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Conseil d'administration

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TITLE:

Implementation of the 14th package of EU sanctions against Russia in procedures related to the Unitary Patent – amendment to the Rules relating to Unitary Patent Protection

SUBJECT:

Implementation of the 14th package of EU sanctions against Russia in procedures related to the Unitary Patent

SUBMITTED BY:

President of the European Patent Office

ADDRESSEES:

Select Committee of the Administrative Council (for decision)

MAJORITY:

Three-quarters (Article 9(5)(i) of the Rules of Procedure of the Select Committee)

LEGAL BASIS:

Rule 2(1)(a) of the Rules relating to Unitary Patent Protection

RECOMMENDATION:

The Select Committee is requested to approve the proposed amendment to the Rules relating to Unitary Patent Protection.

SUMMARY:

The present document proposes to amend Rule 5(2) of the Rules relating to Unitary Patent Protection (UPR) so as to provide that unitary effect may be registered only if the proprietor of the European patent is not subject to the restrictive measure laid down in Article 5s(2) of Regulation (EU) No 833/2014 as amended by Regulation (EU) 2024/1745, having regard to Article 5s(5) of that amended Regulation. If unitary effect cannot be registered under Rule 5(2) UPR as so amended, the European Patent Office would reject the request for unitary effect under Rule 7(2) UPR.

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PART I

1. Introduction

1. On 24 June 2024, the Council of the European Union (EU) adopted a 14th package of economic and individual restrictive measures in view of Russia's actions destabilising the situation in Ukraine. The package imposes restrictions on accepting applications for registration in the EU of certain intellectual property rights from Russian nationals and companies residing or established in Russia, with exceptions applying to nationals of an EU Member State, of a country member of the European Economic Area (EEA) or of Switzerland and to natural persons having a temporary or permanent residence permit in an EU Member State, in an EEA country member or in Switzerland.
2. Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, as amended by Regulation (EU) 2024/1745, now includes an Article 5s on the handling of intellectual property rights. Article 5s(2) provides that EU Member States, in their capacity as contracting states to the European Patent Convention (EPC) and in fulfilling their international obligations undertaken in the EPC, must use best efforts to ensure that the European Patent Office (EPO) refuses requests for unitary effect within the meaning of Regulation (EU) No 1257/2012 of the European Parliament and of the Council that are filed by Russian nationals or natural persons residing in Russia, or by legal persons, entities or bodies established in Russia, including if jointly filed by a Russian national or natural persons residing in Russia, legal persons, entities or bodies established in Russia with one or more non-Russian natural or legal person resident or established outside of Russia. Pursuant to Article 5s(5), Article 5s(2) does not apply to nationals of an EU Member State, of an EEA country member or of Switzerland or to natural persons having a temporary or permanent residence permit in an EU Member State, in an EEA country member or in Switzerland.
3. Following publication of the EU's 14th package of sanctions against Russia in Regulation (EU) 2024/1745, the President of the EPO decided under Rule 3 of the Rules relating to Unitary Patent Protection (hereinafter "UPR") to take the precaution of staying proceedings for the registration of unitary effect in the Register for Unitary Patent Protection *ex officio* where the request for unitary effect is/was filed or co-filed by natural or legal persons falling under the scope of the sanctions package (see the notice from the European Patent Office dated 10 July 2024 concerning the staying of proceedings for the registration of unitary effect as a precautionary measure due to the EU's 14th package of sanctions against Russia, OJ EPO 2024, A70). So far, the proceedings for the registration of unitary effect have been stayed in seven cases.
4. At the 32nd meeting of the Select Committee of the Administrative Council (Munich, 9 and 10 October 2024) an exchange of views took place on the implementation of the sanction package against Russia in procedures related to the Unitary Patent. A presentation was given by the EPO as a basis for said exchange of views, reporting about the above-mentioned staying of proceedings and providing a proposal for a possible amendment to Rule 5(2) UPR.

5. The Committee gave a unanimous favourable opinion on the proposed amendment of Rule 5(2) UPR and on the proposal of the chairperson that the Committee take a vote by written procedure on a draft decision on the amendment of Rule 5(2) UPR, to be submitted as soon as possible by the President of the EPO.

2. Amendment to Rule 5(2) UPR

6. Rule 5 UPR sets out the requirements for the registration of unitary effect. Paragraph 1 reflects the fact that procedurally, under Regulation (EU) No 1257/2012, unitary patent protection is obtained by a formal request of the proprietor of the European patent, to be filed with the EPO. Paragraph 2 sets out the "substantive" requirements for obtaining unitary effect. It sticks to the wording of Article 3(1) in conjunction with Recital 7 of Regulation (EU) No 1257/2012: unitary effect is registered only where the European patent has been granted with the same set of claims for all the participating member states, irrespective of whether these states have ratified the UPC Agreement or not.
7. It is proposed to amend paragraph 2 of Rule 5 UPR so as to provide an express legal basis in the UPR for the EPO to register unitary effect only where the proprietor of the European patent is not subject to the specific restrictive measure laid down in Article 5s(2) Regulation (EU) No 833/2014 as amended by Regulation (EU) 2024/1745, having regard to the exemptions under Article 5s(5).
8. Proposed amended paragraph 2 of Rule 5 UPR reads as follows:

"Unitary effect shall be registered only if

(a) the European patent has been granted with the same set of claims in respect of all the participating Member States, and

(b) the proprietor of the European patent is not subject to the restrictive measure laid down in Article 5s(2) of Regulation (EU) No 833/2014 as amended by Regulation (EU) No 2024/1745, having regard to Article 5s(5) of that amended Regulation."
9. This amendment would give the EPO a clear legal basis for rejecting requests for unitary effect under Rule 7(2) UPR where the proprietor of the European patent falls under the scope of proposed Rule 5(2)(b) UPR.
10. Before the EPO rejects a request for unitary effect on the basis of Rule 7(2) UPR, it will, of course, have to give the requesting proprietor of the European patent the opportunity to comment, i.e. send out at least one communication inviting the proprietor to comment under Article 113(1) EPC, which applies pursuant to Rule 20(1) UPR (for the common procedure under Rule 7 UPR, see also document SC/D 1/15, point 4), and, where applicable, to invoke any of the exceptions referred to in Article 5s(5) of Regulation (EU) No 833/2014.
11. If the EPO were to reject a request for unitary effect under proposed Rule 5(2)(b) UPR, the proprietor of the European patent would not be able to re-file a request for unitary effect once the EU sanctions are subsequently rescinded. The proprietor of the European patent could bring an action before the Unified Patent Court (UPC) against the EPO's decision to reject the request for unitary effect (see Article 32(1)(i) UPC Agreement).

12. About 80 European patents per year are granted to European patent proprietors potentially falling under the EU sanctions (average figures for 2022 and 2023). Therefore, based on the current uptake-rate of currently 25% for Russia, around 20 requests for unitary effect could be affected.
13. As regards the transitional provisions, it is proposed that amended Rule 5(2) UPR apply to requests for unitary effect pending on the date of its entry into force and to those filed on or after that date. This means that, as pending requests for unitary effect, the requests in respect of which the EPO has stayed registration proceedings as a precautionary measure (see the notice from the European Patent Office dated 10 July 2024 concerning the staying of proceedings for the registration of unitary effect as a precautionary measure due to the EU's 14th package of sanctions against Russia) will be covered by the amended rule.
14. It is also proposed that amended Rule 5(2) UPR be automatically repealed, i.e. cease to have effect, on the date Article 5s(2) of Regulation (EU) No 833/2014 as amended by Regulation (EU) 2024/1745 ceases to have effect, and that it be replaced by Rule 5(2) UPR as in force prior to the amendment. Finally, as regards informing users, the EPO will publish information in the form of "notices from the European Patent Office" on the entry into force and application of the proposed new provision and on the date on which it ceases to have effect.
15. It is to be noted that the staying of proceedings decided by the President of the EPO as a precautionary measure can be maintained until the entry into force of the decision of the Select Committee on the proposed amendment to the UPR. When the proposed amendment to the UPR enters into force, the President of the EPO would inform users via a notice from the EPO about this amendment and about the fact that the stayed proceedings are resumed. The EPO would then be able to reject requests for unitary effect in respect of which it had stayed proceedings and to reject newly filed requests for unitary effect, i.e. requests filed on or after the date of entry into force of the Select Committee's decision amending the UPR.
16. A draft decision of the Select Committee is attached, as is a comparative table showing the existing wording of current Rule 5 and its possible amendment (Annex 1).

3. Financial implications

17. Not applicable

4. Documents cited

18. Regulation (EU) No 833/2014; Regulation (EU) 2024/1745 amending Regulation (EU) No 833/2014; Regulation (EU) No 269/2014 (as last amended by Regulation (EU) No 2023/2873).

PART II

Draft

DECISION OF THE SELECT COMMITTEE OF THE ADMINISTRATIVE COUNCIL
of [date of decision] amending
the Rules relating to Unitary Patent Protection

THE SELECT COMMITTEE OF THE ADMINISTRATIVE COUNCIL OF THE EUROPEAN PATENT ORGANISATION,

Having regard to 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 and Council Regulation (EU) No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements,

Having regard to Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, as amended by Council Regulation (EU) 2024/1745 of 24 June 2024, and in particular Article 5s(2) and (5) thereof,

Having regard to Rule 2(1)(a) of the Rules relating to Unitary Patent Protection,

HAS DECIDED AS FOLLOWS:

Article 1

Rule 5, paragraph 2, of the Rules relating to Unitary Patent Protection reads as follows:

"Unitary effect shall be registered only if

- (a) the European patent has been granted with the same set of claims in respect of all the participating Member States, and
- (b) the proprietor of the European patent is not subject to the restrictive measure laid down in Article 5s(2) of Regulation (EU) No 833/2014 as amended by Regulation (EU) 2024/1745, having regard to Article 5s(5) of that amended Regulation."

Article 2

- (1) Rule 5, paragraph 2, of the Rules relating to Unitary Patent Protection as amended under Article 1 of this decision shall enter into force on ____.
- (2) Rule 5, paragraph 2, of the Rules relating to Unitary Patent Protection as amended shall apply to requests for unitary effect pending on the date of entry into force referred to under paragraph 1 and to those filed on or after that date.

- (3) Rule 5, paragraph 2, of the Rules relating to Unitary Patent Protection as amended under Article 1 of this decision shall be repealed on the date Article 5s(2) of Regulation (EU) No 833/2014 as amended by Regulation (EU) 2024/1745 ceases to have effect, and shall be replaced by the version of that Rule in force prior to its amendment.

Done at Munich, [date of decision]

For the Select Committee
The Chairperson

Jérôme DEBRULLE

Annex 1 Comparison between existing and proposed wording

Existing wording	Proposed wording
<p>Rule 5 UPR General</p> <p>(1) At the request of the proprietor of the European patent, unitary effect shall be registered by the European Patent Office in the Register for unitary patent protection.</p> <p>(2) Unitary effect shall be registered only if the European patent has been granted with the same set of claims in respect of all the participating Member States.</p>	<p>Rule 5 UPR General</p> <p>(1) unchanged</p> <p>(2) Unitary effect shall be registered only if</p> <p>(a) the European patent has been granted with the same set of claims in respect of all the participating Member States, and</p> <p>(b) the proprietor of the European patent is not subject to the restrictive measure laid down in Article 5s(2) of Regulation (EU) No 833/2014 as amended by Regulation (EU) 2024/1745, having regard to Article 5s(5) of that amended Regulation.</p>