

Kluwer Patent Blog

Preparing for the Unified Patent Court – Opt out or stay in?

Kluwer Patent blogger · Tuesday, June 7th, 2016

As the Unitary Patent (UP) system is expected to start functioning in 2017, proprietors of European patents are faced with the choice to opt these out of the jurisdiction of the Unified Patent Court (UPC), or to stay in the new system.

The main advantage of the UPC is that its decisions are enforceable in all of the EU countries which have ratified the UPC Agreement. Costly, complex and lengthy litigation in national courts of separate Member States is no longer necessary.

So if a patent will likely have to be defended in many EU states, the UPC seems to be a good place to do that. The UPC can issue pan-European injunctions: ‘Where a decision is taken finding an infringement of a patent, the Court may grant an injunction against the infringer aimed at prohibiting the continuation of the infringement (Art 63 (1) [UPCA](#)).’ There is a risk however: litigation at the UPC can lead to a pan-European revocation (Art 65) or declaration of non-infringement.

The procedure is fast. The Court of First Instance will decide within 12 to 15 months. But the fact that the UPC is completely new is certainly an issue. There is no established case law, so observers fear the judgments could lead to unpleasant surprises, with consequences affecting over 400 million consumers in up to 25 European countries. This is true especially for regional and national divisions of the UPC which have limited experience with patent litigation.

It should give some reassurance that well-known European patent judges are expected to be [recruited for the UPC](#). At the regional and national divisions, judgments will be made by panels consisting of three legally qualified judges. One or two of them will be allocated from a special pool of UPC judges (Article 18(3)). As the UPC Preparatory Committee [explains on its website](#): ‘Legally qualified judges shall possess the qualifications required for appointment to judicial offices in a Contracting Member State and technically qualified judges shall have a university degree and proven expertise in a field of technology as well as proven knowledge of civil law and procedure relevant to patent litigation. Any panel of the UPC shall have a multinational composition.’

What other factors should patent holders consider in deciding to opt out or not opt out of the jurisdiction of the UPC? Kluwer IP Law found a lot of interesting comments from patent experts and recommends clicking the links for more extensive reading.

- ‘Opting out may be interesting for weaker patents that cover blockbuster products: as a result

they would not be subject to the jurisdiction of the UPC and would have to be challenged separately in every single UPC contracting state. Opting in however is an appealing option for a strong patent, in particular if the patentee has only limited enforcement means available (...). Other factors such as the timing of a planned product launch, the economic value of the pharmaceutical covered by the patent, the existence (or not) of divisional patents, etc are also factors that can influence the answer (...)' ([Crowell & Moring, Pharmaceutical Market Europe January 2016](#))

- '(...) if a patent is, or has been, the subject of opposition proceedings before the EPO, the opt-out option may be the safest course of action, as unsuccessful opponents could be expected to challenge the validity of the patent before the UPC.' ([Dehns](#))
- 'Where multiple patents apply to one product, opting out some but not others may give you a choice of approach and court system even after the end of the transitional period. Hedging like this may become more common.' ([Herbert Smith Freehills](#))
- 'Opting out could lead to a worse result than a central attack on a patent in the UPC, because a party desiring to attack an opted-out European patent probably would choose the court that is least attractive for the patent owner. Any national court action filed during an opt-out would prevent enforcement of that European patent in the UPC against any defendant, because the patent owner can no longer withdraw its opt-out when an action has already been brought before a national court.' ([John Pegram of Fish & Richardson on WIPR](#))
- 'Opt-out with a tactically timed opt-in is a strategy under active evaluation. ([Hogan Lovells Survey, as reported by IP Copy](#))
- 'Concerns that inexperienced judges will do unpredictable or crazy things at the Unified Patent Court are exaggerated.' ([Wouter Pors of Bird & Bird, Kluwer Patent Blog](#))

The option to opt out of the UPC is only available during a transitional period of minimum 7 years and maximum 14 years after the launch of the UPC. During a so-called sunrise period, expected to start in the second half of this year, European patents can already be opted out from the UPC jurisdiction. Unitary Patents cannot be opted out.

For regular updates on the Unitary Patent and the Unified Patent Court, subscribe to this blog and the free [Kluwer IP Law Newsletter](#).

To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please [subscribe here](#).

Kluwer IP Law

The **2022 Future Ready Lawyer survey** showed that 79% of lawyers think that the importance of legal technology will increase for next year. With Kluwer IP Law you can navigate the increasingly global practice of IP law with specialized, local and cross-border information and tools from every preferred location. Are you, as an IP professional, ready for the future?

Learn how [Kluwer IP Law](#) can support you.

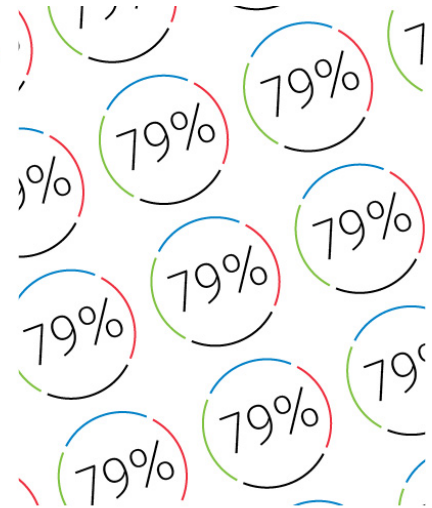
79% of the lawyers think that the importance of legal technology will increase for next year.

Drive change with Kluwer IP Law.

The master resource for Intellectual Property rights and registration.



2022 SURVEY REPORT
The Wolters Kluwer Future Ready Lawyer
Leading change



This entry was posted on Tuesday, June 7th, 2016 at 3:10 pm and is filed under [European Union, Unitary Patent, UPC](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. Both comments and pings are currently closed.