

The Unified Patents Court - To Opt In or to Opt Out?

It is looking increasingly likely that the new Unitary Patent covering multiple EU countries will enter into force in 2017. While it is not essential to engage with many aspects of the new regime until it is fully up and running, one area where a decision will be required as early as later this year, is whether to opt existing European patents into or out of the jurisdiction of the new Unified Patents Court.



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The Unified Patents Court will have jurisdiction in EU participating states over existing patents that have previously been granted by the EPO, unless they are opted out of the jurisdiction of that court. Patents that have been opted out can only be challenged and enforced via national courts under the present system. Patents that are not opted out (the default position) can be challenged and enforced either in the national courts under the present system, or through the new Unified Patents Court, at the choice of the person starting the action. Until such time as an action has been commenced, patent Proprietors can opt their patents in or out of the jurisdiction of the new court at will. Furthermore, in the six-months before the new court opens for business, existing EPO granted patents can be opted out to prevent them being subject to the jurisdiction of new court from the day it opens.

The question patent Proprietors now need to consider is: are they going to embrace the new court right from the start and leave their EPO granted patents opted in, or are they going to opt their patents out, at least initially, and wait and see how the new system beds-in before making use of it.

Why Opt Out?

The Risk of Pan-EU Revocation – the Unified Patents Court will have the power to revoke a patent in all participating EU states. Opting out will deprive a competitor of the option of revoking a patent in a single action.

Fear of the Unknown – the Unified Patents Court has new procedures, newly appointed panels of judges unused to sitting together and no body of case law. Do you risk having the validity of a key patent challenged for all participating EU states in that court or do you prefer to wait and see how the court behaves?

Costs of Defending an Action - the cost involved in defending an invalidity action or launching a counter claim for infringement at the Unified Patents Court could be far more than the low cost options available in some EU countries, such as the UK's Intellectual Property Enterprise Court.

Why Opt In?

Availability of pan-EU relief – Once an action seeking revocation of an opted out patent has been launched in a national court, it will no longer be possible to opt the patent back in to the jurisdiction of the Unitary Patent Court. Keeping patents opted in will ensure the

option to make use of the new court to seek EU-wide relief remains open.

Cost – although there is no official fee associated with opting out, and it is likely that multiple patents can be opted out in a single submission; there will be an administrative burden associated with opting patents out. For a large portfolio of 100s of patents the costs of opting in could be substantial. Why spend money now on something that may not be essential?

Agreement of Joint Proprietors – Opting out patents will require the consent of all proprietors and may be burdensome to obtain. It may also be necessary to consider the effect on license agreements and whether licensees need to be consulted.

Other considerations – delaying grant For those keen to obtain Unitary Patents covering multiple EU countries, for example to provide cost savings compared to validating European patents in multiple individual EU countries, taking action to delay the grant of existing European applications until after the entry into force should be considered.

For more information about opting out, delaying grant of the Unitary Patent, and the Unitary Patents Court, please contact your regular attorney at Abel & Imray.

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