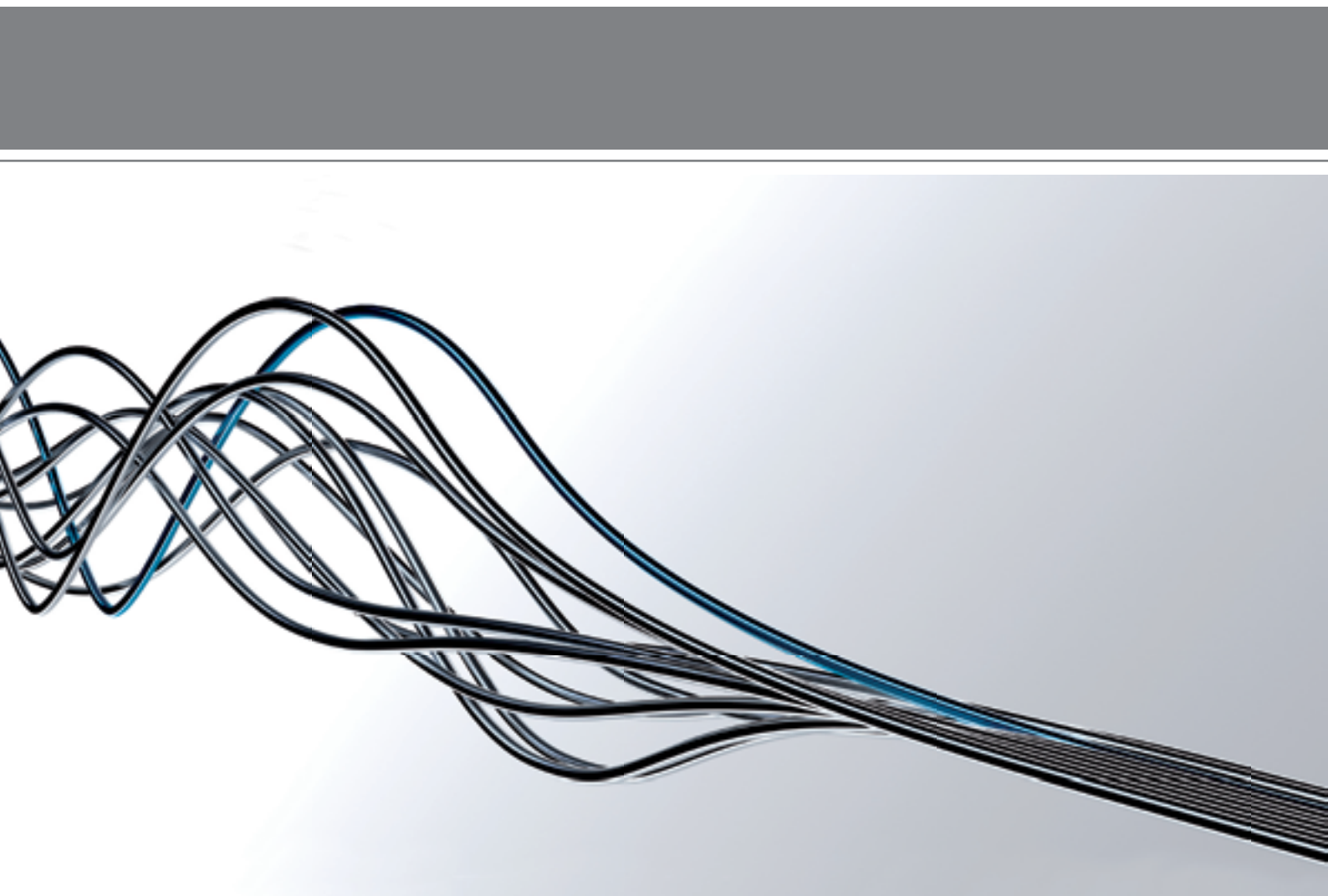




THE UNITARY PATENT SYSTEM

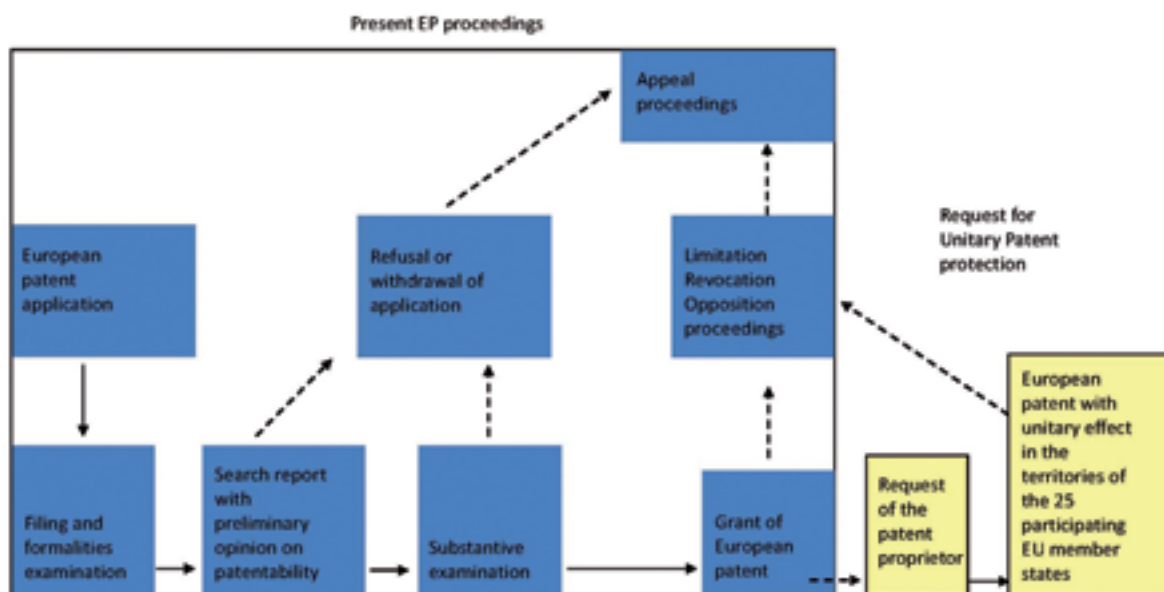


1. STATUS OF REFORMS

On December 11, 2012 the EU Parliament approved the implementation of the Unitary Patent System based on a Unitary Patent Regulation (Council Regulation (EU) No. 1257/2012 of December 17, 2012), a Translation Arrangements Regulation (Council Regulation (EU) No. 1260/2012 of December 17, 2012) and the Agreement on a Unified Patent Court signed by almost all contracting Member States on February 19, 2013. In order to avoid blocking of implementation by Italy and Spain, in March 2011 the EU Council authorized an enhanced cooperation of 25 EU Member States in order to establish the Unitary Patent (UP) for their territories. Spain and Italy did not participate and brought an action before the CJEU against the enhanced cooperation which has been rejected by the CJEU on April 16, 2013. Spain has brought another action before the CJEU end of March 2013 against the regulations. Implementation of the court system is foreseen in 2015 provided that the CJEU will consider the regulations to be legal and ratification of the Agreement on a Unified Patent Court by the national parliaments of at least 13 contracting Member States including France, Germany and the United Kingdom is completed.

2. PROSECUTION OF UNITARY PATENTS

It is foreseen to have one single application and examination procedure for UPs and traditional EPs (European Patents). The patentee can decide within one month after grant whether they would like a UP. If a corresponding request is not filed, then they may validate the EP patent in the respective designated states according to the current procedures.



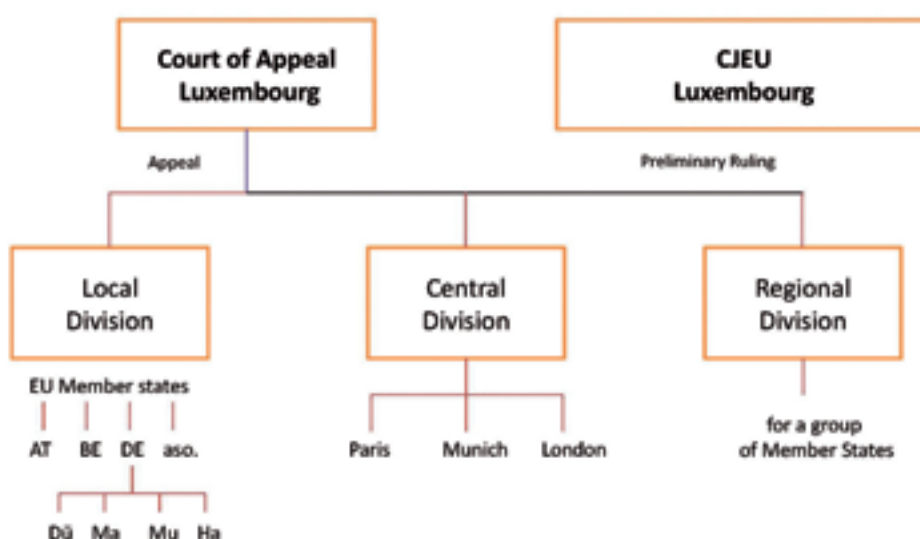
Prosecution of Unitary Patents

The applicant can file the application under the existing EPO language regime based on the three official languages English, German or French. During a transitional period, after grant the applicant has to provide a translation of the specification into English if the language of proceedings is French or German, or – if the language of proceedings is English – into one other official language of the EU. After the transitional period – which ends once high-quality machine translation is available for all official languages of the Member States or after 12 years – no further translations shall be required for unitary patent protection.

The amount of registration and renewal fees is expected to be in the range of fees for approximately three national validations.

3. COURT SYSTEM

The Unified Patent Court (UPC) will have a first instance with local divisions in the participating Member States, regional divisions for a group of Member States and a central division located in Paris with branches in Munich (for mechanical engineering) and London (for chemistry, pharmaceuticals and human necessities). The local divisions in Germany will be in Düsseldorf, Mannheim, Hamburg and Munich. The second instance with a common Court of Appeal is located in Luxembourg.



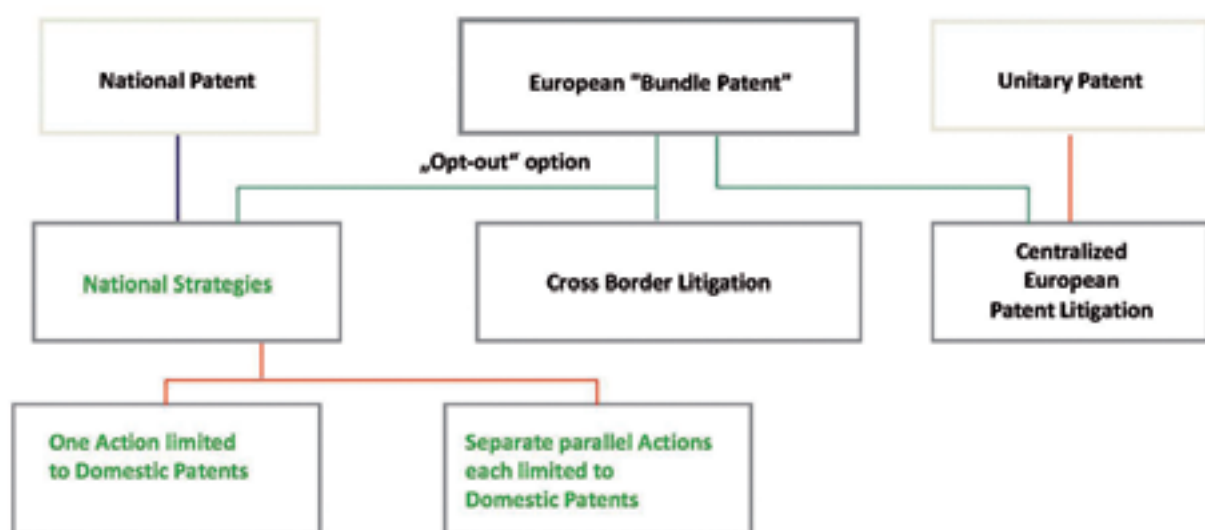
Unitary Patent Court

4. ENFORCEMENT OF UNITARY PATENTS

The UPC will have exclusive jurisdiction in respect of infringement suits, licensing matters, requests for preliminary injunctions, declarations of non-infringement and actions or counterclaims for revocation. A suit based on the new UP can be filed in every local division where the allegedly infringing product is used or where the defendant is located. In case of EU-wide offering and distribution of allegedly infringing products, the holder of the UP can choose between the available local or regional divisions in the EU Member States. Revocation actions shall be brought before the central division. Counterclaims for nullity filed as response to an infringement suit will, however, be handled by local divisions with the possible reaction either to decide on claim and counterclaim, to refer the case for decision to the central division (upon agreement of the parties) or to stay infringement proceedings and refer the revocation matter to the central division.

The first-instance proceedings can be conducted in an official language of the respective member state, an official language designated by that state or the language of the patent if agreed by parties and approved by the panel. The language of the patent will be used before the central division and the language of first-instance proceedings or, if the parties agree, the language of the patent, can be used in the appeal proceedings.

The infringement decisions of the UPC will have unitary effect for all countries having ratified the respective UPC agreement. Revocation of the unitary patent results in invalidation in the entire European Union.



Enforcement Strategies

5. TRANSITIONAL PERIOD

Within a transitional period of at least seven years (extendable for another seven years), proceedings for infringement and/or revocation concerning traditional European patents (EPs) may still be initiated before the national courts.

Within the transitional period, applicants have the possibility to “opt out” from the exclusive competence of the UPC. Upon notification of the patent holder the Agreement on a Unified Patent Court shall not apply to those EPs which are granted or applied for during the transitional period unless proceedings before the UPC have been commenced already. The enforcement of traditional EPs for which an “opt out” motion is filed is based on the principle of territoriality within the existing system of national courts. These patents are only valid in the territory of the state for which they have been granted. They remain independent from each other and are governed by the respective national laws. The plaintiff may confine himself to a single national assertion of such patent rights and file one action in one country or may file in parallel several separate patent infringement actions before the respective competent national courts of the designated Contracting States of the European patent. In interlocutory injunction proceedings it will even be possible to seek for cross-border injunctions based on the Council Regulation (EC) No. 1257/2012 of December 17, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Brussels Regulation).

Unless an action has already been brought before a national court, proprietors of EPs shall be entitled to withdraw their “opt out” and “opt in” at any moment.

6. JUDGES AND ATTORNEYS

It is foreseen to have a multinational composition of the UPC. The Local Chambers will consist of three lawyers with the possibility of allocating a technical judge, whereas the Central Chamber comprises two lawyers and one technical judge. The Court of Appeal consists of three lawyers and two technical judges. Attorneys-at-law as well as patent attorneys with an additional qualification are entitled to act as professional representatives before the UPC.

The patent attorneys and the attorneys-at-law of Vossius & Partner are admitted before all European local divisions as well as the central division in Munich, Paris and London and before the Court of Appeal in Luxembourg.

Please do not hesitate to contact us if you have any further questions relating to the new Unitary Patent System. We will also be glad to assist you in devising the optimum strategy for prosecuting and enforcing your patent applications and patents, particularly in the upcoming transitional period.



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