# EIP



# Opt-out decision

- Owners of European patent rights (both pending and granted patents) need to decide, in respect of each right individually, whether to opt out of the <u>Unified Patent</u> <u>Court</u> ("UPC") system.
- A patent which is not opted out of the UPC system can be asserted in respect of multiple countries in a single UPC court proceeding. Equally, however, the patent can be invalidated in a single proceeding.
- Opting out preserves the status quo of national jurisdiction, but an opted\_out patent cannot take advantage of the centralised benefits of the UPC system.
- Opting out is possible only for 'traditional' EP patents obtained by national validation; it is not possible to opt out a Unitary Patent.

## What is the opt\_out?

Since the UPC opened for business on 1 June 2023, European patent rights resulting from the validation of a patent granted by the European Patent Office are, by default, subject to the authority of the UPC (in parallel with national court jurisdiction) in a large number of EU Member States.

However, a European patent right which has been opted out of the UPC will remain only under national jurisdiction, for its lifetime (see <u>How does the opt\_out work?</u>).

#### Why opt out?

Using the UPC, a third party can, via a single revocation proceeding, seek to revoke the patent in all UPC Participating States in which the patent is in force. Opting out therefore prevents a third party from revoking your patent for multiple countries in a single proceeding – anyone seeking to challenge your European patent will either have to do so within 9 months of grant using the continuing European Patent Office's Opposition process or, thereafter, apply to individual national courts, as is currently the case.

You may decide to apply for a <u>Unitary Patent</u>, for example because it is more cost\_effective. All Unitary Patents are automatically subject to the UPC's jurisdiction and cannot be opted out.

For other (non\_Unitary) patents, the UPC will enable you to assert your patent in multiple EU Member States in a single court proceeding. This possibility is not available for an opted out patent.

Although it is possible to opt\_out patent **applications** once the application has been published, there is unlikely to be any benefit to making the opt\_out decision prior to the time of grant, because it is not generally possible to litigate a patent before grant.

### What is the latest date for opt out?

The possibility to opt\_out will remain in place for at least seven years after the UPC opens. This is the so\_called "Transition Period" and it may be extended. For a given patent right, an opt\_out can only happen if no UPC proceeding has been started in respect of that patent right. Even if an attempt at revocation at the UPC is unsuccessful, that patent cannot then be opted out. Because a third party may initiate a revocation at the UPC at any time, we recommend that if you decide to opt out any granted patents, this should be done as soon as possible.

#### Can I change my mind?

An opt\_out can be reversed by withdrawing the opt\_out. However, this option will not be available if a patent has been litigated nationally. Also, be aware that withdrawal of opt\_out can only be done once, so if you opt out a patent or application and then opt it back in, it is not possible to request a further opt\_out.

Similarly, if you decide now not to opt\_out, it will not be possible to apply to opt\_out a patent if a UPC proceeding has been started in respect of that patent right.

You do not have to take the same approach for all of your European portfolio: you could consider a mixed approach, in which only a part of your portfolio is opted\_out, and the rest are left within the remit of the UPC. Ultimately, though, you could opt out all, some, or none of your European patent rights.