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An Intellectual Property Law Update

Bodman PLC

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Opt Out Your European Patents as Unified Patent Court Comes Into Force

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The Unified Patent Court (UPC) is coming into force on June 1, 2023. The UPC will have exclusive jurisdiction over new Unified Patents in Europe and shared jurisdiction with national courts over traditional or classic European Patents. The UPC provides a single court throughout European Nations, with a few exceptions, to enforce or invalidate existing "classic" European patents.

As of March 1, 2023, applicants for and owners of a "classic" European patent can, under Article 83(3) of the Agreement on the Unified Patent Court, opt out of the exclusive jurisdiction of the UPC before it begins operations. Opting out an existing European patent maintains the current system of national level enforcement and validity challenges. Patentees who opt out retain the option to opt in to the UPC in the future.

Why Opt Out?

When the UPC comes into force, an action for revocation of a classical European patent can be brought before the UPC and this single judgment will be effective across UPC contracting member states. Thus, classically validated European patents will be at risk of centralized attack, no longer requiring challengers to seek cancelation in each separate national court system. Patentees unwilling to risk a singular action for revocation in multiple countries, and those unsure how the jurisprudence of the UPC will develop, should elect to opt their patents out of the UPC.

Patents Opted Out Can Opt Back In

At the patentee's choice, a classic European patent can be opted back in one time only. Prior to initiating an enforcement action against an infringer, the patentee can opt back in to the UPC to leverage the cross-border scope of the UPC when it is beneficial for that given patent. A patent can only be opted out once, and once opted in cannot be opted back out. Additionally, a European patent may not be opted out if an action has already been brought before the UPC.

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How to Opt Out

A European Patent or application may be opted out by submitting an application with the Registry of the UPC requesting the opt out. The right to opt out is reserved for the patent owner or applicant, subject to any extant contrary contractual obligations. If jointly owned, all owners or applicants must act collectively to opt out. There is no official fee associated with opting out. Contact your patent attorney to discuss the specific details of requesting opt out. If an opt out is incorrectly requested, the opt out will not be effective and the patent will remain under the jurisdiction of the UPC.

Patent owners that want to discuss how this change impacts their patent strategy can contact any member of <u>Bodman's Patent Practice Group</u>. Bodman cannot respond to your questions or receive information from you without first clearing potential conflicts with other clients. Thank you for your patience and understanding.

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