

UPC: JURISDICTION AND "OPT-OUT"

11 December 2020 | Europe
Legal Briefings

Once the Unified Patent Court (UPC) comes into effect, and after the transitional period of 7 years (at least), the court system will have exclusive jurisdiction over UPs and all EPs designated to participating EU Member States (unless these EPs have been opted out of its jurisdiction). The UPC will also have jurisdiction over supplementary protection certificates (SPCs), unless they have been opted out or are an SPC originating from an opted out EP (which are automatically deemed to be opted out). However, during the transitional period, there will be a dual jurisdiction arrangement in relation to non-opted out European patents whereby cases can be brought in either the UPC or a national court in relation to particular actions.

WHAT ACTION GOES WHERE IN THE UPC?

- Infringement claims can be brought in local/regional divisions where the infringement occurs
- Revocation actions must be brought before the central division unless brought as a counterclaim where they can be heard with the infringement action or transferred to the central division by the panel hearing the infringement action
- The central division also has exclusive jurisdiction over declarations of non-infringement

OPT-OUT:

When: During the first seven years from the UPC Agreement (UPCA) coming into effect, an opt-out from the UPC's jurisdiction is available for EPs (this transitional period may be extended by a further 7 years – following an assessment after five years).

Once all the criteria for the UPCA to come into effect have been fulfilled, there are four months before it can come into force and the UPC can start to operate. During this period it is proposed that there will be a "sunrise" period within which current relevant EPs and EP applications, and SPCs can register an opt-out from the EPOUPC system, before it becomes a reality. Currently this period is expected to be the 3 to 4 months before the UPC commences.

Proprietors will be able to opt-out EP applications (as well as EPs already granted) and then "opt back" (withdraw the opt-out) when the EP comes to grant or whenever they decide (although if national proceedings have been commenced in relation to an opted out European patent, that opt-out cannot subsequently be withdrawn). UP applications cannot be opted out at any point and are under the exclusive jurisdiction of the UPC.

SPCs for opted out EPs will automatically be opted out. Otherwise SPCs can be opted out separately (but this must be done by the EP proprietor).

Proprietors: Opt-out is for all designations of EP (as is withdrawal of opt-out) and all proprietors of the EP designations must opt-out together.

Effect: Opt-outs are effective for all designations of an EP. Once opted out, the UPC has no jurisdiction over the EP and the EP must be litigated nationally (under national law). The opt-out is effective for the lifetime of the patent and beyond eg for litigation based on rights now expired or a subsequent SPC. The proprietor is free to opt back in, unless an action has already been brought before a national court. Once the opt-out is withdrawn, there is no further opportunity to opt-out.

Proprietors can opt-out EP applications (as well as EPs already granted) and then opt back in (withdraw the opt-out) if they so decide post grant or if they wish to obtain a UP at grant (for which there is no opt-out option).

Strategically, proprietors may consider opting out initially to prevent their patent being drawn into the UPC system by a revocation action, and then withdrawing the opt-out when a UPC action looks more attractive for their purposes (such as pan-EU enforcement).

NOT OPTING OUT:

Effect: If a patentee has not opted out of the UPC system its EP will nevertheless be subject to a dual jurisdiction of both the UPC and national courts for the duration of the transitional period (7 years initially, potentially extending to 14):

- The UPC has jurisdiction over all UPs (no opt-out available) and for EPs (unless opted out) and SPCs (unless opted out or the SPC originates from an opted out EP)
- During the transitional period, national courts also have jurisdiction in relation to EPs, even if not opted out, in relation to infringement and revocation proceedings (and SPC infringement and invalidity)

Within the transitional period, the patentee can subsequently choose to opt-out of the UPC system as long as proceedings have not already been brought before the UPC. However, once a UPC court is seized of an action, the EP cannot be opted out, just as once a national court is seized of an action in relation to an EP, the proprietor cannot withdraw an opt-out.

For more on the factors to consider when opting out or not doing so, see our article "[What should influence your decision to opt-out of the UPC?](#)" published in Managing Intellectual Property Magazine.

Following the publication of the UPC Rules of Court Fees (see our [e-bulletin](#)) it is clear that there will be no fee for opting a European patent out of the jurisdiction of the UPC, nor any for opting it back in again. This appears to have cleared the way for the bulk opt-out of patents.

[< SEE MORE ON OUR UPC AND UP HUB](#)

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



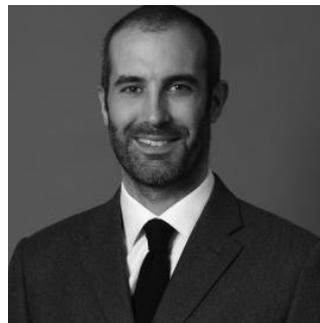
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