

Training

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- The UPC is progressing fast, but there are potential obstacles. No one can definitively say when it will start, so keeping up to date is essential.

Consider a full patent audit in Europe

- The opt out process applies to each and every national designation.
- Opt out must be carried out by the actual proprietor of the patent or the applicant of the patent application in question.
- Some businesses have a system where patents are owned by different entities in separate countries. Accordingly, a group of companies which owned European patents designated in five different countries may have a separate subsidiary as the owner of each national designation. In that case, opt out applications would have to be made by each company.
- An audit now can identify issues which might need to be straightened out before deploying opt out or other strategies concerning the management of a portfolio of patents in Europe under the new regime.

Sign up and become accustomed to the [beta version of the UPC Case Management System](#). This system will be used to opt out patents

- The system is **far from user ready** with a lot of question marks but it will give you some idea of the steps and procedures that may be required.
- It is not possible to actually opt out patents using the trial beta version. However, it is possible to experiment and test the system free of concerns about mis-typing patent numbers or other potential errors.
- Remember that the opt out option is available for all European Patents (EP) including those have expired (which means it can go back several years) and published EP applications.
- Businesses with large patent portfolios may conclude that it may be too burdensome to opt out all the patents before the start of the UPC (it is possible of course to continue opting out after the UPC commences). The Case

	<p>Management System may however improve vastly in the meantime but we do not know.</p> <ul style="list-style-type: none"> • Playing with the beta Case Management System might give you an idea how to prioritise your patents for opt out, and how you should plan your database so that you are able to swiftly opt out the patents once the opt out process becomes available in the Sunrise period.
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Revise Own Patent Portfolio Management Strategy

<p>Consider the benefits and risks of not opting out of the UPC system, then consider with respect to different categories of patents (valuable/ average in value / not so valuable / large territorial coverage necessary) whether it needs to be opted out</p>	<ul style="list-style-type: none"> • A single, cost effective enforcement action resulting in pan-European injunction, including preliminary injunctions is a good thing potentially. • Patent Attorneys will have the ability to represent their clients and make representations as well as lawyers. • Loser pays winner's costs with a cap on costs recoverable, but at a relatively high level, so up to €600,000 can be recovered in a large case. <p><i>However</i></p> <ul style="list-style-type: none"> • A loss following UPC litigation could knock out protection across the EU (whether EP or Unitary Patent (UP)). • There are risks inherent in new systems such as, inconsistent rulings, potential slowness of procedure (every decision could be appealed), how tightly confidential information can be protected etc. • UPC is devoid of unique national procedures such as: availability of the injunction gap (DE), saisie contrafacon (FR). • The rules are untried and uncertain so early litigation might be slow and expensive with a lot of procedural applications to clarify administrative "rules points". • It is possible to opt out, and then withdraw that opt out in order to enforce in the UPC. If you do not opt out, a potential infringer can apply to revoke the patent in the UPC or in the national system. However, if you do opt out, a potential infringer can apply to revoke the patent in the national system, and the patent owner cannot withdraw the opt out.
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Consider the benefits and risks of obtaining a Unitary Patent which covers all the UPC ratified territories.

- The key action point here is to have a strategic discussion with lawyers and patent attorneys to work through all the key issues. These are important strategic decisions which could affect a company's patent portfolio for years to come, so getting the best advice early is undoubtedly important.
- Unless transitional measures have been relied upon, it is only possible to obtain a Unitary Patent by filing a request with the EPO no later than one month after publication of the mention of grant of the European patent in the European Patent Bulletin.
- Transitional measures have been made available to enable patent applicants to obtain a UP before the UPC Agreement comes into force by either (i) filing early requests for unitary effect or (ii) filing a request for a delay in issuing the decisions to grant a European patent. The procedure and the conditions that need to be satisfied to utilise these transitional measures are detailed on the [EPO website](#).
- Consider the pros and cons of obtaining a UP (with or without an EP(UK)) and compare with the classical EP route (make EP application as we do at present designating a selection of EP countries) or the national IPO applications from a costs perspective.
- Initially, not all UPs will cover all the Contracting Member States as not all will have ratified when the UP becomes available (which is when the UPC Agreement comes into force). The coverage of a UP will remain the same throughout the course of the Unitary Patent's life.
- Bearing in mind that the great majority of patents will never be litigated, the decision to apply for a UP or to continue applying for a "classical" EP as before may depend on the cost of applying for, and maintaining the patent, for all but important patents. This is a potentially complex calculation involving initial fees, renewal fees and other costs.
- Costs include costs of validation, translation as well as renewal fees balanced against the inability to reduce the territorial scope of protection to reduce renewal fees in the case of a UP as the years progress (in contrast, the coverage of EP can be reduced by not paying the renewal fees for less important territories).

	<ul style="list-style-type: none"> The calculation of costs may need to bear in mind the need to apply for a EP in the UK and for other EPC countries which have not ratified the UPC treaties.
Patents under Licence	
<p>Review existing licence agreements and discuss with licensor/licensee (as the case may be) as to how the subject patents will be enforced when the UPC framework is implemented, and agree any opt out strategy and patenting (whether to obtain a UP) strategy</p>	<ul style="list-style-type: none"> Once again, the key action point here is to have a strategic discussion with your lawyers, internal or external, to plan a strategy for dealing with existing agreements and future licences. There are very big issues at stake here in terms of decision making about the commencement or defence of litigation and the issue of opting out, or indeed back in, to the UPC system. Licensees will expect to be consulted and, in future licences, may even expect the right to choose, so a strategy needs to be planned. Ultimately it is the patent owner or in the case of patent application, the applicant's decision (subject to any contractual agreements in place) whether to opt out a patent from the UPC system, or withdraw that opt out, and not the exclusive licensee. The strategies of the owner and their licensees may differ, so it is worth starting the discussion now. Check that the proprietor has carried out the opt out or applied for a UP (at present not yet possible, see above) within the agreed timeframe. Exclusive licensees have the right to initiate actions in the UPC provided that the patent proprietor is given notice (and must be joined if the validity is contested), and the licence does not otherwise provide. However, if the proprietor has opted the patent in question out of the system, that right becomes worthless, so exclusive licensees need to know what the proprietor has done. Non-exclusive licensees can only issue proceedings if the licence agreement permits. When drafting future licences, provisions should be made for consultation and agreement about any key steps which may affect the use and maintenance of a European patent in the new system, whether a classical European patent or a Unitary patent.
Patents which are being co-owned	
<p>Discuss patenting strategy with all co-owners of a patent</p>	<ul style="list-style-type: none"> Discuss patent enforcement strategy with all co-owners and decide whether to opt out the subject patents. Opting

<p>bearing in mind the UPC framework and decide on the opt out and patenting (whether to obtain a UP) strategy</p>	<p>out requires the consent of all patent proprietors, and they must agree to opt out all of the designated territories.</p> <ul style="list-style-type: none"> • Discuss patent filing strategy with all co-owners. In the case of converting the EP application into a UP, the governing law will be determined by the profile of the first mentioned applicant (e.g. if the applicant has its principal business in France, then French law will apply in respect of issues concerning the UP an object of property, such as ownership issues)¹. It would therefore be worth thinking about which co-owner should be named first in the patent application. • Check that the co-owner responsible for opting out/ applying for a UP has duly carried out the task.
During the Sunrise period	
<p>Opt out the patents that need to be removed from the UPC regime</p>	
<p>Monitor rival's patents to understand their patenting strategy</p>	
<p>Monitor patents which you consider you may be infringing</p>	
<p>Consider and prepare to file protective letters which are valid for 6 months (and not made public) to fend off any provisional measures which are likely to be applied for in respect of any EP especially if they have not been opted out².</p>	
When the UPC starts (when the UPC system commences)	
<p>Within one month after the mention of the grant is published, apply for a UP protection in respect of those patents which you wish to be protected as a UP.</p>	
<p>Consider suing for the revocation for any patents which you are concerned about if it has not been opted out, in the UPC especially where the EPO opposition period has expired, before the patent holder has the chance to opt out the patent out of the UPC.</p>	

¹ Article 7 of [Regulation 1257/2002](#)

² Rule 207 of draft Rules of Procedure