



Preparations for the UPC Continue—Proprietors of European Patents Must Start Preparing Now

Unified Patent Court (UPC)

December 2022

On 8 July 2022, the Unified Patent Court's Administrative Committee adopted the Rules of Procedure for litigation in the Unified Patent Court (UPC), which entered into force on 1 September 2022. The Committee also confirmed the divisions of the Court of First Instance and received the list of recommended judges. Appointment of judges, which is expected to be completed soon, has always been a key milestone for the new Court's opening. Given how preparations are progressing, the UPC is likely to open early in 2023.

Upon the UPC opening, any patent granted by the European Patent Office (EPO) and maintained in any of the European Patent Convention (EPC) member states that ratify the UPC agreement (participating member states) will become subject to the jurisdiction of the Court, unless opted-out by its proprietor. This is irrespective of when a European patent may have been granted. This means that, unless the patent's proprietor proactively opts the patent out of the jurisdiction of the UPC in advance of the Court opening, the patent will be at risk of a central attack. Accordingly, proprietors of European patents and applications need to start now to prepare their European patent portfolios for when the UPC opens.

What You Need To Do Now

- **Decide upon criteria for opting patents out of the jurisdiction of the UPC and plan ahead**

A strategic decision on which patents, if any, to opt-out will depend on various factors, primarily, the likelihood of a patent being revoked in third-party revocation proceedings and the economic impact that such revocation would have on your business. Pending patent applications may also be opted-out such that any resulting patents do not come within the jurisdiction of the Court. A three-month "sun-rise" period is being provided to enable proprietors to opt patents out of the UPC's jurisdiction in advance of the Court opening and thereby ensure that patents are never subject to the jurisdiction of the UPC.
- **Be aware of the limitations of opt-out and later opt-in**

Once the UPC opens, opt-outs will continue to be available, so long as the patent is not involved in litigation in the new Court. Conversely, an opt-out can be withdrawn at any time, but the right to withdraw an opt-out is lost once the patent is involved in an infringement and/or nullity action before any national court.
- **Check your license agreements**

Only the proprietor of a European patent or patent application, or the holder of a supplementary protection certificate (SPC) issued for a product protected by a European patent, is allowed to opt-out. Licensees need to discuss the opt-out/-in strategy with their licensors. If a licensee wants more control, existing licensing agreements likely need to be amended.
- **Check if you need opt-out approval from other patent/SPC owners**

All co-proprietors must agree to the opt-out. This includes not only co-owners of a patent, patent application, or SPC, but also co-owners where different entities own individual patents originating from a single European patent application, including any rights in non-participating member states (such as the UK, Spain, Poland, Switzerland, and Turkey). If an SPC is in existence and the owner of the granted SPC differs from the patent proprietor, then consent from both the patent proprietor and the SPC owner is required for filing an opt-out.
- **Consider future filing strategies**

Unitary patents covering all participating member states will start to be granted when the UPC opens for business. Such unitary patents will be significantly cheaper than conventional European patents with an equivalent amount of coverage. However, unlike patents and patent applications in existence at the time of UPC coming into force, it will not be possible to opt unitary patents out of the jurisdiction of the UPC, and hence unitary patents will always be liable to central revocation. Proprietors need to decide whether they want to take advantage of this new form of patent and the criteria they will use to identify inventions for which pursuing a unitary patent will be appropriate.

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