



HOFFMANN EITLE

— The UPC: Opting out or Staying in?

Strategic and Cost Considerations

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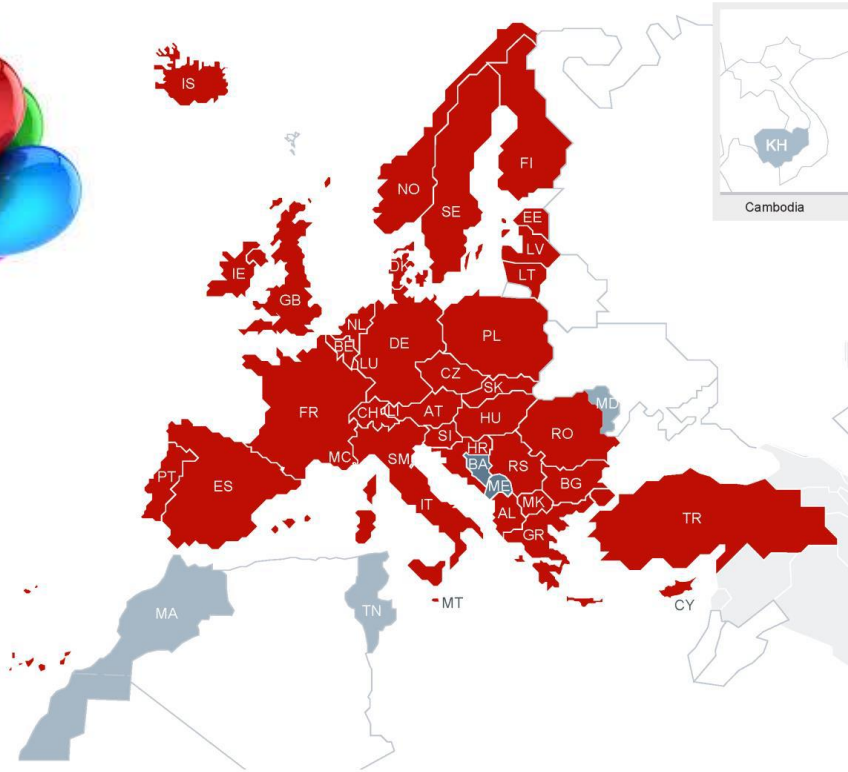
— Agenda

- Territory and costs: European Patent (EP) with Unitary Effect (UE) vs. classic EP
- Enforcement: The Unified Patent Court (UPC) and opt-out
- *Note: No changes in prosecution (search and examination) at the European Patent Office*

— Territory and costs: EP-UE vs. classic EP

It is a choice by the patentee to be taken at grant

Territory: A choice to be made at grant



Classic EP: A bundle of patents

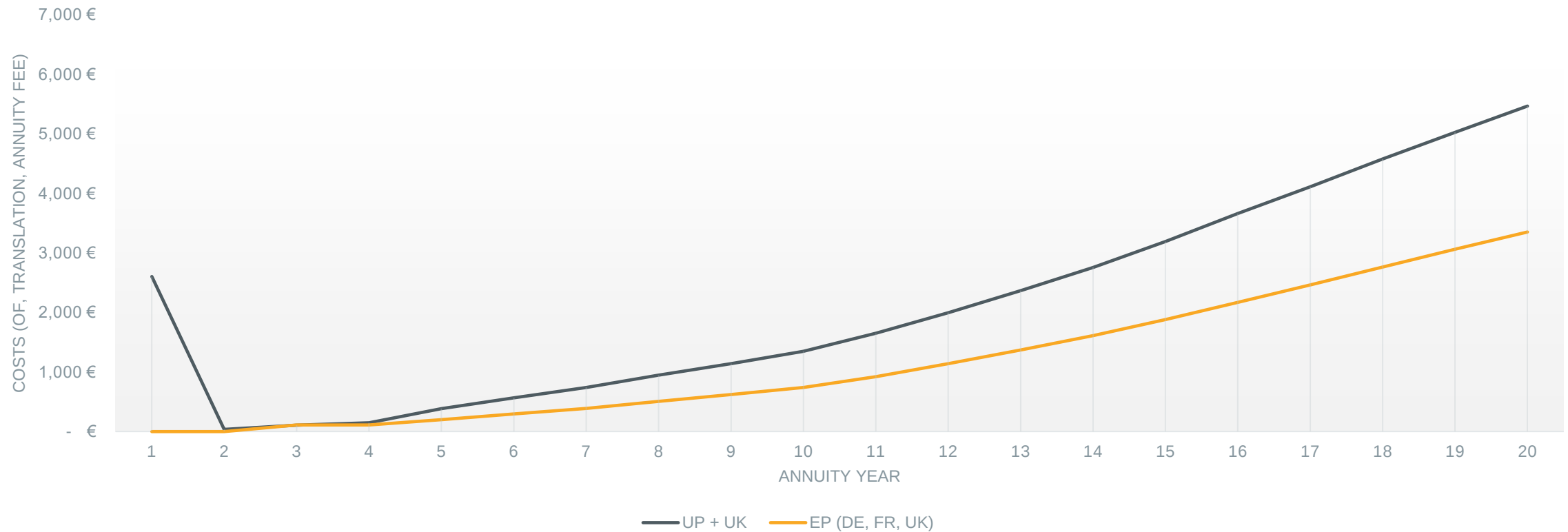
 UPC state



EP-UE: One right throughout UPC states

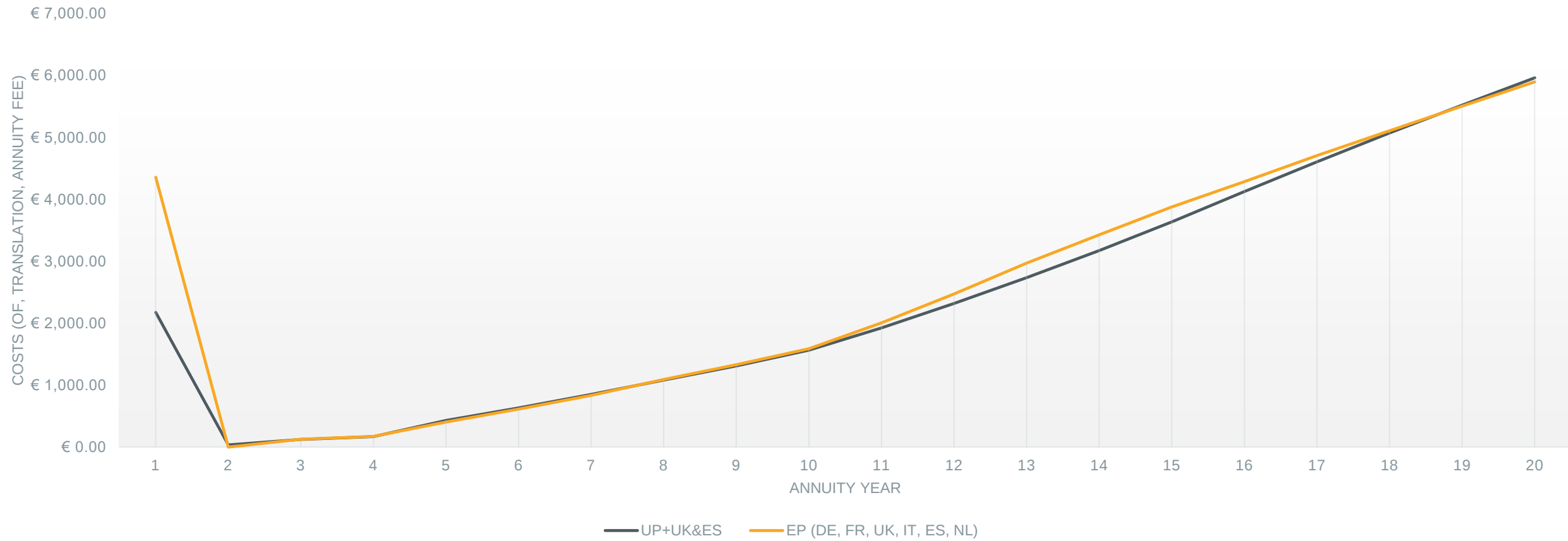
Cost simulation: Top 3 (DE,FR,GB)

Cost comparison UP+UK vs. EP (DE, FR, UK)



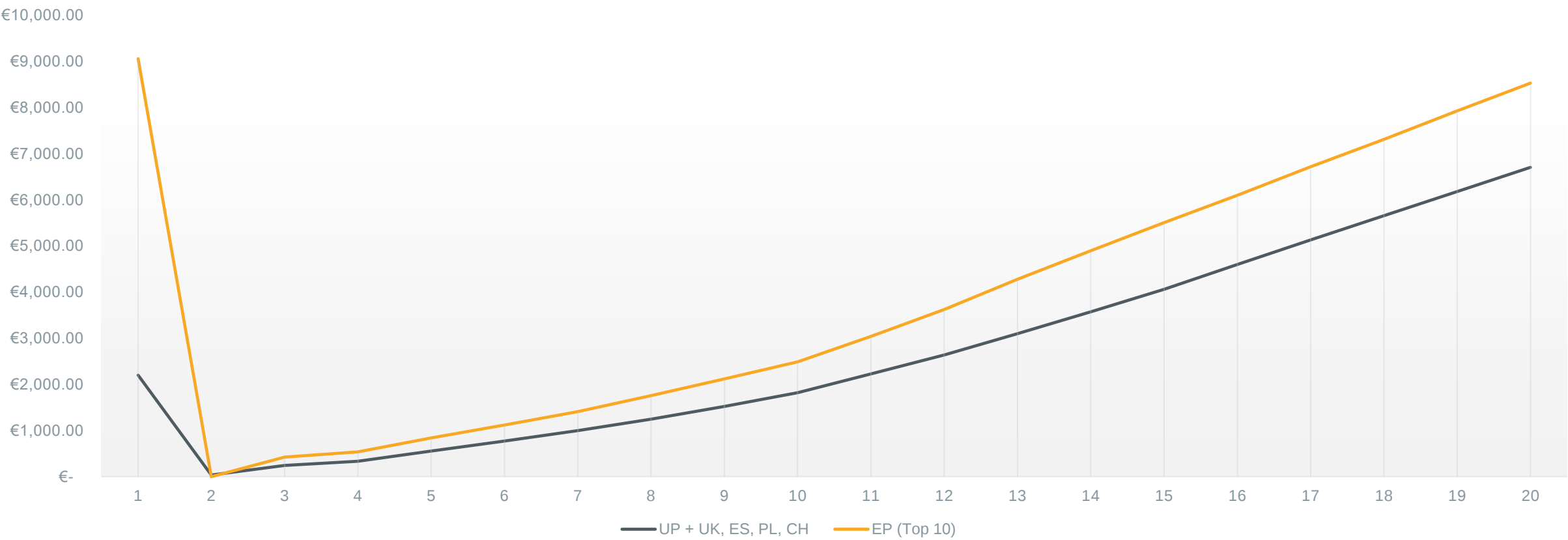
Cost simulation: Top 6 (DE, FR, GB, IT, ES, NL)

Cost comparison UP+UK&ES vs. EP (DE, FR, UK, IT, ES, NL)



Cost simulation: Top 10 (DE, FR, GB, IT, ES, NL, BE, PL, SE, CH)

Cost comparison UP+UK, ES, PL, CH vs. EP (FR, DE, GB ,ES, IT, NL, BE, PL, SE, CH)



— Cost simulations: Overview

- EP-UE is more expensive than EP in DE, FR, UK
- EP-UE is about as expensive as EP in approx. five member states
- For larger number of states, EP-UE is cost advantageous
- Disclaimer: The simulations are based on certain assumptions and average parameters. We recommend to confirm costs for real cases.

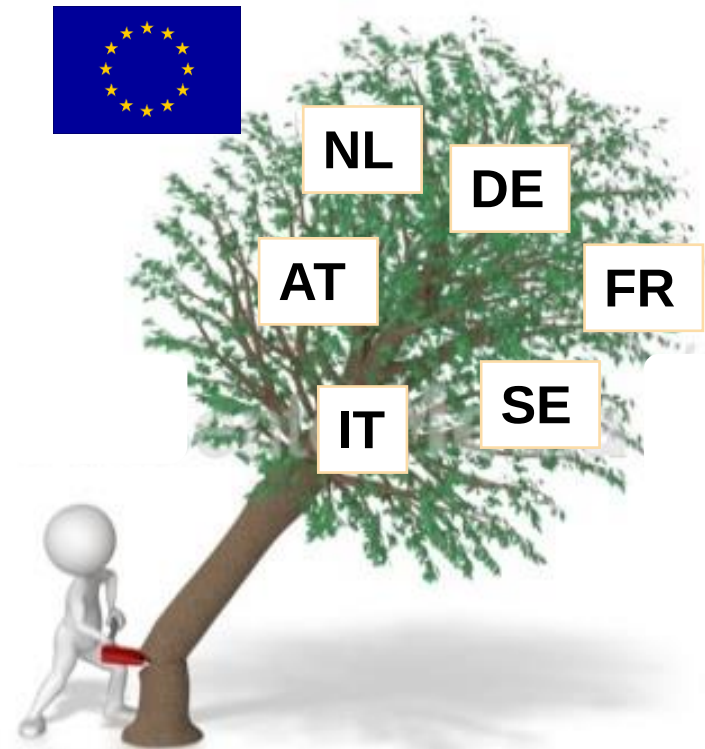
Costs: Flexibility of classic EP is lost with EP-EU!

Trimming the classic EP



vs.

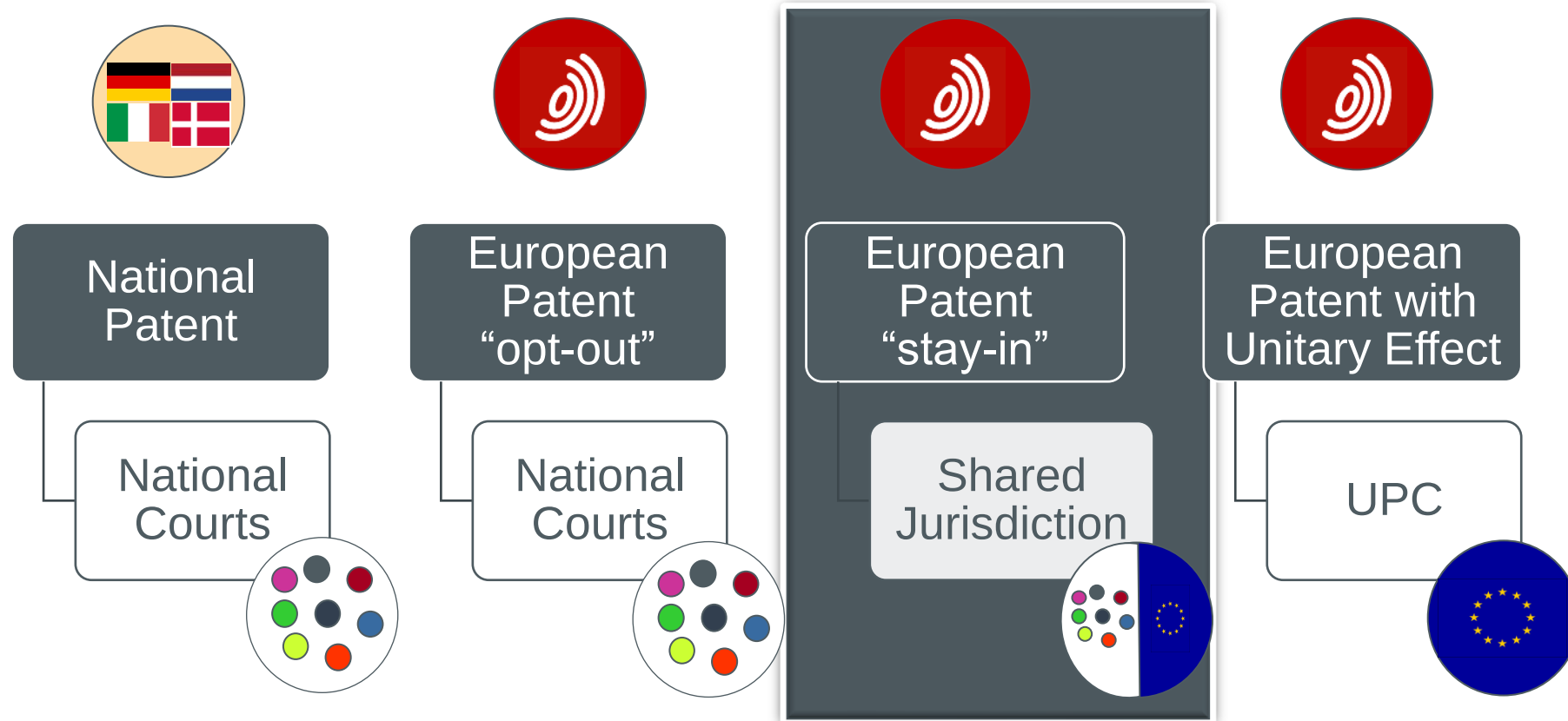
Cutting the EP-UE



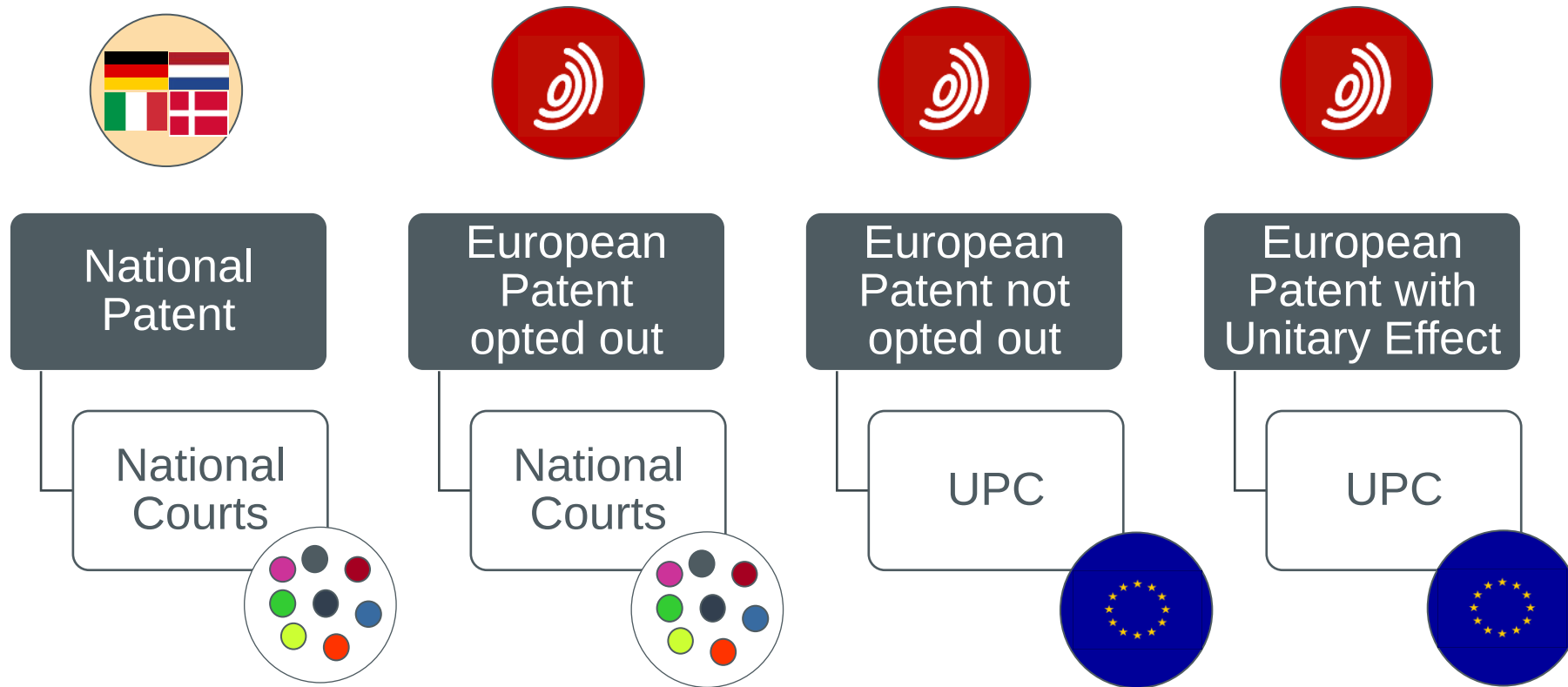
— Enforcement: The UPC and opt-out

- UPC applicable to all EP-UE
- For “classic” EP:
 - During a transitional period (7 years, if not extended) patentee can opt-out.
 - After transitional period, only UPC applicable (if not opted-out before).

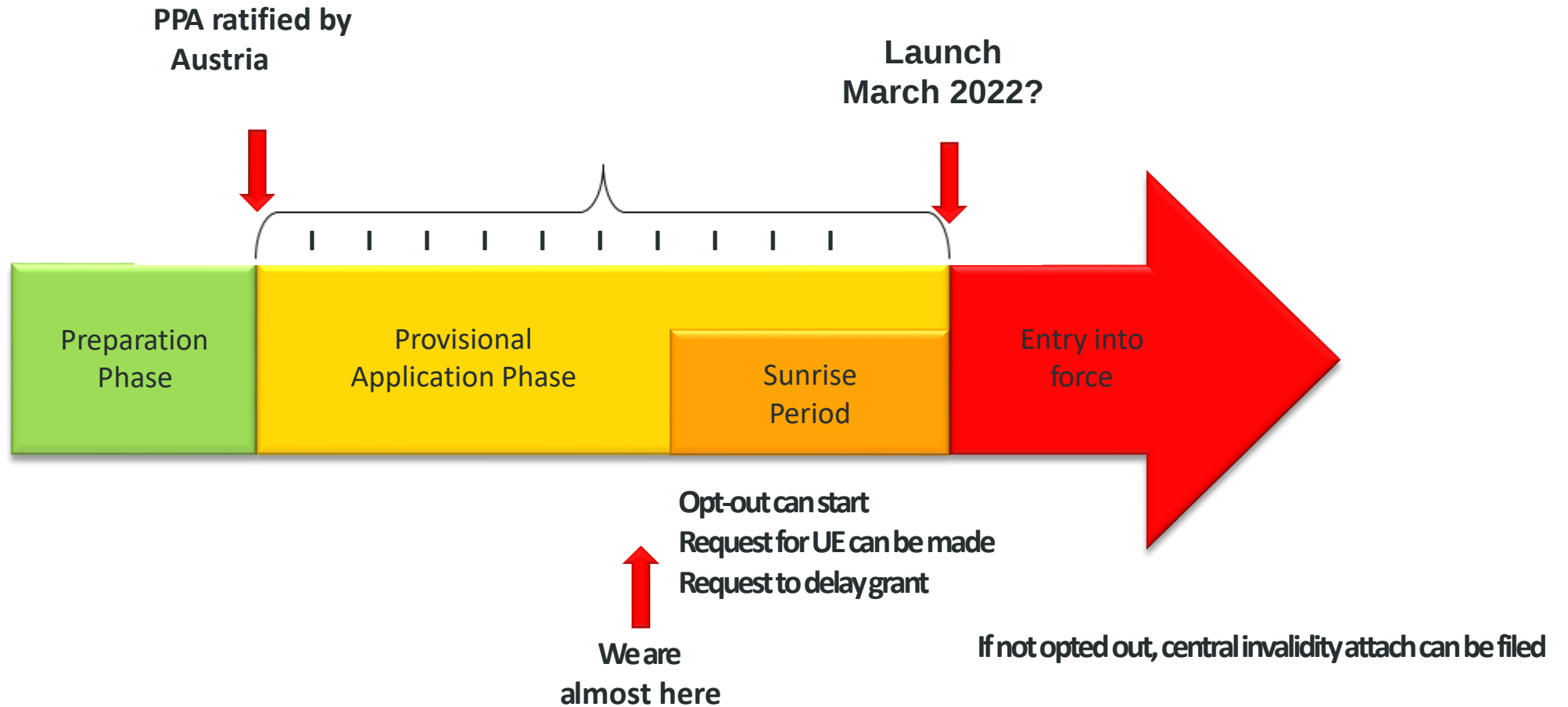
During the transitional period



After the transitional period



— When can I opt out?



— Why opting out?

- In general, being uncomfortable with uncertainties of early life of UPC (no case law yet) – especially for very important patents!
- Specific features of a national litigation system, e.g. bifurcation, how validity aspects are handled, etc.
- Patent(s) already successfully litigated before one national court
- Ready, despite costs, to run parallel national proceedings to increase pressure
- Conversely, where litigation in one country is sufficient for an overall solution of the dispute
- Maximize predictability of costs and outcome (established case law)
- Re-use in-house IP team knowledge and resources about national proceedings
- Insufficient internal and external resources to act under high-time pressure of UPC

— Why opting-in?

- Simplifying management of litigation actions
- Desire to achieve uniformity of outcome (more uniform legal certainty)
- Reduce costs when it is usual to have parallel European proceedings
- Cross border disputes are foreseen (injunctions, damages, multi-country inspection)
- When national courts in one country of interest are perceived as slow or as not of high-quality
- When an act of infringement is not clearly recognized in one national system (e.g., indirect infringement)
- Patent assessed as having strong validity and clear reading on competitor's product/service
- Desire to arrive at a quick decision and/or impose high pressure

— Balanced approach

- Consider general merits and risks of UPC for the portfolio
- Consider company's overall business needs
- Consider merits and risks for specific patents

— Score cards for assessing risks and chances (examples)

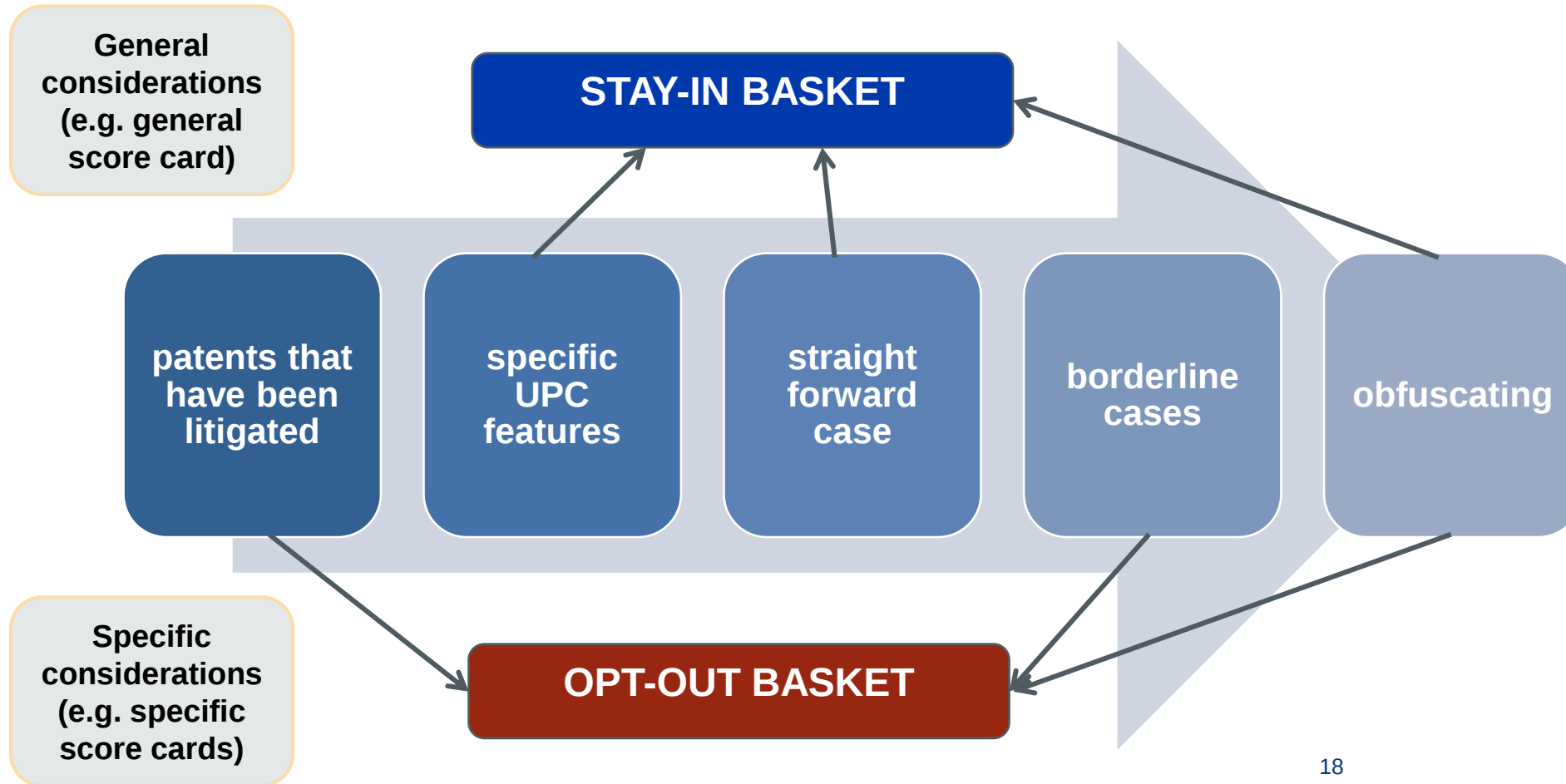
GENERAL SCORE CARD
(independent of portfolio)

General aspects	Relevance (1 – 5)	Weight	Score
Case management	R1	W1 +0,x	R1*W1
Specific UPC features	R2	W2 +0,y	
Specific national court features	R3	W3 -0,z	
Cross border disputes	R4	W4 +0,xy	
Etc.			
TOTAL SCORE			+/- XYZ

SPECIFIC SCORE CARD
(one for each (important) patent)

Specific aspects	Relevance (1 – 5)	Weight	Score
Strong validity	R1	W1 +0,x	R1*W1
Clear reading on competitor	R2	W2 +0,y	
Already litigated in national court	R3	W3 -0,z	
National case law	R4	W4 -0,xy	
Etc.			
TOTAL SCORE			+/- XYZ

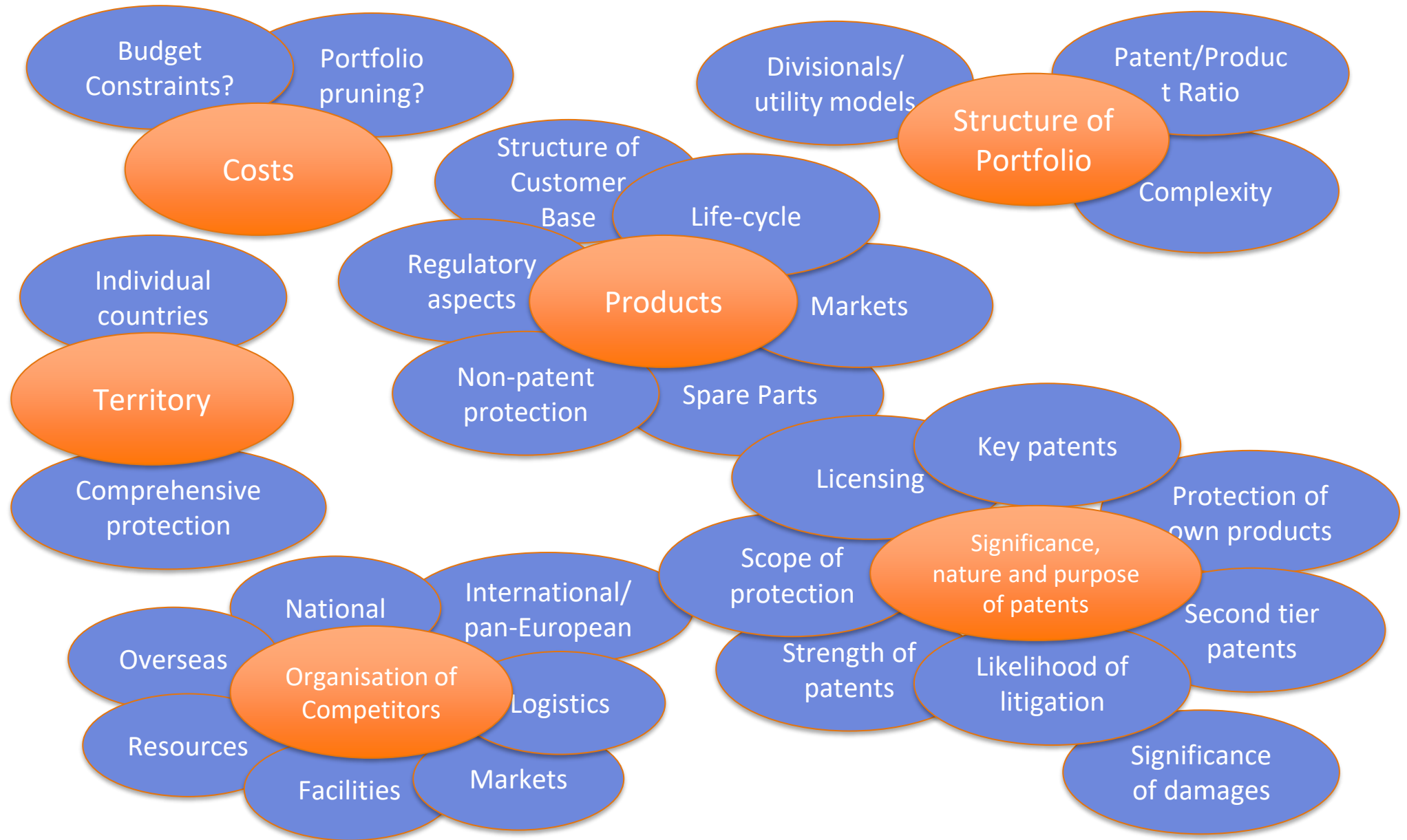
Specific and balanced approach



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— Divisional applications and double weapons

- Further use of divisional applications: Opt-out one case and stay-in (or request UE) for the other
- Once claims are agreed with EPO Examiner, usually possible to quickly obtain divisional by adding minor amendments that still read on a product
- More limited claims may be advantageously put under the UPC
- Risk mitigation against central attacks:
 - The opted-out case would still be valid, subject of course to potential influence by UPC decision on national courts
- Double weapon: Infringement action may be started under national court or UPC, even in parallel!
 - To increase effectiveness: Request EP-UE instead of simply staying-in
- Similar approach with EP and parallel national filings: However, at least for Germany, parallel enforcement not possible



Handbook on the European Patent Package

A Practitioner's Guide

The EU Patent Package represents the biggest change in European patent law since the European Patent Office (EPO) was established.

Many questions arise:

- Should I start to register European patents as European Patents with Unitary Effect, or should I continue with national validation?
- For which European patents and in which countries will the use of the opt-out option to the Unified Patent Court be possible?
- Should I consider using the EPO's new procedures for the Unified Patent Court?
- How will the Unified Patent Court be structured, and how will it operate?
- What choices will I have when it comes to litigate – should I choose a national court or the UPC to enforce or invalidate a European patent?

Our handbook
the EU
Patent Package



The book is available as E-Book and in print



iTunes Store (free)



Google play (free)

Updated edition will be available soon

— Thank you for your attention!



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