

The limits of an “opt-in” to the UPC – How and when can national actions block the way back to the UPC?

Key points: OPT-OUT / OPT-IN / Art. 83 UPCA / TRANSITIONAL REGIME

Immediately prior to the launch of the UPC, there is heated debate among patent owners as to whether or not to declare an “opt-out” from the Court’s competence. Less discussed is the question of the extent to which an opt-out can be withdrawn at a later date in cases where an action has been brought before a national court (“opt-in”). This article focuses on the question under which circumstances a national action may preclude an opt-in.

Article 83(4) of the UPCA provides for an application to withdraw an opt-out. A withdrawal of an opt-out, also referred to as opt-in, practically restores the parallel jurisdiction of the Unified Patent Court (UPC) and the national courts according to Article 83(1) UPCA. [\[1\]](#)

An opt-in is only possible if no “action has already been brought before a national court”, Article 83(4) UPCA. However, it is not directly clear from the UPCA under which conditions a national action precludes an opt-out. Rule 5(8) of the Rules of Procedure (RoP) gives at least some guidance in this respect. It states that any action is covered which was “commenced before a court of a Contracting Member State in a matter over which the Court also has jurisdiction pursuant to Article 32 of the Agreement ... prior to the entry of the Application to withdraw in the register or any time before the date pursuant to paragraph 5 [i.e. the date of entry of the opt-out] ... irrespective of whether the action is pending or has been concluded”.

Judging purely from the wording of R.5(8) of the RoP literally any national proceeding commenced at “any time” prior to an opt-out application could preclude an opt-in, ^[2] “any time” including actions that were “concluded” prior to the UPCA’s entry into force. Some argue that this broad interpretation is necessary to avoid diverging decisions from the courts.^[3] However, others hold that this is inconsistent with the fact that the UPC has jurisdiction over all European patents. It seems to accept diverging decisions at least to the extent that European Patents have been enforced or amended in certain Contracting Member States. One could therefore argue that it is not easily reconcilable why the opposite should suddenly be true, i.e., diverging decisions should be avoided, once an opt-out has been declared.^[4]

A mediating view construes Rule 5(8) of the RoP as only applicable to proceedings lodged or completed after the beginning of the so-called sunrise period on March 1, 2023. This view argues that the prerequisites for an opt-in must be the reverse of the prerequisites for an opt-out.^[5] However, one could challenge that the sunrise period has no legal basis – it is a purely administrative concept and actions taken in the sunrise period do not take legal effect until 1 June 2023 – which is why it can hardly serve as a determinative period.

Alternatively, a narrow interpretation of the wording suggests that only actions lodged or completed after the effective date of June 1, 2023 would preclude an opt-in. Only from this point on there is concurrent jurisdiction of the UPCA (Art. 32 UPCA) and national courts (Art. 83(1) UPCA). Therefore, it can be held that indeed only actions falling within this period are actions “in a matter over which the court also has jurisdiction pursuant to Article 32 of the Agreement” according of Rule 5(8) of the RoP.^[6]

The UPC aims to strengthen the Europeanisation of intellectual property law as well as the free movement of goods and services characterised by a fair competition and simultaneously improves the enforcement of patents and the defence against unfounded claims and patents. It arguably should not have the purpose of blocking the opt-in of all European patents that had already been subject of national proceedings concluded before the start of the UPC system.

The legal framework of the UPC, namely Article 83(4) UPCA and R.5(8) of the RoP, allows for different interpretations of what is meant by an “action [that] has already been brought before a national court”. Therefore, first movers to the UPC may face some uncertainty as to when the conditions for an opt-in are satisfied. Ultimately, the UPC judges will have to determine under what circumstances to decline jurisdiction ^[7] - despite opt-in - thus setting the cornerstones for a way back to the UPC.

^[1] BeckOK PatR/Augenstein EPC Art. 83 margin no. 41.

[2] Steins, The Unified Patent Court and Unitary Patent, A Practitioner's Handbook, 2nd edition, page 16.

[3] Tilmann, Mitt. 2014 booklet 2, 58, 64, 65.

[4] Cirl, Scheltz, Schneider, Mitt. 2023, booklet 1, 7.

[5] BeckOK PatR/Augenstein EPGÜ, Art. 83 margin no. 44, 45.

[6] Luginbuehl/Kotzur, GRUR Int. 2023, 250, 255; Schallmoser, Grabinski, Mitt. 2016, 425, 427.

[7] Luginbuehl/Kotzur, GRUR Int. 2023, 250, 254

Written by Annika Kohlstock and Sebastian Fuchs.