

Collegio Italiano
dei
Consulenti in Proprietà Industriale

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Position on unitary patent of Collegio Italiano dei Consulenti in Proprietà Industriale

Collegio Italiano dei Consulenti in Proprietà Industriale, whose members act in front of patent offices and courts on behalf of large industries, SMEs, universities and individuals, not necessarily patent owners, notices that the last proposal of Regulation (11328/11) of 23 June 2011 on the unitary patent and the relevant translation regime, though having apparent advantages, involves at least three important problems (discrimination, costs, weakness) which could create severe distortions in the market especially to the detriment of the Italian enterprises, as it will be explained hereunder.

1. Linguistic discrimination

The linguistic regime of the European patent is already discriminatory now, since it favors the patentees of the European countries in which English, French or German is spoken (which, incidentally, are the richest and most powerful ones).

However, the present trilinguism is mitigated by the fact that each owner must file at least the translation of the patent claims to obtain the protection in a country, so that everyone in that country can read the actual scope of protection of the patent in his own language, which is a fundamental principle of patent systems all over the world.

The linguistic regime of the unitary patent, by providing on the contrary for the translation of the claims exclusively in three languages, not only does not decrease but even amplifies the present discrimination, since it forces everyone to translate on his own, at his own expenses and under his own responsibility each patent for determining its scope of protection, with the exception of the English, German or French enterprises, which would thus be further favored.

Moreover, according to the last proposal of Regulation on the unified patent court (11533/11), the nullity actions could be done only in the language of grant, so that those needing to invalidate a patent granted in a language different from their own one would be forced to start the action in a foreign language, very likely in a foreign country, without even the possibility of choosing English as the language of the procedure if the patent was granted in German or French. This is a huge privilege for the owners speaking one of the three languages, especially for the German enterprises which have a large part of the European patents, and consequently for the German attorneys and counsels, which would then practically benefit of an exclusive right for these actions.

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It is therefore evident that the present linguistic regime of the unitary patent is highly discriminatory.

2. Costs

As seen above, the unitary patent provides that the patent translation costs are put on the shoulders of third parties, with the aggravating circumstance that a single patent could be translated many times in the same language by different enterprises operating in the same country, thus with the paradoxical effect that the total costs of the system will be higher than now.

Said provision could also weaken the legal certainty, since a precautionary translation done by third parties, even if accurate, could anyway not correspond to the legally binding one carried out by the patentee in case of dispute (a single term can be translated in different ways), with the aggravation that the patentee could "bias" the translation by already knowing the specific subject-matter of the dispute.

Furthermore, the transitory regime of the unitary patent provides for its translation into a second language, however without any legal value and without quality controls, which makes this translation useless for ensuring the rights of third parties, thus being only a screen to the iniquity of the system.

The fees (about 6500 Euro on average) spent for obtaining a European or unitary patent will be anyway very high, namely more than twice the fees for US patents (about 2400 Euro on average), with the further mockery that the US Patent Office grants a 50% reduction to European SMEs, while there is no provision in favor of the SMEs in the unitary patent (which favors mainly the large industry, thus contradicting the declarations of principle). By the way, the proposed Regulation provides for a clause which ensures the balanced budget of the European Patent Organization, which is in perspective an outlook of future fee increases.

Last but not least, the annuities of a unitary patent cannot be modulated as today according to the countries in which the protection is desired and, as an effect of what has been previously explained, they will be probably higher than those of an average European patent (5 most important countries), with the consequence that in the end the total costs of the unitary patent will be higher than those of the present system.

3. Weakness of the protection

In order to compensate for the absence of translations, the present proposal provides for a particular safety clause for the alleged infringers, who can in certain conditions invoke the ignorance of the patent before they get its translation.

This makes the unitary patent weaker and thus less effective than both the European patent and the national patents.

Possible solutions

In order to overcome said problems, only the English language, as requested by Italy, should be adopted for the whole patenting procedure (except the initial filing, as usual), so as to significantly decrease the costs and the problems caused by trilinguism.

This would also allow to have all the documents (applications, examination files and patents) in English, with the further advantage of decreasing the number of prior documents in German and French cited in the patent searches.

A positive consequence of monolingualism is that nullity actions would be carried out only in English, rather than also in French or German, so as to reduce the litigation costs and limit the privileges for French and German patentees, attorneys and counsels to the detriment of the colleagues of other Member States, thus avoiding a further discrimination and distortion of competition in the professional fields active in the Industrial Property and a shift of workplaces in favor of the countries using the above languages.

For this purpose, it could be for example foreseen that only European patents granted in English could be converted into unitary patents, of course with a transitory regime in which the patents granted in French or German would be translated into English, obviously with a translation having a full legal value also for nullity actions.

Such a solution should not require amendments to the European Patent Convention and could rather stimulate the adoption of monolingualism in the same Convention, with a consequent reduction of the costs (and of the high fees, hopefully) of the European Patent Office.

However, the translation of the sole claims in the other languages of the EU countries should be maintained, with the legal value of the translation in the language of the individuals or juridical persons involved in a patent dispute.

This would not only put these countries on the same level but also drastically knock down the present validation costs (from about 32000 Euro to about 6000 Euro according to EU estimates, with market values which should be even lower) and more in general the costs of the whole system, since all EU citizens could know the real scope of protection of a patent without translating it every time at their own costs.

This would also strengthen the unitary patent, since the safety clause for the alleged infringers would not be necessary anymore, thus ensuring at the same time the legal certainty, since the patentees could not adapt the scope of protection *post factum* with "biased" translations.

National question

If Italy remains outside the enhanced cooperation on the unitary patent, Italian enterprises not only could obtain anyway the unitary patents as the foreign enterprises, but would also have the advantage, with respect to foreign patentees, of being free from translation costs for obtaining a protection in our Country. As a matter of fact, Italian enterprises are almost always owners of a corresponding Italian patent or they file anyway the European applications in Italian to obtain reductions on the filing or search fees and in any case they would be able to retranslate the text in their own language at negligible costs.

Furthermore, also without adhering to the enhanced cooperation, Italy will be always fully entitled to discuss and subscribe the future Regulation on the unified patent court, since the latter will have an exclusive competence both on unitary patents and patents granted on the basis of the European Patent Convention, which has been ratified by Italy.

Moreover, the Regulation on the unitary patents will probably enter into force only in many years from now, after the approval and the setting up of the system of the unified patent court, which provides, among other things, for the creation of new courts, as well as the appointment and training of an adequate number of specialized and technical judges.

Therefore, there is no reason why Italy should adhere to the enhanced cooperation, so much the less in a short time, unless the proposed system is amended and Italy obtains:

- a) that the unitary patents are prosecuted and granted in English and the claims are translated also in Italian;
- b) the seat of the unified patent court (Italy is the only big country which does not have EU seats of significant importance nor any EU body in the Intellectual Property field, although it is one of the major countries in terms of filing of patents, designs and trademarks);
- c) the guarantee that the Italian share of the annuities of the unitary patents will be at least the same as the present income resulting from the annuities of the European patents in Italy, since the prior art searches on the Italian patent applications, which constitute a significant advantage for the Italian enterprises, are financed by the annuities.

A further important condition, also at a political level, would be the introduction of fee reductions, in particular on the annuities, reserved to the SMEs, which are the backbone of the Italian industrial system.

Conclusions

Collegio Italiano dei Consulenti in Proprietà Industriale,

considering that

- a patent system, also at a European level, is balanced if it guarantees the rights of all the users of the system;
- it is a general interest that all the documents are available at least in English and that at least the claims of the patents are available, with a full legal value, also in the language of the countries in which they are in force;
- the costs of the system are paid by the patent owners

believes that

the proposed unitary patent system, in its present form, is disadvantageous for most of the users of the system, in particular for the Italian medium and small enterprises, since it is more discriminatory, more expensive and less effective than the present European system, and

urges that

corrective elements are introduced, such as in particular the grant of the unitary patents only with an English description and claims in all EU languages, without clauses in favor of alleged infringers, so as to re-balance and strengthen the whole patent system and further that the role of Italy in Industrial Property is recognized by establishing the seat of the unified patent court in Italy.

The President
Giorgio Lotti

