

Unitary Patents and the Unified Patent Court

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January 2023

A new system for patent protection and enforcement in Europe is coming

Introduction

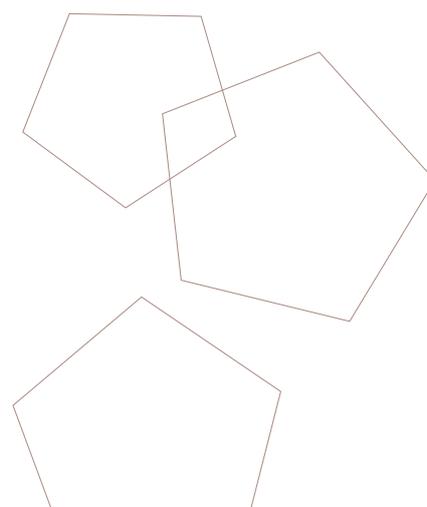
A new system for patent protection and enforcement in Europe is on the horizon. In June 2023 the **Unitary Patent** (UP) will arrive bringing with it new options for patent proprietors to protect their inventions and enforce their patents in Europe.

The Unitary Patent will provide a single, unitary and indivisible patent right covering multiple European states. A new court system called the **Unified Patent Court** (UPC) will also be set up to have exclusive jurisdiction for most matters relating to Unitary Patents.

Under the current European patent system a European Patent (EP) is granted centrally and then validated to produce separate national patent rights in individual states. This results in multiple patents that are separately enforceable in individual countries before different national courts and using different rules of procedure.

The new UP will not replace the current EP. Rather, it will provide proprietors with the additional option of having a UP that has unitary effect in a large number of the states of the European Union (EU). The resulting Unitary Patent will be enforceable as a single patent in the UPC potentially avoiding the need for litigation in multiple European jurisdictions.

With the advent of this new system patent proprietors will need to choose how they wish to protect their inventions in Europe. On grant of their European patent application, proprietors will have the choice whether to obtain a UP or national validations of an EP or a combination of both. Patent proprietors will also need to consider whether they wish their pre-existing and future EPs to fall under the jurisdiction of the UPC.



Getting prepared for the Unitary Patent and Unified Patent Court

After much delay the new Unitary Patent (UP) and Unified Patent Court (UPC) will soon be arriving. The opening date of the new court has now been set for 1 June 2023. In the meantime, there are preparations that patent proprietors and others need to be considering now.

Actions all patent proprietors should be considering now include:

- Learning more about the new UP and UPC
- Raising awareness in your organisation that the UP and UPC will be starting soon;
- Reviewing your strategy for your current portfolio of EPs. Will you be wanting to opt out some or all of your EPs from the jurisdiction of the UPC?
- If opt-outs are of interest, then checking that you have comprehensive and up-to-date information on all of the entitled owners of your EPs for all granted states
- Considering your strategy for future EPs. Will you want to register these (or some of these) for unitary effect to obtain a UP?
- If UPs are of interest consider delaying grant of your pending EPs to ensure that the option of a UP will be available.

The new UPC will not just be relevant to patent proprietors. Third parties who wish to challenge the validity of UPs and EPs and parties who may end up being accused of patent infringement in Europe also need to become familiar with the new system.

Up-to-date information on the Unitary Patent and Unified Patent Court is available on our website [here](#).

Please also do not hesitate to contact your usual advisor at Boult Wade Tennant LLP if you need any further information on the UPC or Unitary Patents.

What is the Unitary Patent?

The original aim of the Unitary Patent (UP) was to provide a single patent right that would cover all European Union (EU) Member States.

Currently, the EU Member States of Spain, Croatia and Poland have chosen to stay outside the system so, at least initially, the UP will not be a true "EU patent". However, as of January 2023, the remaining 24 EU states have agreed to be covered by the new UP system.

A UP will be a single, indivisible patent right that may only be renewed, limited, transferred, revoked, or lapse, in respect of all the Participating Member States.

A UP will be obtained by filing a "request for unitary effect" at the European Patent Office (EPO) during the grant stage of a European patent application.

The pre-grant stage of a European patent application is unaffected by this new system and it will only be after grant that a patent proprietor will need to register their European patent for unitary effect to obtain a UP.

Participating Member States

The European Union (EU) Member States that are party to EU Regulations 1257/2012 and 1260/2012 establishing the Unitary Patent.

As of January 2023 the Participating Member States are all EU Member States except Spain and Croatia.

Contracting Member States

The EU Member States that are party to the Unified Patent Court Agreement (UPCA) establishing the Unified Patent Court (UPC).

As of January 2023 the Contracting Member States are all EU Member States except Spain, Croatia and Poland.

What is the Unified Patent Court?

The Unified Patent Court (UPC) will be a single court for settlement of disputes relating to both UPs and EPs for the EU Member States taking part in the UPC.

While being legally a single court, the UPC will have a mix of Central, Local and Regional Divisions hosted in different EU Member States that will hear cases at first instance.

The UPC will be a new judicial system separate from the national courts of the EU Member States. It will have its own judges and Rules of Procedure.

The UPC will have exclusive jurisdiction for most matters relating to UPs.

Also, the default position is that the UPC will have jurisdiction over nationally-validated EPs. However, for a transitional period of at least 7 years it will be possible for patent proprietors to opt out their EP nationally-validated patents from the jurisdiction of the UPC.

The UPC promises the advantage of a single court for enforcement of patent rights in most of the EU. However, it must be recognised that the UPC also presents to third parties the opportunity to centrally revoke a UP in a single proceedings at any time during the life of the UP.

Which countries are covered by a Unitary Patent?

A UP can only cover Member States of the EU. As of January 2023, the following EU Member States have agreed to be Contracting Member States of the UP and UPC system:

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Romania, Slovakia, Slovenia, and Sweden.

However, each UP will only be effective for Member States that have also ratified the **Unified Patent Court Agreement** (UPCA) at the date when the request for unitary effect is registered. As of January 2023, the following EU Member States have completed their ratification of the UPCA:

Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia, and Sweden.

Germany is required to deposit its instrument of ratification of the UPCA before the UP system can start. This is expected to take place in December 2022. It is then expected that other Contracting Member States will also ratify during 2023. Please contact us or visit our website [here](#) for an up-to-date list of ratified Contracting Member States.

It is important to note that the geographical coverage of each UP will be 'frozen' to the Contracting Member States that had ratified the UPCA at the date when the request for unitary effect was registered for that UP. Therefore, at least in the early days of the UP system as more Contracting Member States ratify the UPCA, different UPs may have different geographical scopes.

EU Member States that have not ratified the UPCA as well as non-EU Member States that are part of the European Patent Convention (EPC), such as the UK and Switzerland, cannot be covered by a UP. However, these countries can still be covered by national validation of an EP as is currently the case

Unified Patent Court Agreement

An international agreement to establish a single court for Unitary Patents. It was signed in 2013 but has not yet been brought into force. Entry into force is expected in June 2023 following ratification by Germany.

In future, what options will I have when my European Patent grants?

After grant of a European patent the applicant will in future have the following options for obtaining patent protection in the contracting member states of the European Patent Convention (EPC):

- obtain a UP only in the states that have at that time ratified the UPCA
- obtain a UP plus national validations of the EP in one or more states that are not within the UP system or who have not yet ratified the UPCA, or
- just obtain national validations of the EP – as is currently the practice.

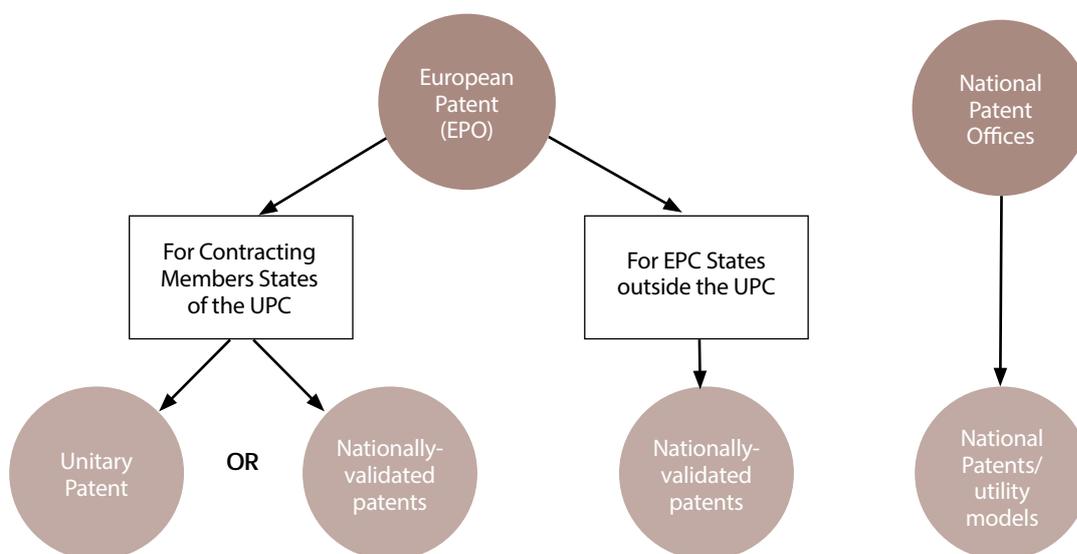
It should also be remembered that applicants have the option of filing patent and utility model applications directly with national patent offices rather than using the European Patent Office (EPO). Such national applications will be outside the UP and UPC system and can only be used to obtain national patents and utility models.

A European Patent (EP)

A European Patent that is granted by the European Patent Office and is then validated in individual states to produce separate patent rights, e.g. EP (UK) in the United Kingdom and EP (DE) in Germany.

A European Patent with unitary effect (UP)

A European Patent that is granted by the European Patent Office and is then registered to have unitary effect in the states that have ratified the Unified Patent Court Agreement. It is more commonly known as a Unitary Patent.



Options for obtaining patent protection in Europe

For example, an applicant seeking patent protection in Germany, France, UK, and Spain could:

- file a European patent application via the EPO and then after grant obtain a UP (providing coverage in Germany and France, amongst others) along with national validations of the EP in the UK (since it is not an EU Member State) and in Spain (since it is not contracted to the UP system),
- obtain separate national validations of the EP in Germany, France, UK and Spain after grant of the European patent, or
- file separate applications at the German, French, UK and Spanish patent offices and prosecute each through to grant.

While the last option of filing separate applications at national patent offices does avoid the patents falling within the competence of the UPC, the costs of filing and obtaining grant will be significantly higher due to the duplication of examination effort and the need to provide full translations of the specification into German, French, English and Spanish on filing.

Finally, it should also be noted that the new UP system does not affect the process of using a European patent application to obtain patent protection in the Extension States of Bosnia and Herzegovina and Montenegro or in the Validation States of Morocco, Republic of Moldova, Tunisia and Cambodia.

When will the Unitary Patent system start?

The Unitary Patent system cannot start until Germany deposits its instrument of ratification of the UPCA. The UPC will open its doors and UPs will become available on the 1st day of the fourth month after Germany completes its ratification of the UPCA.

Germany is currently expected to deposit its ratification of the UPCA in February 2023 and the UPC is therefore expected to start on 1 June 2023.

In the meantime, preparations for the start of the UPC and UP are on-going.

How do I obtain a Unitary Patent?

A UP is obtained by first achieving grant of a European patent application and then making an application to the European Patent Office (EPO) to register the granted patent as having unitary effect.

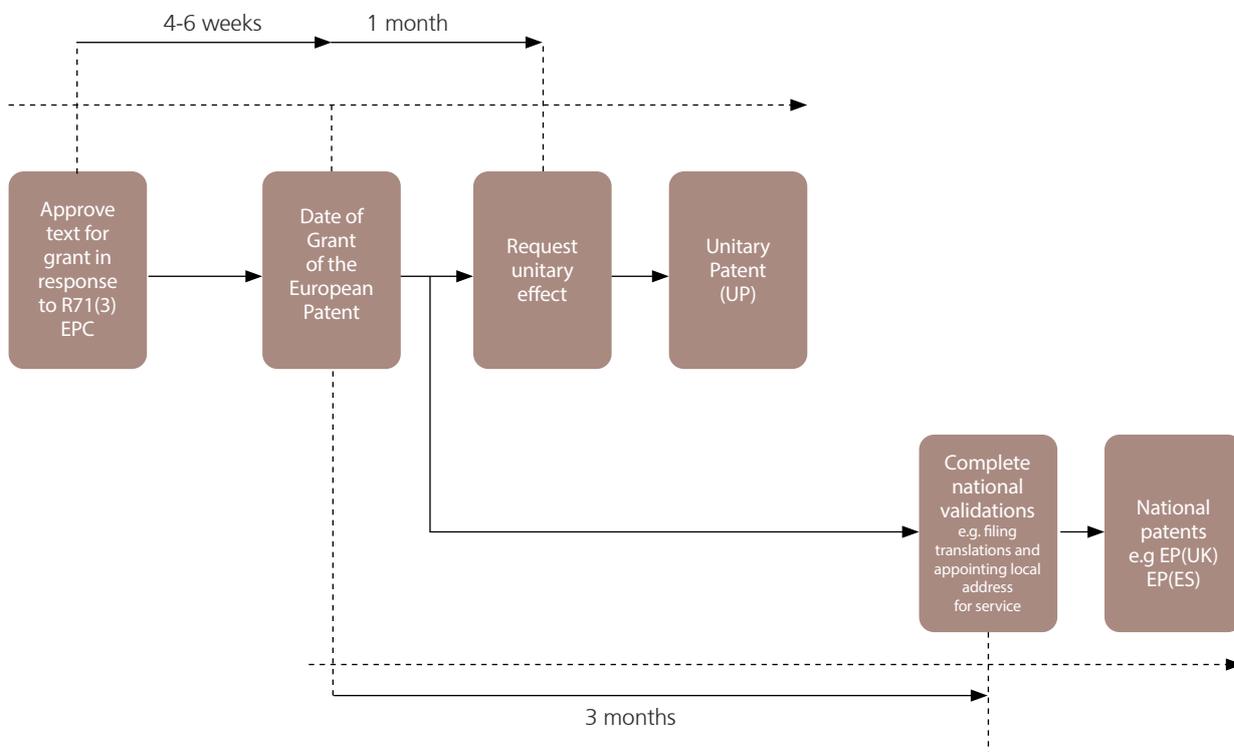
A UP is only available if **all** of the following requirements are met:

- the grant date of the European patent is after the UP system has started
- the European patent designates all Participating Member States of the UP system,

and

- the granted claims are the same for all Participating Member States.

To register the European patent for unitary effect the patent proprietor must file a request within **one month** of the date of grant of the European patent. This compares to the current three month deadline for completing national validations.



Timeline of grant and validation of a European patent application

Where a European patent is owned by multiple proprietors they should ensure that they reach an agreement on whether to register the European patent for unitary effect or not.

There will be no official fee for filing the request for unitary effect. However, during an initial transitional period of at least 6 years the request will need to be accompanied by a human-produced translation of the full patent specification into either English (if the language of proceedings of the European patent application was not English) or into another language of an EU Member State (where the language of proceedings was English).

The one month deadline for requesting unitary effect will not be extendible. Therefore, patent proprietors will need to consider and decide whether a UP is required early enough in the grant stage to allow the necessary translation to be obtained.

Applicants wishing to obtain a UP should consider the following points:

- consider delaying grant of pending European patent applications until after the UP system has started
- ensure that no designation of a Participating Member State is withdrawn, and
- ensure that the same claims are maintained for all Participating Member States.

The European Patent Office (EPO) are aware that

applicants may wish to delay grant of applications to be able to take advantage of the UP system.

Germany is expected to deposit its ratification of the UPCA in February 2023. From 1 January 2023 it will be possible, on request, to delay the grant of a European patent application, provided that the applicant has not already approved the text intended for grant in response to the Communication under Rule 71(3) EPC. Please contact us to discuss further if delaying grant of your pending European patent application is of interest.

What are the costs of a Unitary Patent?

Leaving aside the cost of filing and granting the European patent application itself, there will be no official fee for registering unitary effect of a European patent.

During an initial transitional period of at least 6 years there will also be the cost of filing a human-produced translation of the full patent specification into either English (if the language of proceedings of the European patent application was not English) or into another language of an EU Member State (where the language of proceedings was English). The cost of this will vary from case to case dependent of the length of the patent text and the language chosen.

Where a patent proprietor also wishes to validate their EP in one or more states not covered by the UP, the cost of producing this translation can be

offset by using a translation that is required for a national validation. For example, a proprietor wishing to nationally validate their EP in Spain can use the same Spanish translation for the national validation in Spain and to register unitary effect of the UP.

This full translation is in addition to the translation of the claims of the European patent into the other two official languages of the EPO that is required for grant.

A single renewal fee per year will be payable to maintain a UP in force after grant. The renewal fees are payable to the EPO. As of January 2023, the published schedule of renewal fees (which may be subject to change) is:

Year	Renewal Fee (€)	Year	Renewal Fee (€)
-	-	11	1,460
2	35	12	1,775
3	105	13	2,105
4	145	14	2,455
5	315	15	2,830
6	475	16	3,240
7	630	17	3,640
8	815	18	4,055
9	990	19	4,455
10	1,175	20	4,855

Unitary Patent (UP) renewal fees

The year of the renewal fee is measured from the filing date of the European patent application.

The level of the renewal fees for a UP has been set so that it is broadly equivalent to the level of

renewal fees paid on an 'average' EP. In practice, the renewal fees are roughly equivalent to the sum of the renewal fees charged by the four most popular EP validated states that are participating in the UP system.

What is the structure of the Unified Patent Court?

The Divisions

The UPC will be a single court comprised of a Court of First Instance, a Court of Appeal and a Registry.

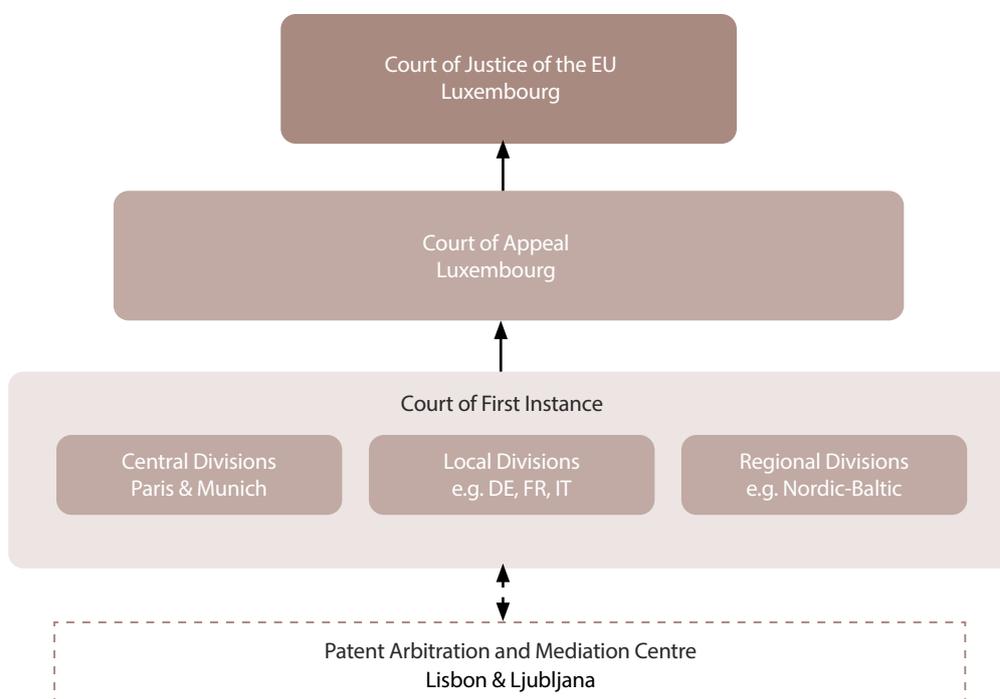
The Court of First Instance will comprise a Central Division as well as Local and Regional Divisions.

The Central Division will in turn be split into two parts - one in Paris, France and one in Munich, Germany. An additional part may also be present in another city (to replace one that was originally

intended to be in London, UK, prior to the UK's withdrawal from the EU).

The Court of Appeal will be based in Luxembourg. An Arbitration and Mediation centre will also be set up and this will be based in Lisbon, Portugal and Ljubljana, Slovenia.

Preliminary rulings on matters of EU law can be referred from the UPC to the Court of Justice of the European Union (CJEU).



Structure of the Unified Patent Court (UPC)

Every Contracting Member State will be entitled to host a Local Division. However, a number of Contracting Member States are expected to combine resources to host a Regional Division.

For example, Sweden, Lithuania, Estonia and Latvia have grouped together to form the Nordic-Baltic Regional Division.

Actions before the UPC

The UPC will have exclusive competence, within the ratified Contracting Member States, to hear the following types of actions for both UPs and nationally-validated EPs:

- infringement actions
- actions for declarations of non-infringement
- actions for provisional and protective measures and injunctions
- revocation actions
- actions for damages or compensation derived from the provisional protection conferred by a published European patent application
- actions relating to rights based on prior use of an invention
- actions for compensation for licences of right.

The UPC will also deal with counterclaims for revocation and other defences and will hear actions against decisions which the EPO takes when carrying out tasks related to Unitary Patent protection.

The UPC will also deal with the infringement and validity of supplementary protection certificates (SPCs) issued for products protected by EPs or UPs.

Cases before the Central Division will be allocated based on the subject matter of the UP. Cases in international patent classifications B (performing operations, transport), D (textiles), E (fixed constructions), G (physics) and H (electricity) will be heard in Paris, France. Cases in patent classification F (mechanical engineering) will be heard in Munich, Germany. The section of the Central Division that will hear cases in patent classifications A (human necessities) and C (chemistry including pharmaceuticals) has yet to be finalised.

As noted above, a Local or Regional Division can choose to hear a counter-claim for revocation

The national courts of Contracting Member States will remain competent for actions which do not come within the exclusive competence of the UPC, e.g. cases relating to compulsory licensing and entitlement. In addition, during the initial transitional period a proprietor will be able to register to opt out their EPs (but not any UPs) from the jurisdiction of the UPC.

For first instance proceedings, whether an action is heard in the Central Division (and if so in which section) or a particular Local or Regional Division will vary depending on the nature of the action, the identity of the parties, the location of the cause of action, and the subject matter of the UP.

For example:

Local/Regional Division will hear:	Central Division will hear:
<ul style="list-style-type: none"> • Infringement actions (with the specific Division determined by where the infringement takes place or where the defendant is based) • Counter-claims for revocation 	<ul style="list-style-type: none"> • Revocation actions • Declarations of non-infringement • Counter-claims for infringement • Infringement actions (where the defendant is not domiciled/has no place of business within the Contracting Member States of the UPC)

where an infringement action is already pending before it. However, they will also have the option of referring the whole action to the Central Division or referring only the counter-claim for revocation to the Central Division (so-called 'bifurcation' of the action). In the case of bifurcation the Local/Regional Division can choose to carry on with the infringement action or stay the infringement claim pending the result of the revocation action in the Central Division.

In addition to the allocation scheme described above, the parties may mutually agree to bring an action before a Division of their choice.

What laws will be applied by the Unified Patent Court?

The UPC will apply European Union law and this will take primacy over other sources of law.

The National Law referred to may be either the national law of Contracting Member States or the national law of third party states that are not signatories of the UPCA (such as the UK).

The UPC will also base its decisions on the following sources of law:

- The UPCA
- The EPC
- Other international agreements applicable to patents and binding on all Contracting Member States
- National Law.

What languages will be used in the Unified Patent Court?

The language used in actions before the UPC will vary from case to case:

- In the Central Division the language of proceedings will be the language in which the UP was granted
- In the Local and Regional Divisions the language of proceedings will be:
 - an official language of the Contracting Member State hosting the Division, or
 - one or more of English, French or German if the Division has designated this, or
 - the language in which the UP was granted if this is agreed to by all parties (including the Division) or where the Division themselves decide that this is convenient and fair for all parties.

Rules of Procedure of the UPC

The same Rules of Procedure will be used in all Divisions of the UPC. The Rules of Procedure emphasise the importance of the written procedure ahead of short oral hearings that are intended to be set down for one day only.

The first instance proceedings are intended to be completed within 12 months of the start of an action.

The Rules of Procedure will require claimants to provide detailed and particularised initial pleadings, including details of facts, evidence and witnesses that will be relied upon throughout the action.

It is noteworthy that the Rules of Procedure inherit aspects of law familiar from both common law and continental law jurisdictions in Europe. For example, the rules envisage both an adversarial approach, where the parties contest the facts, evidence and witnesses put forward by the other side, but also an inquisitorial approach where the Court itself may direct the production or preservation of evidence, and for evidence to be provided by expert witnesses, including court experts appointed by the Court.

Do I need to be represented before the Unified Patent Court?

Users of the UPC must be represented.

UPC representatives will need to be:

- Lawyers authorised to practise before a court of a Contracting Member State, or
- European Patent Attorneys who hold an appropriate qualification such as a European Patent Litigation Certificate.

What are the costs of the Unified Patent Court?

Court fees for the UPC were published in 2016.

The official fee at first instance for a revocation action is fixed at €20,000.

The official fee at first instance for an infringement action or a counter-claim for infringement is made up of a fixed fee of €11,000 plus a value-based fee dependent on the value of the claim. The value-based fee increases on a scale from €0 for claims up to and including €500,000 all the way up to a fee of €325,000 when the claim value exceeds €50M.

The official fees on appeal follow a similar pattern, for example with the official fee for an appeal pursuant to a revocation action being

€20,000 and the official fee for an appeal pursuant to an infringement action being €11,000 plus the same value-based fee paid at first instance.

It should be noted that these fees relate to the official court fees only and exclude all fees charged by the representatives, e.g. attorney fees.

The successful party in a claim before the UPC will be able to apply for an award of costs from the other party in respect of representative fees. Awards of costs will normally be based on a scale of ceilings for recoverable costs. The scale increases from a recoverable cost ceiling of €38,000 for actions having a value of up to and including €250,000 to a recoverable cost ceiling of €2M for actions having a value of above €50M.

What are the powers of the Unified Patent Court?

The UPC will have wide powers including:

- ordering the inspection of premises (similar to French Saisie orders) to obtain and preserve relevant evidence
- freezing orders to retain assets within the jurisdiction of the UPC
- preliminary injunctions to prevent imminent infringement pending the outcome of an infringement action
- permanent injunctions at the conclusion of an infringement action or counter-claim for infringement
- giving awards of damages and legal costs
- ordering delivery up and/or destruction of infringing articles
- partially or fully revoking a UP or EP (in the Contracting Member States) following a revocation action or counter-claim for revocation.

In terms of territorial scope, UPC decisions will cover, in the case of UPs, all of the territory of the Contracting Member States for which the UP has unitary effect. In the case of an EP, UPC decisions will cover all of the territory of the Contracting Member States for which the EP has effect.

The UPC may also choose to exercise a 'long-arm' jurisdiction beyond the territories of the Contracting Member States when assessing damages.

Is the Unified Patent Court replacing EPO oppositions?

No. The opposition procedures of the European Patent Office (EPO) will remain available as alternative or parallel proceedings for contesting the validity of European patents.

EPO oppositions will continue to offer a number of advantages compared to revocation actions before the UPC:

- Significantly lower official fees. The EPO opposition fee is €840 compared to the UPC revocation fee of €20,000
- A simpler procedure with lower representative/attorney fees, and
- Revocation of an EP patent at an EPO opposition will revoke the patent in all EPC contracting member states. By contrast, a revocation of

a UP by the UPC will only be effective in the states for which the UP has unitary effect. So for example revocation of a UP will not revoke the equivalent nationally-validated EP(UK) patent.

However, revocation actions before the UPC will have some advantages not available in the EPO opposition system:

- A UPC revocation action can be started at any time after grant of the UP. By contrast, an EPO opposition must be filed within 9 months of grant
- The UPC has the full powers of a court. For example, the UPC may order the production of evidence, order inspections of premises and allow cross-examination of witnesses, none of which are powers available to the EPO.

Should I choose a Unitary Patent or national validations of a European Patent?

The new Unitary Patent system will provide additional choice to patent proprietors. Ultimately, the decision whether to choose a UP or national validations of an EP (or a combination of both) will vary between patent proprietors. Even for a particular patent proprietor, the decision may differ on a case-by-case basis depending on the perceived value and importance of individual inventions.

Having said that, there are some factors that patent proprietors should be aware of when making their decision.

Some of the perceived advantages of the UP are:

- A UP will have a wide geographical coverage
- Choosing a UP may result in lower translation costs after grant compared to national validations (but it must be remembered that during a transitional period of 6 years a single full translation of the patent will still be required)
- Easier administration of renewal fees will be possible since only a single renewal fee payment each year will be required to the European Patent Office (EPO) for the states covered by the UP

- The UPC will provide a single court system for settlement of disputes relating to UPs. It is hoped that this will lead to less divergence in case law and so enhance legal certainty
- The UPC will be empowered to grant relief (e.g. damages, injunctions, etc.) that covers all the Contracting Member States for which the UP has unitary effect (and possibly beyond)
- Using the UPC for enforcement may avoid the need for parallel litigation in multiple European jurisdictions.
- Prior art against a UP will include national patent applications of a Contracting Member State that have an earlier priority or filing date and were published on or after the filing (or priority) date of the UP. Therefore, in theory, a UP could be revoked due to “novelty-only” prior art from just one country
- Considering that the UPC will be a new forum with new judges and new Rules of Procedure, this may lead to initial uncertainty in outcomes
- The court fees of the UPC are relatively high. For example, the official fee alone for a revocation action is €20,000 and for an infringement action is €11,000 + an additional fee based on the value of the action

Some of the perceived disadvantages of the UP are:

- It will not be possible to reduce the renewal fee cost over time since only a single renewal fee is payable. This can be contrasted with nationally-validated EPs where a proprietor can choose to stop paying renewal fees in some states to reduce costs during the patent term
 - The UP renewal fees may be considered high by patent proprietors who only currently validate their EPs in a few states. For example, many European patents are validated in the UK, France and Germany only. The total cost, each year, of renewing an EP validated nationally in the UK, France and Germany will be around half the cost of paying a UP renewal fee plus a UK national renewal fee
 - Choosing a UP ties a patent proprietor to the use of the UPC for settlement of disputes and exposes their UP to the risk of a central revocation action before the UPC that, if successful, would revoke the whole UP in one go
 - While the UPC is a single court, the presence of multiple Central, Local and Regional Divisions split across different countries still presents potential complications relating to language issues and forum-shopping
 - The Rules of Procedure of the UPC require claimants to provide detailed and particularised initial pleadings, including details of facts, evidence and witnesses that will be relied upon throughout the action. This is likely to result in front-loading of costs ahead of the launch of proceedings
 - Litigation in European countries outside the UPC system (e.g. UK) may still be needed.
- It should be remembered that where a European patent has multiple proprietors, or there are licensees, care should be taken to ensure that there is no contractual restrictions on whether the patent can be registered to have unitary effect as a UP.

What is the jurisdiction of the Unified Patent Court?

The default position is that the UPC will have **exclusive** competence over:

- Unitary Patents
- European Patents (assuming they designate any Contracting Member State – and virtually all do)
- Supplementary Protection Certificates (SPC) related to the above.

However, during an initial transitional period (of at least 7 years) actions relating to EPs will also be able to be brought in national courts at the choice of the parties. In addition, during the initial transitional period a proprietor will be able to register to opt out their EPs (but not any UPs) from the jurisdiction of the UPC.

As a result, for the Member States that have ratified the UPCA:

- UPs will always have to be litigated in the UPC for most actions. This includes all infringement and revocation actions
- EPs that have not been opted out may be litigated in either the UPC or the national courts during the 7 year transitional period
- After the end of the transitional period, EPs that have not been opted out will have to be litigated in the UPC
- EPs that have been opted out will have to be litigated in the national courts unless the opt-out is withdrawn.

Opt-outs

What is an opt-out?

An opt-out is a declaration that is filed by, or on behalf of, a patent proprietor stating that they do not want their EP to be under the jurisdiction of the UPC.

Opting out will be an active step that a proprietor can take to remove an EP from the jurisdiction of the UPC. Once opted out, the EP will remain (as now) under the jurisdiction of the national courts in the states where the EP was validated. This means that the UPC will have no jurisdiction over the opted out EP. Therefore, once opted out, invalidity and infringement proceedings relating to the EP will only be able to be brought in the national courts (unless the opt-out is withdrawn).

It will only be possible to file a request for an EP opt-out up to one month before the end of the transitional period. The transitional period will last at least 7 years from the start of the UPC.

Once a particular EP is opted out the opt-out will be effective for the whole life of the EP unless the opt-out is withdrawn.

An opt-out will apply for all granted states of the EP, so it will not be possible to opt out only for particular states.

Pending (published) European patent applications and expired EPs can be opted out as well as granted EPs that are still in force.

Transitional period

An initial period of at least 7 years after the commencement of the UPC.

Can I opt out a Unitary Patent?

No. Importantly, only EPs can be opted out of the jurisdiction of the UPC. It will not be possible to opt out a UP from the jurisdiction of the UPC – UPs always fall under the exclusive jurisdiction of the UPC by definition.

Can I withdraw an opt-out?

Yes. It will be possible for a patent proprietor to withdraw an opt-out at any time should they wish to do so *unless* the EP has been the subject of previous national litigation in a Contracting Member State. Due to this restriction, patent proprietors should be aware of two issues, in particular:

- If an EP is opted out that has already been the subject of national litigation in a Contracting Member State, then it will not be possible to withdraw the opt-out – the opt-out will be permanent, and
- While an EP is opted out, a third party may start litigation in a national court and this would prevent the opt-out being withdrawn and so prevent future use of the UPC for that EP.

Withdrawing an opt-out means that the EP would then fall within the jurisdiction of the UPC for any subsequent actions. Once an opt-out has been withdrawn it will not be possible to opt out that EP again.

What are the effects of opting out my patent?

An opted out EP will remain under the jurisdiction of each competent national court where it has been validated. The UPC will have no jurisdiction. Therefore, once opted out, invalidity and infringement proceedings relating to the EP can only be brought in the national courts (unless the opt-out is withdrawn).

What if there is a Supplementary Protection Certificate (SPC)?

The status of an SPC is linked to the EP or UP on which it is based. Therefore, it will not be possible

to just opt out an EP and not its associated SPC at the same time. Likewise, it will not be possible to opt out just the SPC while leaving the EP under the jurisdiction of the UPC.

It will not be possible to opt out any SPC that is based on a UP since the UP itself cannot be opted out.

When opting out an EP the details of any SPC based on that EP must be provided as part of the opt-out application.

What are the costs of opting out?

There is no official fee for opting out but the process will require patent proprietors and their representatives to carry out some administrative checks so there will be some administrative overhead and costs involved. These may be significant for large patent portfolios.

How do I opt out an EP?

The UPC are providing a Case Management System to allow opt-outs to be recorded online. The opt-out can be registered by the patent proprietor(s), a UPC representative, or another person duly authorised by the patent proprietor(s).

It is important to note that where an EP is owned by multiple proprietors, **all** of the patent proprietors will need to consent to the opt-out (or subsequent withdrawal of an opt-out). Joint proprietors of EPs should therefore ensure that they come to an agreement as to whether their EPs are to be opted out or not.

In addition, it is very important to note that the patent proprietor(s) who can make an effective opt-out or withdrawal of an opt-out are the persons legally entitled to be registered as the proprietor(s) under the law of each Contracting Member State in which the EP has been granted. This is true whether or not such person(s) is/are in fact recorded in the register of patents maintained in such Contracting Member State.

This means that, when making an opt-out or a withdrawal of an opt-out, one will need to check very carefully the true ownership position in each and every state where the EP has been granted.

These checks will be particularly important for EPs where:

- there has been an assignment or partial assignment after grant (especially if not recorded on the registers)
- there has been an entitlement action after grant that has changed the ownership position
- the proprietor(s) have undergone a change of name.

As part of the opt-out process, it will be necessary to provide the names and contact details of all of the true owners.

If an opt-out is later found out to be defective, for example because authorisation from an entitled proprietor of the EP was not obtained, then the UPC will retain jurisdiction over the EP.

Should I choose to opt out my EP?

If you do not want the UPC to have jurisdiction over your EPs, then you will need to file an opt-out request.

For patent proprietors, reasons for wanting to opt out might include:

- Not wanting your EPs to be vulnerable to a central revocation attack in a single court that could result in revocation of the EP in all ratified states of the UPC
- Uncertainty regarding the new UPC forum – it will use new patent judges and there will be an initial lack of substantive and procedural case law, resulting in greater uncertainty in predicting costs, timescales and outcomes of any litigation
- The probability that litigation costs in the UPC will be higher than the equivalent costs of litigating in a single national court.

Are there advantages to not opting out?

If you are a patent proprietor wishing to enforce your EP in multiple jurisdictions covered by the UPC, then staying within the jurisdiction of the UPC may well be advantageous. Equally, if you consider that your EP is unlikely to be challenged, then the reasons for opting out may be significantly reduced.

If a proprietor also owns a national patent(s) in Europe for the same invention protected by an EP, they should note that opting out an EP may have a negative effect in some states (e.g. France and Germany) on the ability to simultaneously protect the invention using both the national patent and EP. If this applies, we recommend seeking additional advice before opting out.

If I decide to opt-out my EP, when should I do this?

The UPC will be providing a 3-month 'sunrise' period before the UPC opens. The sunrise period will be the earliest opportunity to file an opt-out and will ensure that an opt-out can be registered before the UPC starts receiving actions. The sunrise period is expected to start on 1 March 2023.

It is expected that many patent proprietors will want to opt out during the sunrise period to ensure that their EPs are not vulnerable to the risk that a central revocation action is started in the UPC soon after the court opens.

As noted above published European patent applications and expired EPs can be opted out as well as granted EPs that are still in force. Pending applications and expired EPs can also be opted out during the sunrise period if desired. Where a pending European patent has been opted out, it will still be possible on grant to register the patent for unitary effect to obtain a UP. Doing so will automatically be considered a withdrawal of the previously registered opt-out.

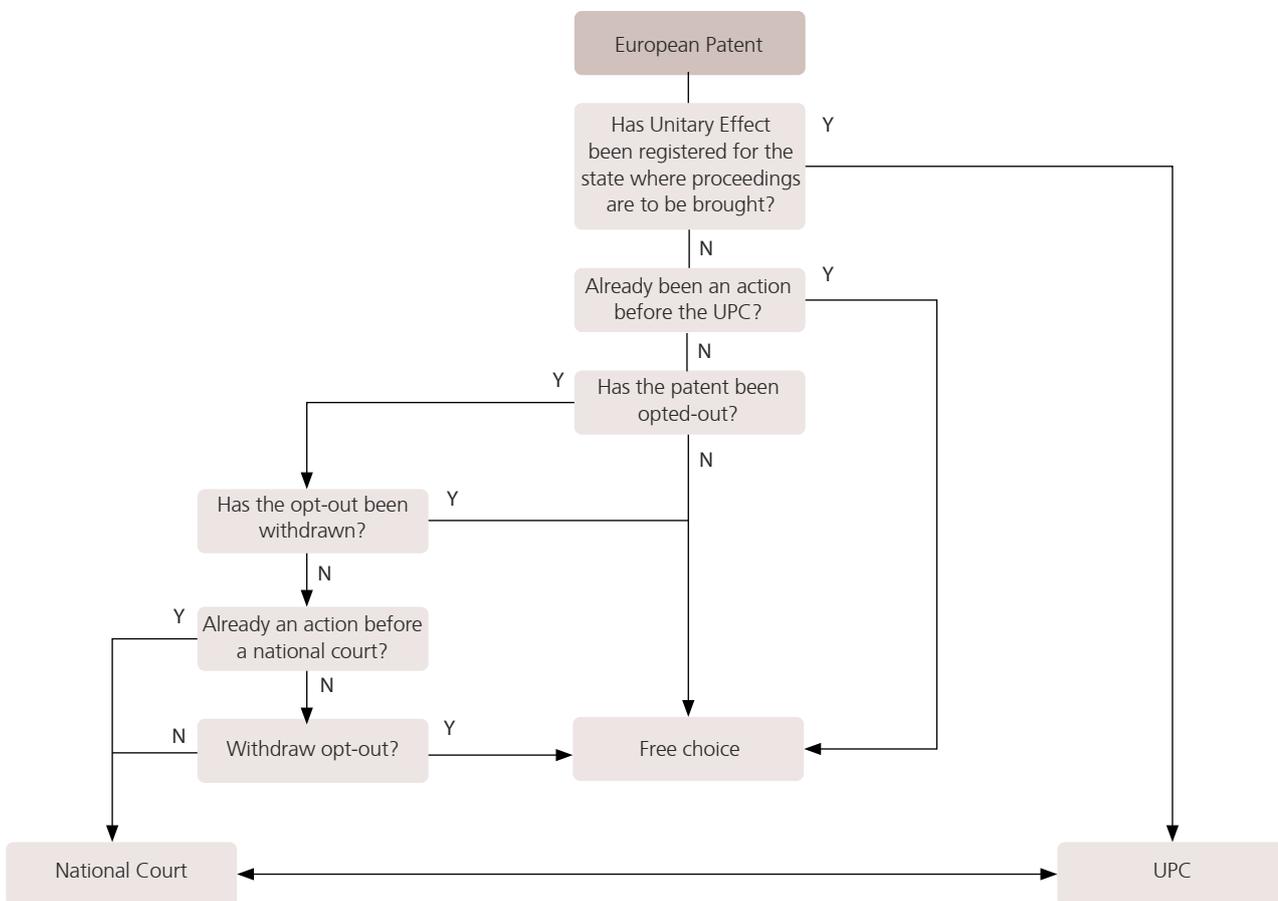
It should be noted that while there are advantages to opting out in the sunrise period, if the sunrise period has finished, and assuming that no UPC proceedings have yet started, it will still be possible to opt out an EP during the initial transitional period of 7 years.

Forum choice during and after the transitional period

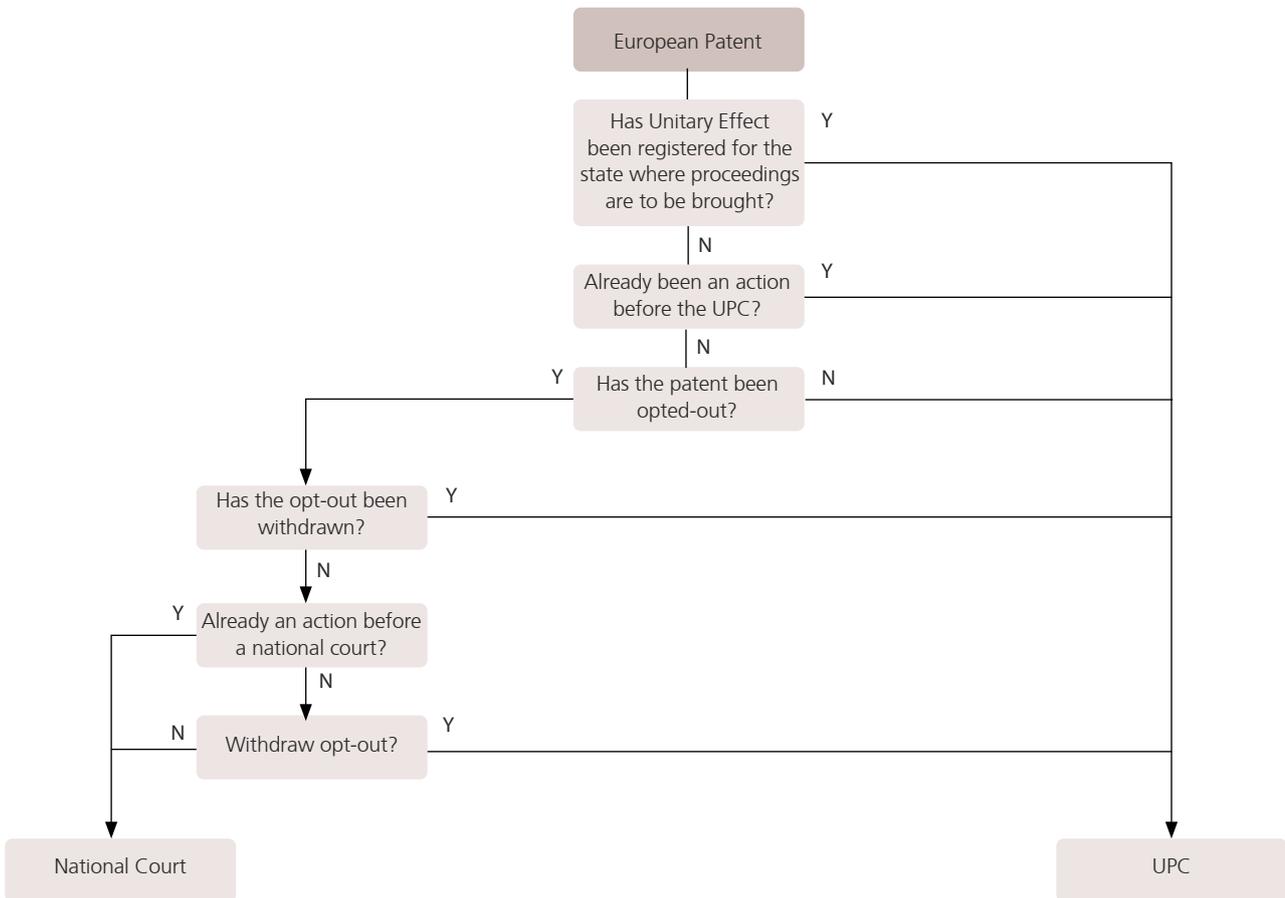
The choice of forum for an action will depend on:

- Whether the patent is a UP or an EP
- If an EP, whether the EP is opted out or not
- Whether any previous opt-out has been withdrawn, and
- For EPs, whether the transitional period is still running or has finished.

The following charts summarise the choices both during the transitional period and after the transitional period has finished.



Forum choice during transitional period



Forum choice after transitional period

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