

## SUNRISE OVER THE UNIFIED PATENT COURT: STEPS TO TAKE NOW IF YOU OWN PATENTS IN EUROPE

The 'sunrise' period for the new European Unified Patent Court (**UPC**) started on 1 March 2023. The UPC represents the biggest change to European patent practice for nearly 50 years. Parties will be able to start infringement and revocation actions in the UPC from 1 June 2023. If you own existing European Patents, you must now decide whether to (i) opt-out of UPC jurisdiction during the 3-month 'sunrise' period or (ii) keep your patents within the UPC system

### **UPC - The Main Changes**

Prior to the UPC, existing European Patents could only be enforced before individual national courts. With limited exceptions, those national courts could only make infringement decisions and grant remedies covering the territory of their specific country. Similarly, national courts and patent offices could only revoke the national part of a European Patent covering their specific country; a single national court could not make infringement and validity decisions covering other EU countries, where validity was put in issue. Instead, separate cases needed to be brought in individual national courts on a country-by-country basis.

The UPC will fundamentally change the European patent litigation system. It will allow patentees to bring a single infringement case covering all participating EU territories simultaneously. For patent owners, the UPC brings new opportunities, but also new risks. It will also allow challengers to seek the revocation of a European Patent in one action across all participating EU territories, unless the patent is first 'opted-out'. This raises the prospect of patentees losing protection across the largest EU markets following one single court decision.

Detailed information on the UPC can be found here.

## Action Required – Sunrise Period and Opt-Outs

By default, all existing European Patents covering participating EU member states will be 'opted-in' on day one. Patentees can, however, choose to take their European Patents out of the jurisdiction of the UPC by filing an 'opt-out'.

Patent owners may select which of their patents to leave within the UPC system and which they wish to opt-out; they need not take the same approach for every patent in their portfolio. It is also open to patentees to opt their patents back in to UPC jurisdiction to bring pan-European infringement proceedings in future (subject to rules regarding intervening national court litigation).

The 3-month period between 1 March and 1 June 2023, known as the 'sunrise' period, provides an opportunity for patentees to file their opt-out application before the UPC fully opens for business.

Patents can still be opted-out after 1 June 2023. However, the risk for patent owners is that any patents that have not been opted-out by 1 June could immediately become the subject of a pan-European revocation claim. To avoid that risk - or at least to assess whether the benefit of keeping individual patents within the UPC system justifies that risk - patentees should audit their portfolios now and decide on their opt-out strategy.

Due to concerns regarding the court's IT systems, the UPC has itself advised patentees not to wait until the "last couple of weeks" of the sunrise period to file their opt-out requests click **here**.

#### **Designing a UPC Strategy – Substantive Considerations**

The UPC is a new and untested system. Patentees should not take a 'one-size-fits-all' approach to designing their opt-out strategies. The optimal approach will depend on the composition of each portfolio and approach to enforcement. Budget-permitting, considerations regarding geographical spread of protection, the existence of divisional applications, the strengths and weaknesses of individual patents, and the value of underlying inventions and related products and markets, should all be taken into account.

Clifford Chance's patent experts have been monitoring the UPC proposals for over 10 years and would be happy to advise on preparations for the UPC.

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