EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision to give effect to European Union legislation in relation to the European patent with unitary effect and to an international agreement on the Unified Patent Court.

The European Parliament and the Council adopted Regulation (EU) No 1257/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection ("the Unitary Patent Regulation") (OJ No L 361, 31.12.2012, p1). The Council also adopted 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 applicable translation arrangements (OJ No L 361, 31.12.2012, p89) which does not require any changes to be made to the law of the United Kingdom. A number of member States of the European Union signed an international agreement on 19 February 2013 on a unified patent court (Cm 8653) ("the Agreement on a Unified Patent Court").

The Order comes into force on the date of entry into force of the Agreement on the Unified Patent Court (Article 1(2)). The Order will extend only to the United Kingdom and not the Isle of Man (Article 1(3)). A separate Order will be made under section 132(2) of the Patents Act 1977 ("the Act") in relation to the Isle of Man.

Article 2 amends the Act. Article 2(3) implements provisions on infringement in the Agreement on the Unified Patent Court. Article 2(3) inserts two new exceptions to infringement in section 60(5) of the Act. These relate to plant breeding and computer programs respectively. As regards plant breeding, the exception to infringement applies to the European patent with unitary effect, the European patent (UK) and national patents. As regards computer programs, the exception to infringement applies to the European patent (UK), but does not apply to national patents. This is made clear in the amendment made by Article 2(4). In all other respects, the infringement provisions apply to the European patent (UK) and to national patents.

Article 2(5)(c) amends section 77 of the Act to make clear that once unitary effect for a European patent (UK) is registered in the Register for unitary patent protection, that patent no longer has effect in the UK as a national patent and is to be treated as never having had effect as a national patent.

Article 2(6) inserts a new section 83A in the Act which inserts two new Schedules, A3 and A4, to the Act which deal respectively with the application of the Act in relation to the European patent with unitary effect, and the jurisdiction of the Unified Patent Court in relation to the European patent (UK) and the European patent with unitary effect.

Paragraph 2 of Schedule A3 applies certain provisions of the Act which relate to the European patent (UK) to the European patent with unitary effect, subject to certain modifications set out in paragraph 4.

In particular, the following provisions of the Act are applied to the European patent with unitary effect with modifications where appropriate:

- The provisions on compulsory licences (sections 48 to 54) and on use of patented inventions for the services of the Crown (sections 55 to 59)
- Section 60 (meaning of infringement) with the modifications set out in paragraph 4(10)
- The right in section 64 to continue use of an invention where such use began before the priority date

- Sections 74A and 74B on opinions by the Comptroller-General of Patents, Designs and Trade Marks as to validity or infringement
- Section 128B, which applies Schedule 4A, on supplementary protection certificates.

Article 7 of the Unitary Patent Regulation is directly applicable. By virtue of this Article, certain provisions of the Act are to be treated as applying to the European patent with unitary effect. Where these provisions require modification, this is set out in paragraph 4 of Schedule A3. Apart from providing this clarification, the Order does not purport to implement provisions of the Unitary Patent Regulation that are directly applicable.

Schedule A4 deals with the exclusive jurisdiction the Unified Patent Court has over the matters listed in Article 32(1) of the Agreement on a Unified Patent Court. These relate primarily to actions relating to infringement or validity of European patents with unitary effect or European patents (UK) or supplementary protection certificates for which the basic patent is a European patent with unitary effect or a European patent (UK). Consequently, domestic courts will no longer have jurisdiction over those matters, subject to certain transitional and opt out provisions set out in paragraph 2 of Schedule A4. Certain provisions of the Act will no longer apply as a result of the jurisdiction of the Unified Patent Court and these are set out in paragraph 3(2) and (4) of Schedule A4.

Provision is made for the enforcement of a decision or order of the Unified Patent Court in paragraph 4 of Schedule A4. Paragraph 4 also enables a mediation settlement reached through the facilities of the patent arbitration and mediation centre of the Unified Patent Court to be enforced as a judgment or order of the respective court in the United Kingdom.

Article 3 of the Order makes transitional provision. Any issue arising as to whether an act done before commencement is an infringement will be decided in accordance with the law relating to infringement at the time the act was done.

A Transposition Note and a full impact assessment of the effect that this Order has on the costs of business, the voluntary sector and the public sector is available from the Intellectual Property Office, Patents Legal Section, Concept House, Cardiff Road, Newport NP10 8QQ and is annexed to the Explanatory Memorandum which is available alongside the instrument on the Legislation UK website at www.legislation.gov.uk.