

ADVANTAGES AND DISADVANTAGES OF THE OPT-OUT

Making an Opt-Out declaration has a number of consequences for your existing EP portfolio. We discuss the positives and negatives below:

I. NO Opt-Out (the UPC becomes responsible for existing EP portfolio)

Territorial scope of patent infringement: for patent infringement in several of the 17 EU states and cross-border trade of infringing products within these states, the UPC offers an efficient, single court procedure.

Relevance of costs of infringement and invalidity proceedings: The UPC promises cost savings compared with multiple parallel national infringement and validity proceedings. Also, recoverable costs for the winning party are generally higher than in national proceedings.

Survey proceedings in multiple states: It can be helpful in more complex cases to be able to conduct survey proceedings simultaneously in several of the 17 EU states in order to gather evidence. In national proceedings, patent owners are limited to taking evidence in individual countries.

Infringement of process claims / Indirect patent infringement: Before the UPC, it may be easier to enforce process patents or to assert indirect patent infringement because different infringing acts can be considered in different participating states where the patent is in force. Thus, the limitations of the territoriality principle to which national courts are bound are not so evident in the UPC.

Prospect of higher damages awards: It is expected that the UPC will award higher damages for patent infringement than is currently the case in national courts, because the damages can be calculated for up to 17 EU states. Furthermore, if court proceedings in key markets are not reliable and efficient, the UPC can be used in the future.

Shaping opportunity: Only by participating in the UPC is there the opportunity to shape the new system and its jurisprudence, which will ultimately have a decisive influence on the European position on the body of law of European patents.

II. FILING an Opt-Out (the current situation remains)

Doubts about the validity of the IP right: If there is a high risk of invalidation, an opt-out can prevent a single judgment from leading to invalidation in all 17 EU states where a European patent is validated.

Significance of a single patent infringement judgment in only one country: If competitors are effectively blocked in all 17 EU states, even by a judgment in only one country (e.g., in the automotive sector), this may argue for the decision to opt-out in order to prevent centralized attack and loss of the IP right by the UPC.

Marketing: If the total number of patents is significant for marketing and there is a higher risk of invalidity, an opt-out appears to make sense in order to prevent a European patent from being revoked by a single court decision in all 17 EU states.