

THE UNITARY PATENT AND THE UNIFIED PATENT COURT

Table of Contents

This handy reference of quick facts is structured in three parts:

OVERVIEW

UNITARY PATENT

UNIFIED PATENT COURT

OVERVIEW

Why This Is Important—In a Nutshell	3
Participating Member States	3
The New Patent Map for Europe	5

UNITARY PATENT

Features of a UP	6
Grant Procedure and Registration of Unitary Effect	6
Costs and Patent Renewal Fees	7
Patent Renewal Fees	7
Comparison: National Patent Renewal Fees	8
Applicable Law	8
Language and Translation Requirements	8
Patent Filing and Prosecution Options	9
Patent Filing and Prosecution Strategies to Consider	9

UNIFIED PATENT COURT

Key Facts in Brief	10
Structure of the Unified Patent Court	10
Composition of the Panels of the Court	11
Competence of the Unified Patent Court	11
Subject Matter Competence of the Central Division Sections	12
Procedure before the UPC	12
Timeline of First Instance Infringement Proceedings	12
Timeline of Procedure to Lay Open Books	12
Timeline of Procedure for Determination of Damages	13
Languages before the UPC	13
Jurisdiction and Forum Shopping	14
Infringement and Validity: Bifurcation or Not	14
Opting Out and Opting Back In	14
Court Fees: Infringement Action (First Instance)	15
Court Fees: Revocation Action (First Instance)	15
Recoverable Attorneys' Fees (First Instance)	15
Contact Information	16

ABBREVIATIONS

CJEU	Court of Justice of the European Union
CMS	Case Management System
EP	European Patent
EPC	European Patent Convention
EU	European Union
MS	Member State of the European Union
PPA	Protocol for Provisional Application
SPC	Supplementary Protection Certificate
UPC	Unified Patent Court
UPCA	Unified Patent Court Agreement
UP	European patent with unitary effect or Unitary Patent

Version 1 (May 2022)

OVERVIEW

Why This Is Important—In a Nutshell

- The introduction of the Unitary Patent (UP) and the Unified Patent Court (UPC) is the most significant development in patent enforcement in Europe for a generation. The new system will be **a fundamental change** in the international patent landscape and is likely to have a considerable impact on global patent strategy.
- It will create a **new patent right**, the Unitary Patent, which will provide a single patent right providing protection across all of the participating Member States. The UP will exist alongside existing national patents in European territories as well as standard European bundle patents (EP) which are separately validated in European Patent Convention (EPC) territories.
- A key objective of the UP (and UPC) is to **reduce costs** for patentees. There will be almost no translation costs for the UP and a single relatively low renewal fee (roughly corresponding to total fees payable for renewing EPs in 4 to 5 EU countries).
- The UPC is designed to streamline patent litigation across Europe. It will be **an entirely new international patent court**, which will be a single patent court with jurisdiction in at least 17 participating Member States (and potentially up to 24 States of the European Union in due course). This will make it, on some measures the largest patent litigation forum in the world.
- The UPC will have **exclusive jurisdiction** over administrative issues and disputes involving a UP. It will also have concurrent jurisdiction with national courts to handle patent disputes involving an EP for a transitional period of 7 years (which may be extended up to 14 years), unless the EP is explicitly opted out of the system. After the transitional period, the UPC will also have exclusive jurisdiction over EPs in the participating EU Member States. Only national patents will remain outside the jurisdiction of the UPC.

Participating Member States

- Not all 38 countries that are parties to the EPC can be part of the new UP / UPC. **Only EU Member States** can participate, which excludes, inter alia, the UK and Switzerland. In addition, three of the 27 EU Member States have **declined** to participate in the UPC (Spain, Poland, and Croatia).
- Participation requires signing and ratifying a treaty for establishing the Unified Patent Court (the Unified Patent Court Agreement or UPCA) and the Protocol for Provisional Application (PPA). The following chart lists the Member States that are on their way to such ratifications.

UPC Member States (MS)	UPCA Ratification*	PPA Ratification*
AT, BE, BG, DK, EE, FI, FR, IT, LU, NL, SE, SI	✓ (16 MS)	✓ (12 MS)
LT, LV, MT, PT		✗ (4 MS)
DE	✗ (1 MS)	✓ (1 MS)
CZ, IE, GR, CY, HU, RO, SK	✗ (7 MS)	

*Status January 2023

- The UPCA will enter into force on the first day of the fourth month after 13 of the Participating Member States have **ratified** the UPCA (including the ratifications by France, Germany and Italy).
- Germany has voluntarily **stayed** the deposit of its instrument of UPCA ratification until the UPC is ready for operation.
- Additional EU Member States can ratify the UPCA after the UPCA has entered into force.
- The territorial scope of a UP is limited to the countries that have ratified the UPCA **at the date of registration** that this patent is to have unitary effect (see further below).

OVERVIEW

Participating Member States

EPC MEMBER STATES		RATIFICATION OF UPCA	PARTICIPATION IN THE UP AND UPC
AL	Albania		Not an EU Member State
AT	Austria	✓	Yes
BE	Belgium	✓	Yes
BG	Bulgaria	✓	Yes
HR	Croatia	*Not signed after joining the EU in 2013*	*Still possible*
CY	Cyprus	*Signature only*	*Not yet*
CZ	Czech Republic	*Signature only*	*Not yet*
DK	Denmark	✓	Yes
EE	Estonia	✓	Yes
FI	Finland	✓	Yes
FR	France	✓	Yes
DE	Germany	✓ *(not yet deposited)*	Yes
GR	Greece	*Signature only*	*Not yet*
HU	Hungary	*Signature only*	*Not yet*
IS	Iceland		Not an EU Member State
IE	Ireland	*Signature only*	*Not yet*
IT	Italy	✓	Yes
LV	Latvia	✓	Yes
LI	Liechtenstein		Not an EU Member State
LT	Lithuania	✓	Yes
LU	Luxembourg	✓	Yes
MK	Macedonia		Not an EU Member State
MT	Malta	✓	Yes
MC	Monaco		Not an EU Member State
NL	Netherlands	✓	Yes
NO	Norway		Not an EU Member State
PL	Poland	NO	DECLINED
PT	Portugal	✓	Yes
RO	Romania	*Signature only*	*Not yet*
SM	San Marino		Not an EU Member State
RS	Serbia		Not an EU Member State
SK	Slovakia	*Signature only*	*Not yet*
SI	Slovenia	✓	Yes
ES	Spain	NO	DECLINED
SE	Sweden	✓	Yes
CH	Switzerland		Not an EU Member State
TR	Turkey		Not an EU Member State
UK	United Kingdom	*Withdrawn*	Not an EU Member State
	38	17 (out of 24 UPCA signatories) (including Germany)	

(Status: December 2022)

The New Patent Map for Europe



Features of a UP

- A UP will be a **single patent** based on a granted EP and will have effect in the territories of the countries that have ratified the UPCA at the date of registration of unitary effect. Given that ratifications of the UPCA will likely take place successively over time, there will be **different generations** of UPs with different territorial coverage. A UP will be a single indivisible patent right. This means that it will not be possible to allow a UP to selectively lapse in one or more territories while maintaining protection in others.
- A UP will **not cover all EPC Member States** as some countries including the UK, Spain, Poland and Switzerland, are not going to be in the system. Patent protection in these territories will continue to be available through existing validation procedures of standard EPs or via national patent filings.
- The territorial coverage of a UP will remain **constant** for its entire lifetime. This means that, for instance, a given UP's territorial coverage will not be extended to other EU Member States that ratify the UPCA after the registration of its unitary effect. However, **divisional UPs** may have different territorial scope compared to the parent UP due to the later date of registration of the divisional patent's unitary effect.
- The UP may provide patentees with **broader coverage** than they would have pursued under the current EP system. Previously some of the UP countries may not have been considered for EP validation due to the additional expense.
- There are however certain potential downsides of a UP. Of these, the most significant is the risk of **central revocation** of a UP across all jurisdictions at any time during the life of the patent (presently, EPs can only be centrally revoked following a challenge during the 9-month opposition period following grant).
- A UP can be enforced and challenged only through the UPC.
- The seat/place of business of the **first named applicant** will determine the applicable law for the UP as an object of property.

Grant Procedure and Registration of Unitary Effect

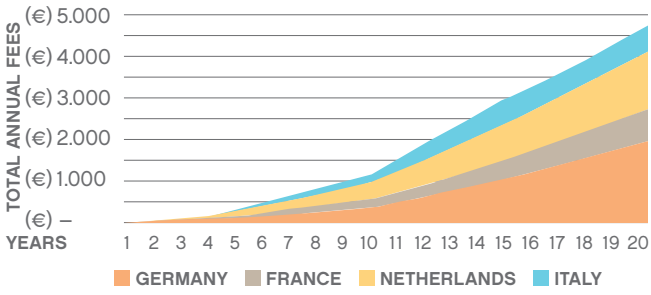
- UPs are granted by the **European Patent Office** (EPO) in the course of the existing EP grant procedure.
- Once the UPCA enters into force, the applicant will be able to choose whether or not the resulting EP should have 'unitary effect' in the contracting EU Member States. Such a request has to be filed within **one month** of a decision to grant. In the absence of such a request, the application will lead to the grant of a standard EP, requiring validation in each designated state in the usual way.
- A request for unitary effect can only be made in respect of EPs that are granted with the **same set of claims** for all UP participating Member States.
- If the EPO determines that at least one of the formal requirements for the request for unitary effect is not met, it will invite the applicant to correct the deficiencies within a non-extendable period of **one month**. The request will be rejected if the deficiencies are not addressed within this period. Applicants will have the right to appeal the decision of the EPO to the UPC.

UNITARY PATENT

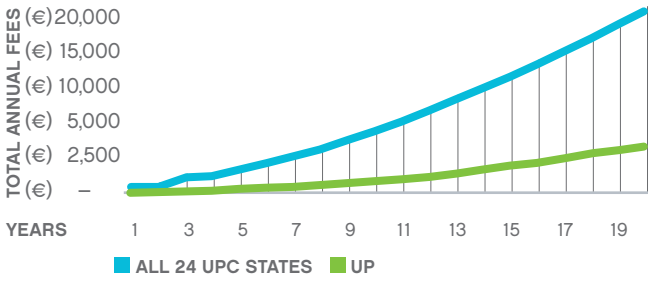
Costs and Patent Renewal Fees

- A UP will be subject to a **single renewal fee** which will be payable to the EPO.
- The EPO will retain approximately 50% of the renewal fees. The remainder will be distributed between the participating Member States.
- The renewal fees for UPs have been set at a "**True top 4**" level, meaning that they would be equivalent to the total renewal fees payable for the four most validated countries for standard EPs (namely, Germany, France, Netherlands and Italy). This means that significant cost savings are possible relative to standard EPs for obtaining coverage in up to 24 countries.
- Renewal fees are reduced by 15%, if patent holder registers a license of right.

"True Top 4" Annual Fees



Total Annual Fees



Patent Renewal Fees

PATENT YEAR	UNITARY PATENT*	TRUE TOP FOUR**	ALL 24 UPC MEMBER STATES***	ALL 38 EPC MEMBER STATES***
1	–	–	198	343
2	35	38	236	454
3	105	108	1,327	1,866
4	145	148	1,754	2,543
5	315	298	2,384	3,460
6	475	476	3,103	4,403
7	630	646	3,713	5,221
8	815	866	4,466	6,271
9	990	1,070	5,406	7,456
10	1,175	1,280	6,311	8,695
11	1,460	1,610	7,345	10,102
12	1,775	1,990	8,451	11,705
13	2,105	2,410	9,641	13,332
14	2,455	2,780	10,806	14,924
15	2,830	3,140	11,957	16,509
16	3,240	3,480	13,327	18,457
17	3,640	3,820	14,650	20,309
18	4,055	4,170	15,881	22,112
19	4,455	4,520	17,420	24,281
20	4,855	4,880	18,907	26,357
Total (€)	**35,555**	**37,730**	**157,274**	**218,800**

* Unitary Patent fees as of December 19, 2022 (EPO); all in €
** Total renewal fees in DE, FR, NL and IT; all in €
*** Total renewal fees as of December 19, 2022 (EPO); all in €

Comparison: National Patent Renewal Fees

PATENT YEAR	DE	UK	FR	NL	IT
1	–	–	-	–	–
2	–	–	38	–	–
3	70	–	38	–	–
4	70	–	38	40	–
5	100	80	38	100	60
6	150	103	76	160	90
7	210	126	96	220	120
8	280	149	136	280	170
9	350	172	180	340	200
10	430	195	220	400	230
11	540	218	260	500	310
12	680	252	300	600	410
13	830	298	350	700	530
14	980	344	400	800	600
15	1,130	412	460	900	650
16	1,310	481	520	1,000	650
17	1,490	538	580	1,100	650
18	1,670	595	650	1,200	650
19	1,840	653	730	1,300	650
20	2,030	699	800	1,400	650
Total (€)	**114,160**	**5,315**	**5,910**	**11,040**	**6,620**

Renewal fees as of December 19, 2022 (EPO); all in €

Applicable Law

- The rights conferred by a UP (e.g., definition and consequences of infringement) are **the same** for all participating Member States, as they are stipulated in the UPCA itself.
- The UP will be governed by the law of one of the participating Member States (e.g., conditions for co-ownership, transfer of ownership and priority rights) and applies to the UP in its entirety.
- **Applicable law** is determined by reference to the law governing the UP as an object of property, which is defined as the law of the participating Member State where, at the time of filing of the patent application:
  1. The applicant had its residence or **principal place of business**, or, in absence of this, any place of business;
  2. For joint applicants (co-owners), **the first listed applicant** is decisive;
  3. If none of the applicants matches these conditions, then, by default, **German law** will apply.

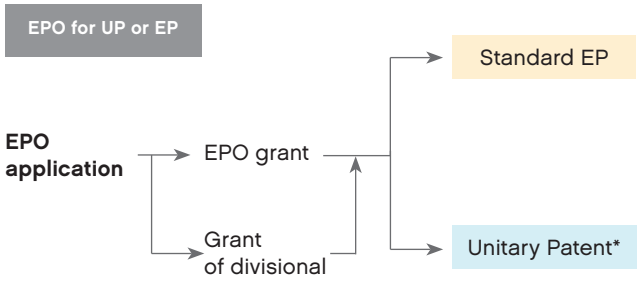
Language and Translation Requirements

- A key underlying objective of the UP is to **simplify** existing language and translation requirements for European patents. The ultimate intention is that:
  1. There will be **no formal translation requirements** for the UP in the long run;
  2. The EPO's free online **machine translation** program will be used primarily for translations; and
  3. A full human translation will only need to be provided in case of dispute, at the request of the Court or the request of an alleged infringer.
- Language requirements of the **grant proceedings** before the EPO remain the same.
- There will be a transitional period (6 to 12 years) until high quality machine-translation tools are available. During the transitional period, a translation of the **description** and **claims** will be required:
  1. Filing in German: English translation;
  2. Filing in French: English translation;
  3. Filing in English: translation into any official EU language.
- Translation requirements will change after the transitional period.
- There is no language regulation for opt-out declarations during the three-month "sunrise period" immediately preceding the entry into force of the UPC. It is advisable to use the language of the patent application.

UNITARY PATENT

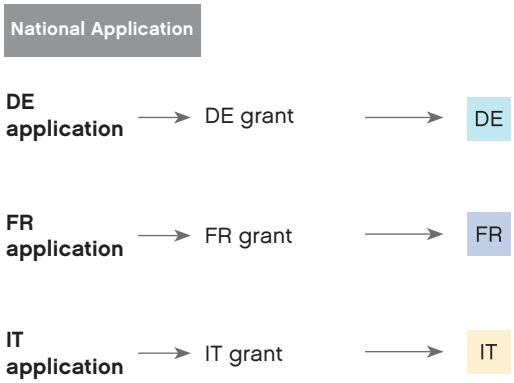
Patent Filing and Prosecution Options

- After EPO grant, the applicant can **choose** to obtain a UP or a standard EP. After grant of a divisional application, there is the renewed choice of obtaining a UP or a standard EP.
- Geographical scope of protection of a UP depends on the UP participating Member States **at the date of registration** of unitary effect. Filing European divisional applications with different or broader geographical coverage and/or scope of protection may be considered - some to be opted out, some to remain in the UPC.



*non-participating Member States via standard EP.

- Direct national patent filings may be considered when protection is sought in only a small number of countries.



- Alternative protection by **national utility models/utility certificates/short-term patents** derived from a EP, UP or PCT may be considered. Such protections are available in some EU Member States, such as Austria, Bulgaria, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, Greece, Croatia, Italy, Hungary, Poland, Portugal, Romania, Slovakia.

Patent Filing and Prosecution Strategies to Consider

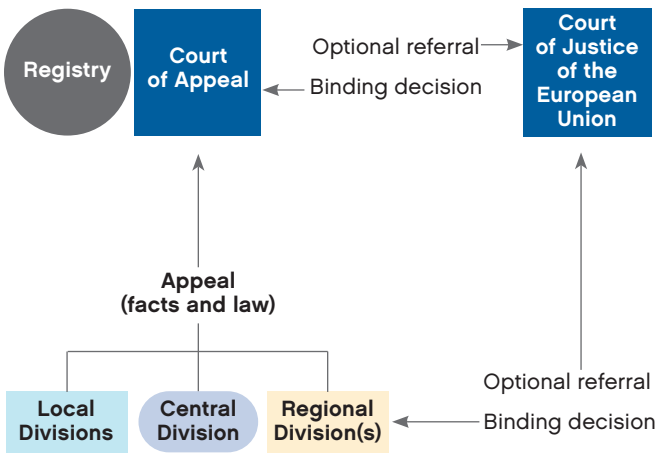
- Various parallel protections are possible:
  - Parallel protection from a **national part** of an EP and a **national utility model** or certificate/short-term patent is possible in states such as: Austria, Bulgaria, Croatia, Czech Republic, Denmark, Germany, Estonia, Finland, France, Hungary, Poland, Portugal, Romania, and Slovakia.
  - Parallel protection from a **EP** and a **direct national patent** is possible in states such as: Austria, Denmark, Finland, Hungary, Iceland, Norway, Poland, Portugal, and Sweden.
  - Parallel protection from a **direct national patent** and either a **not-opted-out EP or a UP** is possible in states such as: France and Germany.
- Applicants will need to carefully consider **prosecution strategies** in light of the new system. The applicant may wish to file an **early request** for unitary effect, which is possible from January 1, 2023. An early request for UP may be filed once an intention to grant has been issued by the EPO. However, filing such an early request for unitary effect does not imply that the EPO will delay issuing the decision to grant an EP, so that such request will be ineffective if the EP is granted before the UPCA enters into force.
- To mitigate this transitional situation, the EPO allows the applicant, from January 1, 2023, **to request a delay in the issuance of the decision to grant** in pending EP applications. This applies in situations where the communication of intention to grant has been issued, but the applicant has not yet approved the text intended for grant.

Key Facts in Brief

- The UPC is an **entirely new court** with newly created procedural rules.
- The UPC is international and completely **independent** from any national court.
- The UPC has jurisdiction **solely for patent litigation**, but handles both infringement and (in)validity proceedings.
- The UPC is a **"closed" court system**. Patent cases will be finally decided by the UPC, with the possibility of referrals to the Court of Justice of the European Union (CJEU) on certain matters of law.
- The UPC **blends procedural rules** and customs from various European jurisdictions. Case law of the UPC on substantive law issues will need to develop over time and this may end up incorporating practices and approaches from various European jurisdictions.
- The UPC provides a unified court for participating Member States instead of the existing patchwork of patent courts. There will be **one decision** for the entire UPC territory.
- The UPC has **exclusive jurisdiction** over **UPs**.
- During the transitional period of 7 years (and up to possibly 14 years), the UPC will also have **joint jurisdiction** with the national courts over already granted **EPs**, unless the EP is explicitly opted out. The UPC will assume exclusive jurisdiction over EPs after the transitional period.
- The UPC has various **Divisions** (Central, Regional, Local divisions) among which the plaintiff is able to choose the venue for the first instance proceedings.
- There will be potential for **forum shopping** within the UPC and between the UPC and national courts.

Structure of the Unified Patent Court

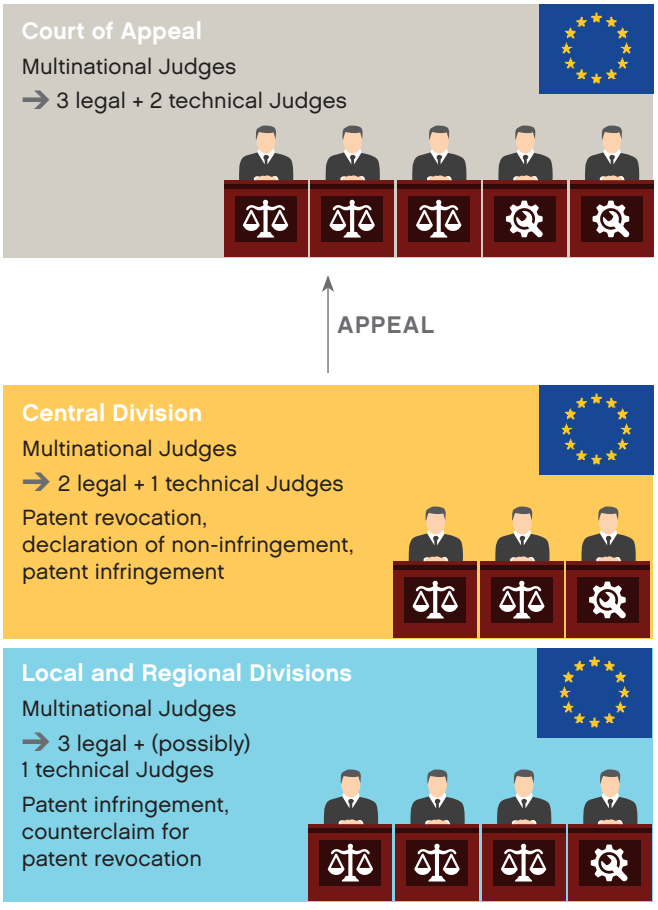
- The UPC comprises the Court of First Instance and the Court of Appeal.
- The **Court of First Instance** consists of:
  1. **Local Divisions** - typically, one per larger Member State:
     - Germany will have four (Düsseldorf, Munich, Mannheim and Hamburg);
     - Single Local Divisions are expected in Austria, Belgium, Denmark, Finland, France, Italy, the Netherlands, Portugal and Slovenia.
  2. **Regional Divisions** - for groups of Member States without their own Local Divisions:
     - Sweden and the Baltic States will host a Regional Division for Sweden, Latvia, Lithuania and Estonia.
  3. The **Central Division** will have its seat in Paris and a section in Munich.
- The Court of Appeal is located in Luxembourg.
- The UPC presented its 85 judges nominated for the Court of Appeal, the Central Division, and the Local and Regional Divisions in October 2022. It will be led by Paris Court of Appeal Judge Florence Butin as President of the Court of First Instance and German Federal Court of Justice Judge Klaus Grabinski as President of the Court of Appeal. The Presidium is completed by five other judges of the Court of Appeal and the Court of First Instance, one of whom originates from The Netherlands, Sweden, and France, and two from Germany. The Hague Court of Appeal Judge Rian Kalden has been elected as Presiding Judge of the second panel of the Court of Appeal.
- Either instance may refer selective questions of law to the CJEU, also located in Luxembourg.



UNIFIED PATENT COURT

Composition of the Panels of the Court

- Judges are recruited from **various jurisdictions** across Europe.
- Each panel will consist of judges from **at least two** countries.
- Panels will comprise legally qualified judges of **mixed nationality**.
- Some Court panels will include **technically qualified judges**.
- Legally and technically qualified judges will have **equal voting rights**.



Competence of the Unified Patent Court

- From the day the UPC becomes operational, it will have **exclusive jurisdiction** for the following actions relating to UPs and, subject to a transitional period and possible opt-out, relating to standard EPs and Supplementary Protection Certificates (SPCs):
  - actions for **infringement**;
  - actions for declarations of **non-infringement**;
  - actions for **provisional and protective measures** and injunctions;
  - actions for **revocation** of patents and for declaration of invalidity of SPCs;
  - counterclaims for revocation;
  - action for **damages** or compensation;
  - actions relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the invention;
  - actions for compensation for licenses of right of UPs;
  - Decisions of the EPO in carrying out the administrative tasks regarding UPs.
- All other actions are **outside the jurisdiction of the UPC** and thus remain within the exclusive jurisdiction of national courts, notably:
  - actions concerning **national patents**;
  - claims regarding **ownership**;
  - remuneration of **employees' inventions**;
  - **contractual claims.**
- During a **transitional period** of 7 years (possibly extended to 14 years), actions for infringement or for revocation of an EP or an SPC may still be brought before national courts.

UNIFIED PATENT COURT

Subject Matter Competence of the Central Division Sections

PC CLASS	SUBJECT MATTER	ASSIGNED TO
A	HUMAN NECESSITIES	To be relocated
B	PERFORMING OPERATIONS; TRANSPORTING	Paris
C	CHEMISTRY; METALLURGY	To be relocated
D	TEXTILES; PAPER	Paris
E	FIXED CONSTRUCTIONS	Paris
F	MECHANICAL ENGINEERING; LIGHTING; HEATING; WEAPONS; BLASTING	Munich
G	PHYSICS	Paris
H	ELECTRICITY	Paris

Procedure before the UPC

- The UPC aims to have a first instance hearing on infringement and validity **within one year** of the issuance of the claim.
- The UPC Rules provide for a three-stage procedure:
  1. **Written procedure:** A key feature is the exchange of detailed pleadings in the early stages of the proceeding which is designed to "to front-load" the legal arguments and evidence and facilitate early resolution. This is similar to existing European civil-law litigation procedure.
  2. **Interim procedure:** The reporting Judge will have responsibility for actively preparing and managing the case for the oral hearing, clarifying selected issues and deciding on document production, etc.
  3. **Oral procedure:** In most cases, there will be a one-day hearing and in simpler cases, this may be followed by a decision on the same day.
- There will be **separate proceedings** for determining damages and costs which will follow the first instance decision.
- The UPC has specific procedures to address certain aspects of patent litigation, including for instance:
  - Applications for **provisional measures** (including applications to obtain a preliminary injunction);
  - Order for inspections (**"dawn raid"** to collect facts and secure evidence).

Timeline of First Instance Infringement Proceedings

INFRINGEMENT	REVOCATION COUNTERCLAIM	APPLICATION TO AMEND	TIME ALLOCATED	
Statement of claim	—	—	—	WRITTEN PROCEDURE
Statement of defense	Counterclaim for revocation	—	3 months	
Reply	Defense to counterclaim	Application to amend	2 months	
Rejoinder	Reply	Defense	2 months	
—	Rejoinder	Reply	1 month	
—	—	Rejoinder	1 month	
Interim Procedure (may include an interim conference)			Up to 3 months	INTERIM
Oral Hearing (to be completed within 1 day)			Within 1 month	ORAL
Decision (reasons may be provided subsequently)			May be on day of hearing	

Timeline of Procedure to Lay Open Books

Phase 1: Request to lay open books

REQUEST TO LAY OPEN BOOKS	TIME ALLOCATED	
File application	Within one year after decision on merits	WRITTEN PROCEDURE
Defense brief	2 months	
Reply brief	14 days	
Rejoinder	14 days	
Interim Procedure	Reduced timetable, max. 3 months	INTERIM
Oral Hearing	Reduced timetable, max. 1 month	ORAL
Decision on request to lay open books	Within 6 weeks	
Enforcement	Time set by the court. Periodic penalty payments if defendant fails to comply	

UNIFIED PATENT COURT

Timeline of Procedure for Determination of Damages

Phase 2: Determination of Damages

APPLICATION FOR THE DETERMINATION OF DAMAGES	TIME ALLOCATED	
File application	When the procedure for laying open of books is complete	WRITTEN PROCEDURE
Defense brief	2 months	
Reply brief	1 month	
Rejoinder	1 month	
Interim Procedure	Reduced timetable, max. 3 months	INTERIM
Oral Hearing	Reduced timetable, max. 1 month	ORAL
Decision for the determination of damages	Within 6 weeks	

Languages before the UPC

The UPC as an international Court can conduct proceedings in various official languages of the participating Member States. The UPC Agreement provides several options for choice of the language of the proceedings:

1. Language determined for Local/Regional Division

- Local Divisions will use the (or one of the) official language(s) of the Member State hosting this division.
- The Member States hosting a Regional Division may determine the official language(s) used before the Regional Chamber.
- Other languages may be used in addition or instead of the official language, if designated by the respective Member State(s) (e.g., allowing proceedings in English also).
- Most Member States have announced that they will accept English at their Local/Regional Divisions.

2. Language of the patent in dispute

- Before the Central Division, proceedings will be in the language of the patent in dispute (English, German or French).
- The language of the patent can also be used in the Local Divisions if the parties agree on this, or when the Court, after having heard the parties, decides accordingly.

3. Consequences of applicable language

- Irrespective of the language of the proceedings, upon request of the defendant, the patent in dispute has to be translated into the official language of the Member State where the defendant has its seat or where the infringement was committed.
- Every document will need to be translated into the language of the proceedings, unless the panel waives the translation requirement.
- Simultaneous interpretation of oral hearings is possible.
- The language of the proceedings will be an important factor in selecting where to bring infringement proceedings. In pan-European disputes, the plaintiff will have multiple options for choosing the language for the proceedings to be litigated.

Jurisdiction and Forum Shopping

- **Infringement proceedings** can be brought before the **Local or Regional Division** where:
  - an act of infringement has occurred, or
  - where the defendant, or one of the defendants, has its residence or principal place of business.
- **Infringement proceedings** can also be brought before the **Central Division** if:
  - defendant does not have a residence or place of business within a UPC territory, or
  - the Member State where infringement has occurred or in which the defendant has its residence or principle place of business has neither a Local nor a Regional Division.
- **Actions for revocation or non-infringement** shall be brought before the **Central Division**, or, when an infringement action is already pending, as a counterclaim in the pending infringement action before a Local/Regional Division. If an action for infringement is initiated within three months of the inception of an action for revocation or for non-infringement, the local or Regional Division can decide to proceed with both actions.
- Parties may agree to bring actions before the Division of their choice.

Infringement and Validity: Bifurcation or Not

- The UPC allows either German-style **bifurcation** or joint hearing of infringement and validity.
- If a **counterclaim for revocation** is launched in an infringement action, the Local/Regional Division may:
  1. proceed with both actions (infringement and revocation); or
  2. refer the counterclaim for revocation to the Central Division (i.e., bifurcation); or
  3. with the agreement of the parties, refer both actions to the Central Division.
- The various Local/Regional Divisions will likely develop their own practice on this, thus encouraging **forum shopping**.

Opting Out and Opting Back In

- An EP or a pending EP application can be **"opted out"** of the jurisdiction of the UPC. This will avoid a central attack on validity or central actions for a declaration of non-infringement before the UPC. This is possible during the three-month **"sunrise period"** immediately preceding the entry into force of the UPC and up to one month before the end of the transitional period. Opt-out extends to any **SPC** based on the EP. Opt-out of a parent EP application does not extend to the **divisional EP** application. There is no possibility to opt out a UP.
- From a practical perspective, the proprietors of an EP or the applicants of an EP application request an opt-out through the **UPC Registry** using the UPC Case Management System. The opt-out becomes effective when it is entered into the UPC register. Where an EP has multiple proprietors/applicants, an opt-out must be made by them **jointly**. Licensees, even exclusive licensees, cannot apply for an opt-out. There will be the possibility to opt-out multiple EPs / EP applications in one single step.
- During the "sunrise period", EPs and pending EP applications can be opted out without any risk of an action being brought before the UPC. Opt-out is still possible during the **transitional period** so long as no action has been brought before the UPC prior to the opt-out being entered in the UPC register.
- Opt-outs are effective for all designated states of the EP. Once opted out, the UPC has **no jurisdiction** over the EP - only national courts will have jurisdiction over it. The EP will then remain outside the UPC **for the lifetime** of the patent, including after the transitional period. This also applies to any SPC based on the opted-out EP.
- An opted-out EP or EP application can be **opted back in** at any time by withdrawal of the opt-out with the Register, unless an action has been brought before a national court. A second opt-out after opting back in is not possible.
- Whether or not to opt out existing EPs or pending EP applications should be decided **on a case-by-case basis**. Proprietor/applicant/licensees should therefore consider and discuss opt-out strategy before the "sunrise period" starts.
- There are **no fees** for opt-out or a withdrawal of opt-out.

Court Fees: Infringement Action (First Instance)

Proposed court fees for an **infringement action** at the UPC, compared to existing national proceedings:

VALUE OF ACTION (€)	UPC COURT FEES (€)	GERMANY COURT FEES (€)	UK COURT FEES* (€)	FRANCE COURT FEES (€)
100,000	11,000	3,378	5,977	0
500,000	11,000	11,703	11,954	0
1 million	15,000	17,643	11,954	0
2 million	24,000	29,523	11,954	0
5 million	43,000	65,163	11,954	0
10 million	76,000	124,653	11,954	0
30 million	161,000	362,163	11,954	0
50 million	261,000	362,163	11,954	0
100 million	336,000	362,163	11,954	0

* Fees in the IPEC are subject to a different cost regime.

Court Fees: Revocation Action (First Instance)

Proposed Court fees for a **revocation** action at the UPC, compared to existing national proceedings:

VALUE OF ACTION (€)	UPC COURT FEES (€)	GERMANY COURT FEES (€)	UK COURT FEES (€)	FRANCE COURT FEES (€)
100,000	11,000-20,000*	5,081	680	0
500,000	11,000-20,000*	17,555	680	0
1 million	16,000-20,000*	26,465	680	0
2 million	20,000	44,285	680	0
5 million	20,000	97,745	680	0
10 million	20,000	186,845	680	0
30 million	20,000	543,245	680	0
50 million	20,000	543,245	680	0
100 million	20,000	543,245	680	0

* Lower number refers to revocation action brought as a counterclaim to infringement proceedings.

Recoverable Attorneys' Fees (First Instance)

Loser-Pays Principle: Proposed net recoverable **attorneys' fees** at the UPC, compared to existing national proceedings:

VALUE OF ACTION (€)	UPC (€, UP TO)	GERMANY (€, APP.)	UK	FRANCE
100,000	38,000	20,500	Usually 60-70% of actual attorneys' costs incurred. Not dependent on value of action.	Usually 30-70% of actual attorneys' costs incurred. Not dependent on value of action.
500,000	56,000	43,00		
1 million	112,000	67,000		
2 million	200,000	112,000		
5 million	600,000	240,000		
10 million	800,000	468,000		
30 million	1.2 million	1.2 million		
50 million	1.5 million	1.2 million		
100 million	2 million	1.2 million		

(Assuming representation by a litigator together with a patent attorney, without VAT and expenses, including a separate nullity action for Germany with an increase value of 25%.)

LAWYER CONTACTS

FOR EP/UP ACQUISITION AND PROSECUTION



Dr. Olga Bezzubova
(Intellectual Property, Health Care & Life Sciences)
Munich
obezzubova@jonesday.com



Andreas Holzwarth-Rochford
(Intellectual Property, Technology)
Frankfurt
aholzwarth@jonesday.com



Dr. Ping Li
(Intellectual Property, Health Care & Life Sciences)
Munich
pli@jonesday.com



Prof. Dr. Dorothée Weber-Bruls
(Intellectual Property, Technology)
Frankfurt
dweber@jonesday.com

FOR UPC LITIGATION



Thomas Bouvet
(Intellectual Property, Technology)
Paris
tbouvet@jonesday.com



Gerd Jaekel
(Intellectual Property, Technology)
Munich / Düsseldorf
gjaekel@jonesday.com



Dr. Christian Paul
(Intellectual Property, Health Care & Life Sciences)
Munich / Düsseldorf
cpaul@jonesday.com



Lamberto Schiona
(Global Disputes, Intellectual Property)
Milan
lschiona@jonesday.com

ONE FIRM WORLDWIDE®

AMSTERDAM
ATLANTA
BEIJING
BOSTON
BRISBANE
BRUSSELS
CHICAGO
CLEVELAND
COLUMBUS
DALLAS
DETROIT
DUBAI
DÜSSELDORF
FRANKFURT
HONG KONG
HOUSTON
IRVINE
LONDON
LOS ANGELES
MADRID
MELBOURNE
MEXICO CITY
MIAMI
MILAN
MINNEAPOLIS
MUNICH
NEW YORK
PARIS
PERTH
PITTSBURGH
SAN DIEGO
SAN FRANCISCO
SÃO PAULO
SAUDI ARABIA
SHANGHAI
SILICON VALLEY
SINGAPORE
SYDNEY
TAIPEI
TOKYO
WASHINGTON

© 2023 Jones Day. All rights reserved.


JONES DAY
One Firm Worldwide℠