



Institut der beim Europäischen Patentamt zugelassenen Vertreter  
Institute of Professional Representatives before the European Patent Office  
Institut des mandataires agréés près l'Office européen des brevets

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Mr Jérôme Debrulle  
Chairman of the Select Committee  
European Patent Office  
Bob-van-Bentham-Platz 1  
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29 May 2015

### **epi Note on Fees relating to the Unitary Patent**

Dear Mr Debrulle,

Please find attached a note on the fees relating to the Unitary Patent in response to the discussions at the meetings of the Select Committee. This note has been prepared by the EPO Finances Committee of the **epi**, chaired by Jim Boff.

The **epi** would like to stress that it is of the utmost importance to achieve a system which is legally compliant with both the Unitary Patent Regulation and the European Patent Convention. Now that the Spanish challenges have been disposed of, it is strongly recommended to avoid further legal objections to the Unitary Patent system. For this reason, we encourage the Select Committee to take the attached paper into due consideration.

Best regards,

A handwritten signature in blue ink, appearing to be 'AT', with a long horizontal line extending to the right.

Antonius Tangena  
President

Attached: **epi** Note on Fees relating to the Unitary Patent

Cc: Mr Benoît Battistelli, Mr Raimund Lutz

**President • Antonius Tangena**

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## Note on fees relating to the unitary patent

1. The operating income of the European Patent Office [EPO] predominantly comprises procedural fees, renewal fees on pending applications, and renewal fees on granted patents.
2. Under Article 39 EPC, renewal fees on granted patents are shared between the EPO and the national offices where the patent is validated.<sup>1</sup>
3. Part IX of the EPC comprises Articles 142-149a.
4. Article 142 EPC applies where a group of Contracting States, has provided by a special agreement that a European patent granted for those States has a unitary character throughout their territories. In such circumstances the provisions of Part IX apply<sup>2</sup>
5. Article 143 EPC permits the group of Contracting States to give additional tasks to the European Patent Office<sup>3</sup>
6. Article 146 EPC provides that **the group of Contracting States shall bear the expenses incurred by the Organisation in carrying out these tasks**<sup>4</sup>
7. The Unitary Patent Regulation (UPR) is a special agreement under Part IX of the EPC<sup>5</sup>.

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<sup>1</sup> Article 39 EPC

- (1) Each Contracting State shall pay to the Organisation in respect of each renewal fee received for a European patent in that State an amount equal to a proportion of that fee, to be fixed by the Administrative Council; the proportion shall not exceed 75% and shall be the same for all Contracting States. ....

<sup>2</sup> Article 142 EPC

- (1) Any group of Contracting States, which has provided by a special agreement that a European patent granted for those States has a unitary character throughout their territories, may provide that a European patent may only be granted jointly in respect of all those States.
- (2) Where any group of Contracting States has availed itself of the authorisation given in paragraph 1, **the provisions of this Part shall apply.**

<sup>3</sup> Article 143 EPC

- (1) The group of Contracting States may give additional tasks to the European Patent Office.
- (2) Special departments common to the Contracting States in the group may be set up within the European Patent Office in order to carry out the additional tasks. The President of the European Patent Office shall direct such special departments; Article 10, paragraphs 2 and 3, shall apply mutatis mutandis.

<sup>4</sup> Article 146 EPC

Where additional tasks have been given to the European Patent Office under Article 143, **the group of Contracting States shall bear the expenses incurred by the Organisation in carrying out these tasks.** Where special departments have been set up in the European Patent Office to carry out these additional tasks, **the group shall bear the expenditure on staff, premises and equipment chargeable in respect of these departments.** Article 39, paragraphs 3 and 4, Article 41 and Article 47 shall apply mutatis mutandis.

8. According to Recital 21 UPR Article 146 EPC applies<sup>6</sup>.
9. Article 9 UPR provides that the Member States shall ensure compliance with the Regulation in fulfilling their international obligations undertaken in the EPC, and this recognises that there are international obligations<sup>7</sup>.
10. Article 10 UPR provides that the expenses incurred by the EPO in carrying out the additional tasks given to it shall be covered by the fees generated by the European patents with unitary effect<sup>8</sup>.

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<sup>5</sup> Recital 6 UPR

**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.

Article 1(2) UPR

**This Regulation constitutes a special agreement within the meaning of Article 142 of 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').

<sup>6</sup> Recital 21 UPR

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.

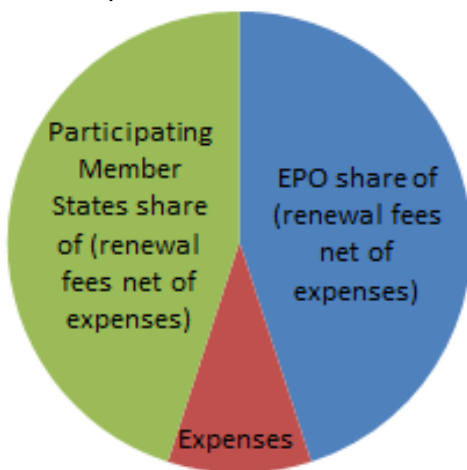
<sup>7</sup> Article 9 UPR

- (1) The participating Member States shall, within the meaning of Article 143 of the EPC, give the EPO the following tasks, to be carried out in accordance with the internal rules of the EPO:.....[matter not shown for clarity]
- (2) **The participating Member States shall ensure compliance with this Regulation in fulfilling their international obligations undertaken in the EPC** and shall cooperate to that end. In their capacity as Contracting States to the EPC, the participating Member States shall ensure the governance and supervision of the activities related to the tasks referred to in paragraph 1 of this Article and shall ensure the setting of the level of renewal fees in accordance with Article 12 of this Regulation and the setting of the share of distribution of the renewal fees in accordance with Article 13 of this Regulation.

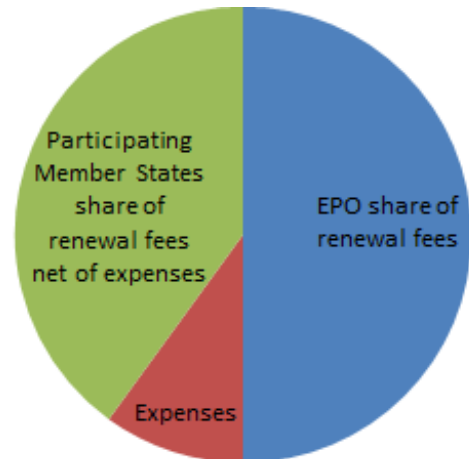
<sup>8</sup> Article 10 UPR

The expenses incurred by the EPO in carrying out the additional tasks given to it, within the meaning of Article 143 of the EPC, by the participating Member States shall be covered by the fees generated by the European patents with unitary effect.

11. Renewal fees are the only fees specifically provided for in the UPR and fee income should cover all costs<sup>9</sup>. There appears to be no legal basis for charging any other fees, for example for recording transfers.
12. Article 13(1) UPR states that the EPO shall retain 50% of the renewal fees<sup>10</sup>.
13. Alternative suggestions have been made as to how the Regulation should be applied:-
- A) Apply Article 10 first to deduct from the renewal fees the expenses incurred by the EPO in carrying out the additional tasks given to it, and then apply Article 13 to divide the remaining renewal fees by 50% between the EPO and the participating Member States
  - B) Apply Article 13 first to divide the renewal fees by 50% between the EPO and the participating Member States, and then deduct from the participating Member States' share, the expenses incurred by the EPO in carrying out the additional tasks given to it
14. The pie charts below show the situation on these interpretations.



Interpretation A



Interpretation B

<sup>9</sup> Recital 20 UPR

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.

<sup>10</sup> Article 13(1) UPR

The EPO shall retain 50 per cent of the renewal fees referred to in Article 11 paid for European patents with unitary effect. The remaining amount shall be distributed to the participating Member States in accordance with the share of distribution of the renewal fees set pursuant to Article 9(2).



15. Interpretation A):-

- complies with Article 10 UPR in that the expenses incurred by the EPO in carrying out the additional tasks given to it are covered by the fees generated by the European patents with unitary effect
- does not comply with Article 13 UPR since the EPO are not receiving 50% of the renewal fees but 50% of (the renewal fees less expenses)
- does not comply with EPC Article 146 EPC since the group of Contracting States will not have borne the expenses incurred by the Organisation but instead these costs will have been shared with the EPO.

16. Interpretation B):-

- complies with Article 10 UPR in that the expenses incurred by the EPO in carrying out the additional tasks given to it are covered by the fees generated by the European patents with unitary effect
- complies with Article 13 UPR since the EPO are receiving 50% of the renewal fees and the participating Member States are receiving the remaining amount (net of their obligations under the EPC)
- complies with EPC Article 146 EPC since the group of Contracting States will have borne the expenses incurred by the Organisation (from their share of the renewal fees).

17. Interpretation B) that complies with both the UPR and EPC is to be preferred to interpretation A) that complies with neither.