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## Strategic Considerations for Opting In or Opting Out of the Unified Patent Court

By Nicholas Fox and Alexandre Hoffmann

By default, all European national patents granted by the European Patent Office (“EPO”) having effect in the countries participating in the Unified Patent Court are subject to the jurisdiction of the court. Patent proprietors do, however, have the option to opt such patents out of the jurisdiction of the court.

It should be borne in mind that opt-outs are defensive in nature, as they protect such patents from being revoked in a single court action, whereas now any revocation actions would have to be brought on a country-by-country basis. Provided that no national infringement or revocation proceedings

have been brought with respect to patents which have been opted-out from the jurisdiction of the court, a patent proprietor can revoke an opt-out and bring an infringement action in the Unified Patent Court at any time.

### PROCEDURE FOR OPT-OUTS

Opting out is an administrative act. There is no fee. The opt-out needs to be filed with the European Patent Office. An opt-out applies to all existing European national patents arising from the same European patent application.

All owners of the European national patents which originate from the same European patent application must approve the filing of an opt-out. This includes all of the owners of European patents in force in non-participating member states such as the United Kingdom, Spain, Poland, Switzerland, and Turkey.

It is only patent proprietors who have the right to opt patents out of the jurisdiction of the Unified Patent Court. Licensees, including exclusive licensees, do not have any such right. If licensees want to have a patent opted-out from the jurisdiction of the court, they will require the consent and agreement of the patent proprietor.

Provision will be made for filing applications for opting out multiple patents simultaneously, and the Administrative Committee has issued an

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Electronics & Mechanics	Pharma & Biotech
Protection only maintained in two or three contracting states, e.g., only Germany and France	Often protected much more broadly
Often part of a large portfolio of patents covering a product—the individual value of a patent may be low	Potentially, a key right for maintaining exclusivity—the individual value of a patent may be very high
Revocation/clearing the way actions are rare	Revocation actions are much more common
Possibly little will turn on the decision of whether or not to opt-out	Opt-outs need to be seriously considered

Application Programming Interface (“API”) which is compatible with the court’s IT systems, enabling applicants to determine how to extract information from their existing patent databases and convert them into a form which will be compatible with the opt-out system.

Opt-outs can be filed with respect to any pending European patent applications, in which case, unless the opt-out is withdrawn, any granted European patents are never subject to the jurisdiction of the court.

### OPT-OUTS – TIMING

Opt-outs may be filed as soon as the “sunrise” period begins, which is three months from the date when the court opens. As the court is now expected to open on April 1, 2023, this “sunrise” period will run from January 1, 2023. Opt-outs will continue to be available during a transitional period, which will last for seven years and may be extended another seven years and hence will extend through to the end of March 2030 or possibly the end of March 2037.

A revoked opt-out applies for the lifetime of the patent, provided it is filed before the end of the transitional period.

### KEY FACTORS TO CONSIDER

The following are likely to be the key factors in deciding whether or not to opt patents out of the jurisdiction of the Unified Patent Court.

- Is the patent being or going to be maintained in multiple jurisdictions?
- What is the potential cost if protection is lost in multiple jurisdictions?
- How likely is it that third parties would want to file a revocation action to revoke a patent?
- How likely is it that a revocation action would succeed?

These factors impact different technology sectors in different ways, as summarized in the accompanying table.

Given the relatively low opportunity costs involved, if there is any realistic chance that a third party would seek to initiate a central revocation action then the default should always be to opt-out to prevent that central attack.

The only costs involved are the low administrative cost of requesting the opt-out and the (possibly quite theoretical) possibility that a third party might seek to initiate national revocation proceedings against a patent, thereby preventing a proprietor from revoking the opt-out at a later date and preventing the proprietor from central enforcement of that patent.

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