Radical change to the European patent system

The Unified Patent Court ("UPC") and the European patent with unitary effect ("Unitary Patent") are expected to come into full force in 2018. A provisional period in which existing, granted European patents and applications may be opted-out from the UPC is expected to start several months prior to the opening. The UPC and Unitary Patent will introduce the most radical changes to patent litigation in Europe for more than 40 years.
In this booklet, the Taylor Wessing UPC Group provides an outline of the far-reaching changes and what they could mean for your business. In particular:

Radical change to the European patent system

SECTION 1  What are the UPC and the Unitary Patent?
SECTION 2  What is the impact of the new system?
SECTION 3  How long do proceedings on the merits take and what are the steps?
SECTION 4  How does opt-out work?
SECTION 5  The costs of using the UPC and the Unitary Patent
SECTION 6  Potential advantages and disadvantages for your business
SECTION 7  How can Taylor Wessing help you?
SECTION 8  The Taylor Wessing UPC Group
A single forum and a single patent for pan-European enforcement

The UPC is a new pan-European court in which a patent can be enforced, in one set of proceedings, in 25 EU Member States (see table 1) or, in respect of European patents, in all the participating EU Member States designated. These patents can also be revoked simultaneously in one action in all the same Member States.

The UPC is intended to improve upon the existing European system, in which patents can only be enforced or revoked in national courts – often resulting in two or more parallel actions in different countries and associated legal costs, as well as the possibility of inconsistent decisions.

The Unitary Patent is a new single, pan-European right protecting an invention, which prohibits anyone but the owner or their licensees from practising that invention in all of the participating EU Member States that signed the Brussels Regulation 1257/2012/EU. The Unitary Patent can only be enforced and revoked in the UPC.
Unlike Unitary Patents, which must be litigated in the UPC, European patents can, during a transitional period of seven years (the “Transitional Period”), be enforced or revoked in the UPC or the national courts. During the Transitional Period, European patents may be opted-out of the UPC for their entire life (see section 4).

National patents are unaffected by the UPC and will continue to be enforceable and revocable in the national courts only.

Table 1 EU Member States that are contracted to the UPC Agreement and participating in the Unitary Patent (status as at May 2017)*

<table>
<thead>
<tr>
<th>EU Member State</th>
<th>Contracted to UPC Agreement?</th>
<th>Participating in the Unitary Patent?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Belgium</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Croatia</td>
<td>Not yet</td>
<td>Not yet</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Denmark</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Estonia</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Finland</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>France</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Germany</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Greece</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Hungary</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ireland</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Italy</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Latvia</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Table 1 (continued) EU Member States that are contracted to the UPC Agreement and participating in the Unitary Patent (status as of September 2015)*

<table>
<thead>
<tr>
<th>EU Member State</th>
<th>Contracted to UPC Agreement?</th>
<th>Participating in the Unitary Patent?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithuania</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Malta</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Poland</td>
<td>No</td>
<td>Yes (but not enforceable)</td>
</tr>
<tr>
<td>Portugal</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Romania</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Spain</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Sweden</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>UK</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*The UPC will only enter into force after ratification by at least 13 of these Member States, including France, Germany and the UK. So the territory covered by UPC decisions in the beginning will only include the Member States that ratified. With each further ratification, the UPC territory will grow accordingly.

A presence across Europe

The UPC will consist of a Court of First Instance and a Court of Appeal (which includes a Full Court of Appeal for exceptional cases). The Court of First Instance will have a central division and numerous regional and local divisions located across Europe. While the central division is split between three locations – Paris, London and Munich – every
participating Member State may set up a local division or – together with one or more other participating member states – a regional division. Although as a consequence there will be many divisions throughout Europe, these all belong to one court (see figure 1).

Infringement actions can be lodged with the division where the defendant is resident or where the infringement takes place, whereas revocation actions (unless they are brought by counterclaim) will begin in the central division.

All appeals will be handled by the Court of Appeal situated in Luxembourg.
Figure 1 Basic structure of the UPC (locations of all local and regional divisions are yet to be decided)
Language, law and forum

As a court representing 25 Member States of the European Union, language is an important aspect of the UPC. The basic rule in the UPC is that proceedings will be conducted in the language designated by the court (in the case of local and regional division actions) or the language of the patent (in central division actions). Except in limited circumstances if the local or regional division has designated more than one language the claimant can choose the language of the proceedings. Most local and regional divisions have chosen English as an additional language and most patents are granted in English.

For a long time in the early life of the UPC its judges, who are drawn from the participating Member States, will need to establish the UPC’s own approach to patent law and the interpretation of UPC procedures. The most influential national patent jurisdictions in Europe are those of the UK, Germany, the Netherlands and the EPO. It is expected that these will therefore be important to the UPC in formulating its own laws. Furthermore, some local divisions with two national judges on each panel, such as Germany, UK and the Netherlands, may be expected to have a ‘local flavour’, potentially leading to forum shopping in certain areas. Forum shopping is facilitated where the claimant has a choice of division in which to bring proceedings. This choice arises where the infringing activity occurs in more than one Member State in which there is a division or where there is a division in the Member State of domicile of the defendant.
SECTION 2
What is the impact of the new system?

Unitary Patents

The Unitary Patent will be a single, pan-European right. The application and prosecution procedure for Unitary Patents does not differ from that of European patents. Unitary effect is sought from the EPO upon request within one month of the European patent grant, provided the requirements (e.g. designation of all participating Member States) are met. This has the effect of converting the European patent into a Unitary Patent.

The Unitary Patent gives its proprietor and its exclusive licensee the right to take action to stop another party from practising the patented invention – for example, manufacturing, offering, distributing, importing patented products, or using a patented process – in all participating Member States (see section 1). A Unitary Patent may also be licensed in some or all of the territories of these Member States.

The renewal fees for a Unitary Patent are calculated to be equivalent to the fees of maintaining the four most popular national validations of a European patent (True Top 4 renewal fee structure). As a result, the Unitary Patent may have particular cost benefits for patentees who operate in several European markets. We explain the renewal fees of a Unitary Patent in section 5.
Enforcement in the UPC

Both Unitary Patents and European patents (unless the latter has been opted-out – see section 4) are enforceable in the UPC. During the Transitional Period, it will also be possible, subject to some restrictions, to enforce European patents in the UPC or the national courts.

When a Unitary Patent or European patent is successfully enforced in the UPC, an injunction and damages may be obtained for all the territories covered by those patents. In the case of European patents this means the whole bundle of national designations is enforced simultaneously. In this way, the UPC is intended to provide a powerful and more cost effective way to enforce patents than the present system of court-by-court national enforcement (see section 5).

The risk associated with the pan-European jurisdiction of the UPC is that Unitary Patents and bundles of European patent validations may also be revoked across Europe in one single action (see section 6).
How long do proceedings on the merits take and what are the steps?

Proceedings on the merits in the UPC consist of a written procedure, an interim procedure and an oral hearing. These may be followed by further proceedings for damages and costs as well as appeal.

Figure 2a Timeline of infringement action
The written procedure – pleadings

The written procedure consists largely of the exchange of pleadings: depending on the type of action it starts with the lodging of a statement of infringement against an alleged infringer, or a statement of revocation either alone or in combination with a declaration of non-infringement. These must be followed by a statement of defence. Further pleadings – a reply to the defence and a rejoinder to the reply – may also be lodged. These documents may contain statements of fact and law, as well as evidence, and could be substantial in complex cases.

The interim procedure – managing the case

During the interim procedure a reporting judge who is called the “judge-rapporteur” gives directions to the parties in preparation for the oral hearing – for example, on the expert evidence to be produced, documents to be disclosed and,
if necessary, any experiments. The judge rapporteur has, where appropriate, the discretion to hold one or more interim conferences during this period. The interim procedure should be completed within three months of the closure of the written procedure, but in large and complex cases longer periods should be expected.

The oral procedure – hearing on the merits

The oral hearing consists of the parties’ oral submissions and any questioning of experts and witnesses by the court and the parties. Such oral evidence will be limited to specific issues agreed during the interim procedure. As the oral hearing has already been extensively prepared by the written pleadings of the parties and during the interim procedure, the court will endeavour to complete the oral hearing within one day and time limits may be imposed on the parties’ oral submissions to achieve this. In complex cases, hearings are expected to last longer than one day.

The court will make a decision on the merits as soon as possible after the oral hearing and in writing within six weeks, giving reasons. Alternatively, the court may give its decision immediately and provide reasons on a subsequent date.

Damages and costs

The amount of the damages or compensation may be stated in the order following the oral hearing or decided in separate proceedings. However, the court may make an interim award of damages in favour of the successful party when making
its decision. The court must also decide in principle on the obligation to bear costs. Costs are, in principle, borne by the unsuccessful party, but this may be decided on an issue-by-issue basis.

**Interim proceedings**

There are a number of interim matters that the court may be requested to decide during the main proceedings or before they start. Most importantly, these include preliminary injunctions and preservation and inspection orders. There are no time periods currently stipulated in which the UPC must deal with these matters and it remains to be seen how the court’s practice will develop. This will be particularly important for preliminary injunctions.

Preliminary injunctions and preservation orders may be ordered ex parte, but this is only expected to happen in exceptional circumstances. Preliminary injunctions will be decided primarily according to urgency and balance of convenience to the parties. The merits of the case may also be relevant in some cases.
SECTION 4

How does opt-out work?

The effect of opt-out

Unless they are opted-out, European patents will be automatically subject to the exclusive jurisdiction of the UPC after the expiry of the seven year Transitional Period (there is no “opt-in” in the UPC). The effect of opt-out is to give the national courts exclusive jurisdiction for each respective national validation of a European patent until expiry, just as it would have had without the UPC.

Unitary Patents must be litigated in the UPC from the beginning of the new system and cannot be opted-out.

European patents may be opted out as applications or granted patents. The opt-out of a patent also has the effect of opting-out any SPCs based upon it. For an opt-out to be effective the application must be lodged by the proprietors of all designations of the patent (assuming that these are different or that there are co-owners) and likewise all holders of the SPCs based on the patent.
Withdrawal of opt-out

Opt-out may be withdrawn at any time. The effect of the withdrawal of an opt-out is to take the European patent back within the UPC system. An application to convert an opted-out European patent to a Unitary Patent has the effect of withdrawing the opt-out of that patent.

Bars on opt-out and withdrawal of opt-out

There are important bars on opt-out and its withdrawal if actions have been lodged relating to European patents:

- an opt-out is barred, if an action relating to the European patent has already been filed at the UPC, regardless of whether the action has concluded,
- the withdrawal of an opt-out is barred, if an action is filed concerning an opted-out Classical European patent in a national court regardless of whether that action has concluded.

As a consequence, patentees should consider carefully before opting-out a European patent to protect it from a pan-European revocation action in the UPC, if they may want to later withdraw the opt-out to enforce the patent in the UPC.

Other factors influencing the decision to opt-out include: the relative strength of validity of the patent; the relative commercial importance of the patent; and the relative cost of litigating in the UPC instead of in the national courts.
SECTION 5
The costs of using the UPC and the Unitary Patent

Unitary Patent fees – rationale

A Unitary Patent can only be created from a European patent designated in all the participating Member States by making a request within one month of the patent’s grant. The prosecution fees for a Unitary Patent are therefore those of the underlying European patent.

There is, however, an important difference between the renewal fees for European patents and Unitary Patents. The renewal fee structure adopted by the EPO for the Unitary Patent (“True Top 4”) is designed to be equivalent to the combined cost of maintaining European patent validations in Germany, the UK, France and the Netherlands – the four EU countries in which, before Italy joined the new system, European patents were most frequently validated by patent applicants.
Unitary Patent fees – costs of renewal

Under the True Top 4 fee structure (which was agreed in June 2015 and may be updated by the time the Unitary Patent comes into force) the renewal fee starts at €35 in the 2nd year, escalating to €1,175 in the 10th year and finally €4,855 in the 20th year. For the first ten years the costs of renewing a Unitary Patent will be €4,685 in total, while maintaining it over the full 20-year term will amount to €35,555. In comparison, the total renewal fees payable in the same 25 member states as those participating in the Unitary Patent (at the time the True Top 4 structure was agreed) would add up to nearly €159,000 for the full 20 years (see table 2).
Table 2 Renewal fees for a Unitary Patent compared with the total renewal fee payable for a European patent validated in 25 Member States (at June 2015)

<table>
<thead>
<tr>
<th>Year</th>
<th>True TOP 4</th>
<th>25 Member States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>105</td>
<td>1 298</td>
</tr>
<tr>
<td>4</td>
<td>145</td>
<td>1 874</td>
</tr>
<tr>
<td>5</td>
<td>315</td>
<td>2 545</td>
</tr>
<tr>
<td>6</td>
<td>475</td>
<td>3 271</td>
</tr>
<tr>
<td>7</td>
<td>630</td>
<td>3 886</td>
</tr>
<tr>
<td>8</td>
<td>815</td>
<td>4 625</td>
</tr>
<tr>
<td>9</td>
<td>990</td>
<td>5 513</td>
</tr>
<tr>
<td>10</td>
<td>1 175</td>
<td>6 416</td>
</tr>
<tr>
<td>11</td>
<td>1 460</td>
<td>7 424</td>
</tr>
<tr>
<td>12</td>
<td>1 775</td>
<td>8 473</td>
</tr>
<tr>
<td>13</td>
<td>2 105</td>
<td>9 594</td>
</tr>
<tr>
<td>14</td>
<td>2 455</td>
<td>10 741</td>
</tr>
<tr>
<td>15</td>
<td>2 830</td>
<td>11 917</td>
</tr>
<tr>
<td>16</td>
<td>3 240</td>
<td>13 369</td>
</tr>
<tr>
<td>17</td>
<td>3 640</td>
<td>14 753</td>
</tr>
<tr>
<td>18</td>
<td>4 055</td>
<td>16 065</td>
</tr>
<tr>
<td>19</td>
<td>4 455</td>
<td>17 660</td>
</tr>
<tr>
<td>20</td>
<td>4 855</td>
<td>19 197</td>
</tr>
<tr>
<td>Total</td>
<td>35 555</td>
<td>158 621</td>
</tr>
</tbody>
</table>
Court fees under the UPC

According to the current proposal for the fee schedule there are two kinds of fees for using the UPC:

i) fixed fees, which are payable for initiating an action (infringement, declaration of non-infringement, revocation), applications for search and seizure of evidence, leave to appeal and other procedural steps; and, additionally, for infringement actions and declarations of non-infringement:

ii) a value based fee.

It is currently proposed that the additional value-based fee will be scaled according to the value of the action, for actions valued between €500,000 and a maximum of more than €50 million (see table 3). For actions valued up to and including €500,000, only the fixed fee will be payable for an infringement or non-infringement action.

Only a fixed fee of €20,000 is payable for a stand-alone revocation action (see table 4). If the revocation action, however, is lodged by counterclaim, the fee will be calculated on the same basis as the infringement action, up to a cap of €20,000.
Fees may be reduced in certain circumstances, in particular:

- partial reimbursement when there is settlement, decision by default or if the action is withdrawn (the % reimbursement depending on the stage at which termination takes place);
- “small enterprises” and “micro-enterprises” may be entitled to pay only 60% of the fixed value-based fee.

A party may also apply for reimbursement of the fixed fee and reduction of the value-based fee, if that party’s “economic existence” is threatened by the payment of court fees.

Applications to determine damages are also subject to the value-fee in Table 3 in addition to a fixed fee in of €3,000.
Table 3 Court fees for an infringement or non-infringement action in the UPC, Germany, the Netherlands and the UK (May 2017)

<table>
<thead>
<tr>
<th>Value of action (€)</th>
<th>UPC (€)</th>
<th>Netherlands (€)</th>
<th>Germany (€)</th>
<th>UK (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 million</td>
<td>43,000</td>
<td></td>
<td></td>
<td>59,208</td>
</tr>
<tr>
<td></td>
<td>(11,000 fixed fee and 32,000 value based fee)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 million</td>
<td>76,000</td>
<td></td>
<td></td>
<td>113,208</td>
</tr>
<tr>
<td></td>
<td>(11,000 fixed fee and 65,000 value based fee)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 million</td>
<td>111,000</td>
<td>618</td>
<td>221,208</td>
<td>11,500</td>
</tr>
<tr>
<td></td>
<td>(11,000 fixed fee and 100,000 value based fee)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 million</td>
<td>161,000</td>
<td></td>
<td></td>
<td>329,208</td>
</tr>
<tr>
<td></td>
<td>(11,000 fixed fee and 150,000 value based fee)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 50 million</td>
<td>337,000</td>
<td></td>
<td></td>
<td>329,208</td>
</tr>
<tr>
<td></td>
<td>(11,000 fixed fee and 326,000 value based fee)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
For preliminary injunction proceedings, only the fixed fee of €11,000 accrues, irrespective of the value of the action. Fees are also payable on appeal. As regards appeals against final decisions of the Court of First Instance on infringement, revocation (by claim or counterclaim) and declaration of non-infringement, the fee is the same as that paid at first instance.

Table 4 Court fees for a revocation action in the UPC, Germany, the Netherlands and the UK (May 2017)

<table>
<thead>
<tr>
<th>Value of action (€)</th>
<th>UPC (€) (stand-alone)</th>
<th>UPC (€) (counterclaim)</th>
<th>Netherlands (€)</th>
<th>Germany (€)</th>
<th>UK (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 million</td>
<td>20,000</td>
<td>20,000</td>
<td>618</td>
<td>88,812</td>
<td>550</td>
</tr>
<tr>
<td>10 million</td>
<td></td>
<td></td>
<td></td>
<td>169,812</td>
<td></td>
</tr>
<tr>
<td>20 million</td>
<td></td>
<td></td>
<td></td>
<td>331,812</td>
<td></td>
</tr>
<tr>
<td>30 million</td>
<td></td>
<td></td>
<td></td>
<td>493,812</td>
<td></td>
</tr>
<tr>
<td>More than 50 million</td>
<td></td>
<td></td>
<td></td>
<td>493,812</td>
<td></td>
</tr>
</tbody>
</table>
Attorney fees under the UPC

Table 5 Recoverable attorney fees in the UPC, Germany, the Netherlands and the UK

<table>
<thead>
<tr>
<th>Value of action (€)</th>
<th>UPC (€)</th>
<th>Netherlands (€)*</th>
<th>Germany* (€)</th>
<th>UK (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 million</td>
<td>600,000</td>
<td>83,565</td>
<td>158,565</td>
<td>458,565</td>
</tr>
<tr>
<td>10 million</td>
<td>800,000</td>
<td>158,565</td>
<td>308,565</td>
<td>458,565</td>
</tr>
<tr>
<td>20 million</td>
<td>1,200,000</td>
<td>308,565</td>
<td>458,565</td>
<td>458,565</td>
</tr>
<tr>
<td>30 million</td>
<td>1,200,000</td>
<td>458,565</td>
<td>458,565</td>
<td>458,565</td>
</tr>
<tr>
<td>50 million</td>
<td>1,500,000</td>
<td>458,565</td>
<td>458,565</td>
<td>458,565</td>
</tr>
<tr>
<td>More than 50 million</td>
<td>2,000,000</td>
<td>458,565</td>
<td>458,565</td>
<td>458,565</td>
</tr>
</tbody>
</table>

With regard to the comparability of the UPC and national court fees as well as the recoverable attorney fees, it is to be noted that UPC proceedings will have a higher value than the respective individual national proceedings because they take effect in all Member States. Together with additional costs for experts, translations and the like, it may be the case that litigation under the UPC exceeds the costs of parallel national litigation in economically important cases.
SECTION 6
Potential advantages and disadvantages for your business

Faced with the new system, do you leave your European patents within the jurisdiction of the UPC system, or instead opt-them-out from it? Considering whether to convert some or all newly European patents into Unitary Patents is also important. There are a number of factors to consider when making these decisions that impact on your businesses.

Revocation versus injunction

A successful enforcement action or a successful revocation action of a Unitary Patent or a bundle of European patent validations in the UPC will have pan-European effect.

In particular, decisions of the UPC will cover the significant commercial markets of Germany, France and the UK from the very beginning as well as many other important countries that have already ratified the UPC system e.g: the Netherlands, Italy, Denmark, Belgium and Sweden.

Litigating in the UPC therefore carries the benefit of powerful enforcement possibilities. However, this advantage must be balanced against the risk of losing patent protection in all of those same Member States if the UPC revokes the patent following a revocation counterclaim or initiating revocation (‘clearing the way’ action).
Fees and costs

As section 5 explains, renewal fees for the Unitary Patent have been set at a level that is intended to be competitive with the costs of validating a European patent in four countries. For businesses operating in multiple European Member States, this will have obvious costs benefits. For those businesses that only need patent protection in one or two Member States, the advantages may be less clear.

An action in the UPC, either to enforce a patent or to revoke one, prevents the need for parallel actions between the same parties in the national courts. Consequently, the potential (which may include the fee for a damages enquiry and/or an appeal – see section 5) must be weighed against not only the court fees that might be payable in several national courts, but also the costs of paying the legal teams running and managing the parallel national actions. For European patent families covering several commercially significant countries, the benefits in time and cost of enforcing and revoking in the UPC may again be clear. In other cases, the cost benefits alone may not be so obvious.

Enforcement Strategies

While EU-wide enforcement under the UPC is ideal for strong patents, many patentees will consider opt-out from the UPC for European patents that might be vulnerable to a revocation particularly if they are highly commercially important. This is because a competitor who wishes to clear the way must do so in multiple parallel proceedings
in the national courts. This spreads the patentee’s risk by avoiding the loss of patent protection in all the UPC Member States in one single revocation action. With regard to the unpredictability of the early UPC case law, patentees will perhaps also consider opt-out of commercially important patents regardless of the degree of their risk of revocation.

The decision for or against an opt-out of European patents as well as the decision of whether to file for Unitary Patents in the future depends on a case by case analysis of the legal and commercial landscape of each right holder. The territorial scope of the relevant markets as well as those of the main competitors should be considered. The company’s philosophy as well as its litigation and licensing strategy should also be evaluated. Last but not least, the prosecution and litigation costs under the UPC should be weighed against those that would occur in a national filing and enforcement strategy.

Divisional applications must be opted-out independently of their parent applications. Therefore, filing divisional patents might broaden the flexibility for opting out some patents while keeping others in the UPC. In the same way, branching off national utility models from pending applications allows a diversified national and UPC strategy.

The decision of whether to opt-out or not should be carefully and proactively taken for each European patent: As explained in section 4, if a revocation action or non-infringement action is started against a non-opted-out European patent in the UPC,
the opt-out is permanently barred and the option to enforce it nationally is lost for good. The same applies vice versa for the withdrawal of an opt-out declaration in the event that a revocation action or a non-infringement action is filed nationally. Patent owners should be aware of this and proactively shape their enforcement and portfolio strategy accordingly.

Clearing the way strategies

A pan-European revocation, of either a Unitary Patent or a European patent bundle, in a single action, may be an attractive prospect to parties wishing to clear the way of blocking patents ahead of their own product launch. Such actions are brought in the central division relevant to the subject matter of the patent, uncomplicated by issues of forum (providing there is no activity on which an infringement counterclaim may be based) or language (central division actions will normally be heard in the language of the patent). However, such actions rely on the patent in question having not been opted-out of the UPC system and this is, of course, under the control of the patentee.
How can Taylor Wessing help you?

Law, language and legal skills, we have the UPC uniquely covered.

The UPC is built on a combination of common law and civil law patent procedures in which the national jurisdictions of Germany, UK, and the Netherlands dominate in Europe. As Europe’s leading patent law firm, Taylor Wessing has combined its resources from precisely these countries to establish a uniquely adaptable and capable UPC Group to fit exactly the needs of your specific case in the UPC:

Law – we bring knowledge of the key substantive and procedural law traditions that are expected to shape UPC law and practice.

Language – our linguistic skills and the location of our offices ensure that you can be easily represented in the major languages and divisions of the UPC.

Legal skills – our lawyers bring a flexible and complementary mixture of common and civil law experience and skill sets from the above countries, enabling us to deal with all of the opportunities and challenges that the UPC will bring for you:
- strategic analysis of patent portfolios and the development of prosecution and enforcement strategies under the UPC;
- infringement analysis and freedom-to-operate opinions under national law and UPC law;
- infringement litigation and litigating actions for declarations of non-infringement;
- advising on and prosecuting nullity actions;
- applying bifurcation options or running ‘squeezes’;
- coordinating UPC and national actions;
- adapting national approaches and case law to support a particular case;
- enforcing preliminary measures, including injunctions, preservation orders and inspections;
- preparing protective letters;
- management of legal advice and litigation privilege and confidentiality;
- handling the disclosure and production of documents;
- use of experimental evidence and party experts;
- application of advanced and varied scientific expertise;
- writing pleadings for front-loaded proceeding;
- handling oral submissions and questioning in hearings on the merits of one or more days duration.
The expertise of our Taylor Wessing UPC Group is uniquely capable and adaptable and we can quickly field and manage teams with the appropriate skills sets and knowledge to serve your needs.

For regular updates please visit www.taylorwessing.com/unitarypatent
SECTION 8
The Taylor Wessing UPC Group

Simon Cohen
s.cohen@taylorwessing.com
Partner
+44 (0)20 7300 4815

Christoph de Coster
c.decoster@taylorwessing.com
Partner
+49 (0)89 2 10 38 424

Paul England
p.england@taylorwessing.com
Senior Associate
+44 (0)20 7300 7020

Gisbert Hohagen
g.hohagen@taylorwessing.com
Partner
+49 (0)89 2 10 38 166

Matthias Hülswig
m.huelsewig@taylorwessing.com
Partner
+49 (0)211 83 87 238

Dietrich Kamlah
d.kamlah@taylorwessing.com
Partner
+49 (0)89 2 10 38 158

Judith Krens
j.krens@taylorwessing.com
Partner
+31 88 024 3026

Klaus Kupka
k.kupka@taylorwessing.com
Partner
+49 (0)69 9 71 30 355

Roland Küppers
r.kueppers@taylorwessing.com
Partner
+49 (0)211 83 87 130

Sara Burghart
s.burghart@taylorwessing.com
Partner
+49 (0)89 2 10 38 189
Jan Phillip Rektorschek  j.rektorschek@taylorwessing.com  
Partner  
+49 (0)89 2 10 38 463

Christian Lederer  c.lederer@taylorwessing.com  
Partner  
+49 (0)89 2 10 38 157

Anja Lunze  a.lunze@taylorwessing.com  
Partner  
+49 (0)89 2 10 38 147

Wim Maas  w.maas@taylorwessing.com  
Partner  
+31 (0)88 02 43 105

James Marshall  j.marshall@taylorwessing.com  
Partner  
+44 (0)20 7300 4785

Sabine Rojahn  s.rojahn@taylorwessing.com  
Of Counsel  
+49 (0)89 2 10 38 142

Matthew Royle  m.royle@taylorwessing.com  
Partner  
+44 (0)20 7300 4608

Michael Samer  m.samer@taylorwessing.com  
Partner  
+49 (0)211 83 87 138

Carreen Shannon  c.shannon@taylorwessing.com  
Partner  
+31(0) 88 02 43 106

Nigel Stoate  n.stoate@taylorwessing.com  
Partner  
+44 (0)20 7300 4783

Christopher Thornham  c.thornham@taylorwessing.com  
Partner  
+44 (0)20 7300 4817
Taylor Wessing expert teams and country groups respectively

Partner law firms via international networks

Taylor Wessing European locations

Austria
Vienna | Klagenfurt

Belgium
Brussels

Czech Republic
Prague | Brno

France
Paris

Germany
Berlin | Düsseldorf | Frankfurt | Hamburg | Munich

Hungary
Budapest

Netherlands
Amsterdam | Eindhoven

Poland
Warsaw

Slovakia
Bratislava

Ukraine
Kiev

United Kingdom
London | Cambridge | London TechCity
Taylor Wessing is a leading international law firm, working with clients in the world’s most dynamic industries. We take a single-minded approach to advising our clients; to help them succeed by thinking innovatively about their business issues.

Our focus on the industries of tomorrow has enabled us to develop market-leading expertise in: Technology, Media and Communications; Life Sciences; Private Wealth; and Energy.

The firm’s globally renowned expertise in intellectual property and technology underpins its strength in knowledge-based industries.

Taylor Wessing has over 1,200 lawyers across Europe, the Middle East and Asia, offering an integrated service across the full range of practice areas.

We support clients wherever they want to do business. Our 33 offices around the world blend the best of local commercial, industry and cultural knowledge with international experience to provide proactive, integrated solutions for our clients.

Taylor Wessing is proud of its enviable reputation as a forward-thinking firm.
For regular updates please visit
www.taylorwessing.com/unitarypatent