

Opt-out: Are you ready?

The Unified Patent Court (UPC) will soon complete the current patent protection system in Europe. At last!

However, the proprietors will be able to derogate from the jurisdiction of the UPC by opting out.

➤ **The Unified Patent Court (UPC)**

The purpose of the Unified Patent Court (UPC) is to replace multiple actions before different national courts by a single action, and to harmonize the jurisdictions in Europe regarding the validity and infringement of patents.

A UPC decision could therefore cover the entire territory of the EU Member States that have ratified the UPC agreement (UPCA) and, in some cases, non-EU Member States (such as the United Kingdom or Turkey) as well. Damages for acts of infringement committed throughout this territory could consequently be obtained by a single decision. Conversely, a single UPC decision could also invalidate a European patent for all contracting Member States.

The UPC is currently planned for June 1st, 2023.

➤ **Jurisdiction of the Unified Patent Court (UPC)**

The UPC has exclusive jurisdiction to decide on the validity and infringement of unitary patents.

The UPC is also competent for classic European patents granted before or after the entry into force of the UPC.

➤ **Transitional period**

For classic European patents, and only for these, an action for infringement or invalidity can still be brought before national courts during a transitional period of seven years from the entry into force of the UPCA, which can be extended up to seven more years.

Once this transitional period is over, the UPC will become the sole jurisdiction competent to decide on the validity and infringement of classic European patents.

An action pending before a national court may continue after the end of the transitional period, however.

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➤ Opt-out from the jurisdiction of the UPC

○ Procedure for opt-out from the jurisdiction of the UPC

▪ For which titles can an opt-out be filed?

The proprietor of a classic European patent or the applicant for a published European patent application (as well as the holder of a Supplementary Protection Certificates (SPC)) will have the possibility to waive the jurisdiction of the UPC, including for infringement and invalidity actions.

Only the national courts will then have jurisdiction over these actions.

Such an opt-out avoids a centralized nullity action before the UPC.

Finally, it is of course not possible to opt out from the jurisdiction of the UPC for a unitary patent or for a SPC based on a unitary patent.

▪ When to apply for an opt-out?

The application to opt-out of the UPC's jurisdiction may be filed for any published patent application or European patent, including up to 5 years after its expiration.

This application may be filed:

- ✓ prior to the entry into force of the UPC, for a preliminary period of three months, known as the "*Sunrise Period*", which will begin on March 1st, 2023, or
- ✓ after the entry into force of the UPC, i.e. on June 1st, 2023, during the renewable seven-year transitional period, and
- ✓ no later than one month prior to the expiration of the transitional period.

If an application to opt-out is filed during the *Sunrise Period*, the opt-out will be considered to have been registered on the date of entry into force of the UPC, thus avoiding the risk of a nullity action before the UPC from the first day of its entry into force.

In any case, the application to opt-out must be filed before any action before the UPC.

▪ Who can apply for an opt-out?

The application to opt-out must be filed by:

- ✓ the true proprietor of a European patent or the true applicant of a published European patent (which may be different from the one recorded in the national or European patent registers),
- ✓ all co-owners in case of joint ownership,
- ✓ all owners in case they are different according to the countries designated in the European patent, including for countries that are not members of the UPCA (such as e.g. Spain, the United Kingdom and Switzerland).

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Finally, it should be noted that the licensee, whether exclusive or not, even if authorized by the proprietor, cannot file an application to opt-out.

▪ How to apply for an opt-out?

The application to opt-out must be filed with the UPC registry (and not with the EPO) online via the Case Management System (CMS), which is a procedure management system set up by the UPC.

No official fee is required.

The application to opt-out must contain:

- ✓ the name and the address of each proprietor of the European patent or applicant of the published patent application, or each holder of the SPC,
- ✓ in case of representation, the name and address of the representative as well as a power of attorney if required,
- ✓ at least the publication number of the patent and/or patent application,
- ✓ a declaration of entitlement if the person filing the opt-out is not the recorded proprietor on the national or European patent register.

In the case of representation, European patent attorneys authorized to practice before the UPC or attorneys do not need a power of attorney to file an application for opt-out.

On the other hand, a power of attorney must be filed if the application to opt-out is made by a person other than a lawyer or a European patent attorney authorized to practice before the UPC, e.g. an administrative person within a company, a lawyer practicing in a non-member EPC state or a European attorney or lawyer not authorized to practice before the UPC.

In addition, it will be possible to file multiple applications for opt-out in one step but only for the same proprietor or identical co-owners.

To do this, an application programming interface (API) will be available to communicate directly and securely with the CMS, eliminating the need to manually fill out forms via the CMS.

▪ Registration of the application to opt-out?

An application to opt-out will only be effective from:

- ✓ the date on which the opt-out is entered in the UPC register by the registrar, or
- ✓ if the opt-out is entered with an error, the date on which it is corrected in the UPC register.

The opt-out will be effective for all the countries designated in the European patent, including those which are not currently part of the UPCA (which makes it possible to guarantee the existence of the opt-out for a country which may ratify the UPCA at a later date).

Correction of errors can be requested at any time but cannot be requested for an incorrect patent number.

The opt-out procedure will not be examined by the UPC registry. Thus, the registration of the opt-out in the UPC register does not guarantee its validity.

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Only the UPC will verify the validity of the opt-out upon request of a party in the course of an action, for example in a revocation action before the UPC.

In this case, if the opt-out contains one or more irregularities, the proprietor will not be allowed to correct them in order to avoid the jurisdiction of the UPC, and will risk a centralized revocation of its European patent.

It should therefore be borne in mind that the opt-out procedure, which is quite complex, offers no guarantee of validity even after registration in the UPC register.

The UPC register will be available on the UPC website and alerts will likely be created.

○ Procedure for withdrawing an opt-out (opt-in)

An opt-out is valid for the entire life of the European patent and up to 5 years after its expiration, but can be withdrawn (also called "opt-in").

The withdrawal of an opt-out concerns all designated countries.

The withdrawal of an opt-out from a European patent entails the withdrawal of this opt-out for all the SPCs based on the patent.

Withdrawal of an opt-out fully restores the jurisdiction of the UPC.

Once an opt-out has been withdrawn, it is no longer possible to apply for a new opt-out.

▪ When to apply the application to withdraw?

Withdrawal of an opt-out may be requested at any time during the life of the patent or a SPC, as long as the opt-out is effective.

However, the withdrawal must be filed before any national action concerning a matter over which the UPC has also jurisdiction (infringement, declaration of non-infringement, revocation actions), whether the action is pending, has been decided, closed or settled.

For example, if an action was brought before a national court against a European patent before the withdrawal of the opt-out, then the patent proprietor will be permanently locked out of the UPC system.

▪ How to apply for withdrawal?

The application to withdraw ("opt-in") must be submitted online via the CMS and must include the same elements as the opt-out application indicated above.

Again, no official fee will be required.

Like the opt-out procedure, the withdrawal procedure is not subject to review by the UPC registry and its registration in the UPC register does not guarantee its validity.

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- **Procedure for removal of an unauthorized opt-out or withdrawal of an opt-out (“opt-in”)**

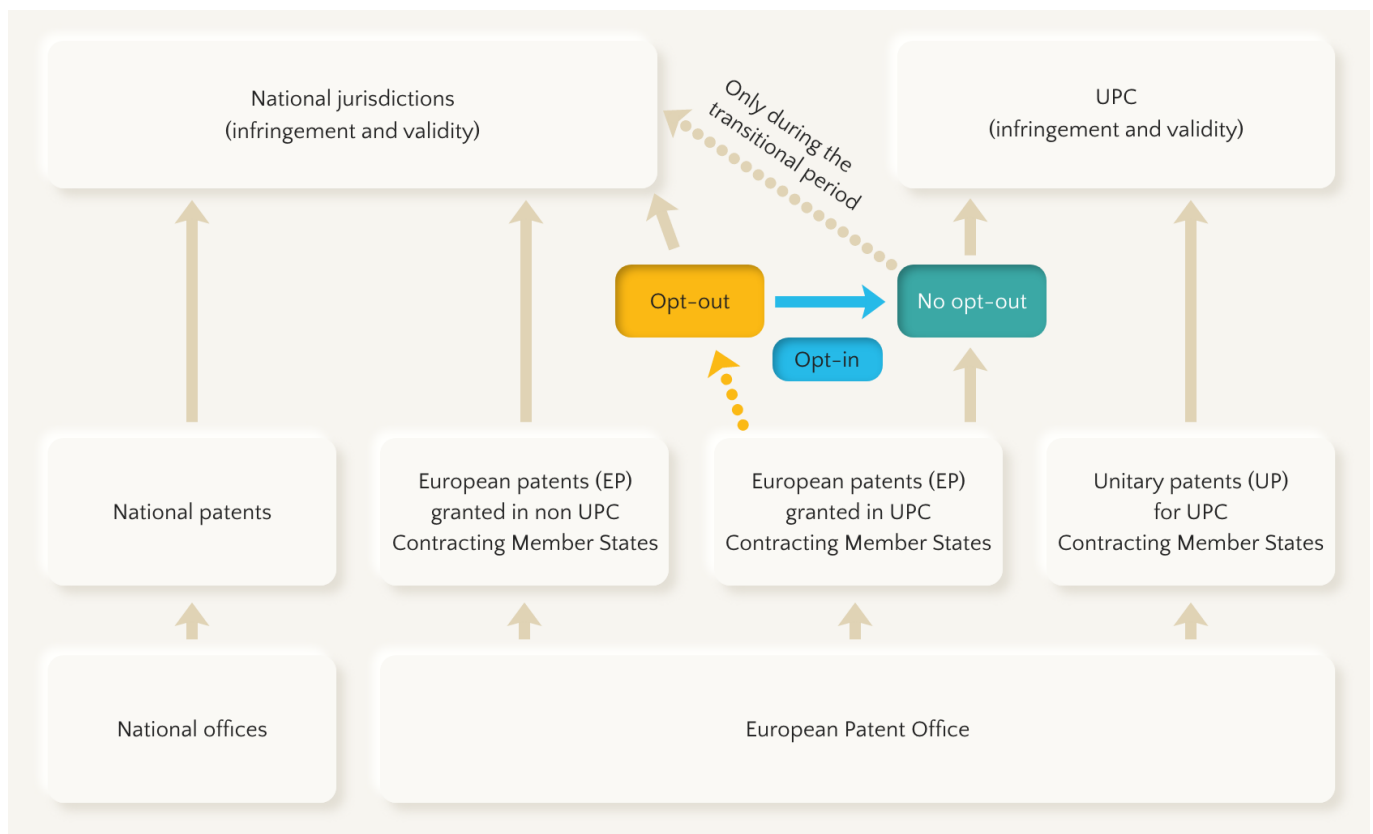
For reasons of safety with respect to a third party acting in bad faith, a procedure for the cancellation of an opt-out or withdrawal of an opt-out for a European patent (or a patent application or a SPC) may be initiated by the true owner who has not, himself, filed this opt-out or this withdrawal (“opt-in”). The registry may then, if the reasons invoked are sufficient, remove the opt-out or the withdrawal of the opt-out.

This procedure will make it possible to nullify the consequences of any fraudulent actions by a competitor acting in bad faith who has filed or withdrawn an opt-out for a patent that does not belong to him.

- **No double protection between a European Patent subject to an opt-out and a French or German patent protection**

Finally, it should be noted that it will not be possible for the same proprietor to have a double protection between the European patent subject to an opt-out and the corresponding French or German patent.

- **Summary of the future patent protection system in Europe as of June 1st, 2023**



**Opt-out:
Are you ready?**

Do not hesitate to contact us for any further information, and in particular to define together the strategy to be implemented for the patents in your portfolio concerning the opt-out and the opt-in.



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