

UPC Court of Appeal Confirms Strict Criteria for Validity of Opt Outs

In a [decision](#) in case UPC_CoA_79/2024, the UPC's Court of Appeal upheld the decision of the Court of First Instance (Paris Central Division) that an opt out of a patent from the jurisdiction of the UPC that had been lodged by one of the patent owners was invalid. As such, the revocation action filed against the patent at the UPC was able to proceed notwithstanding the opt out. The decision provides a reminder of the importance of providing accurate details in opt outs before the UPC, in particular regarding the details of the true owner(s) for each designated state of a European patent or application.

By way of background, prior to the filing of the opt out in question, European patent application EP 3876490 was owned by Neo Wireless GmbH & Co KG (Neo) in respect of the German part, and by Neo Wireless LLC, Wayne, USA (Neo USA) in respect of all designated states except for the German part. In March 2023, Neo USA filed an opt out, naming Neo USA as sole applicant for all designated states. EP 3876490 subsequently granted in May 2023.

The German part of EP 3876490 was subject to a revocation action before the Paris Central Division of the UPC. Neo filed a preliminary objection to the revocation action under Rules 19.1(a) and 48 RoP in which it was argued that the UPC did not have jurisdiction over the German part because of the opt out lodged by Neo USA.

The Paris Central Division considered the preliminary objection and held that the UPC did have competence to decide on the revocation action because the opt out filed by Neo USA was invalid. The reason was that not all owners of all parts of EP 3876490 had filed the opt out, in contravention of Rule 5.1(a) RoP. Specifically, the opt out had not been filed by Neo in respect of the German part of EP 3876490, whereas Neo were the true owner of the German part.

The Court of Appeal agreed with the findings of the Court of First Instance. In doing so, the Court of Appeal considered the provisions of Rule 5.1(a) and (b) RoP and Article 83(3) UPCA and determined that:

- Rule 5.1(a) RoP requires that all owners of a patent or application must file the opt out;

- Rule 5.1(b) RoP stipulates that the opt out must be filed in relation to all national parts of the patent or application; and
- Article 83(3) UPCA, despite its reference to the possibility of an opt out by “a proprietor or an applicant for a European patent...” should be interpreted such that the opt out must be filed by or on behalf of all owners of all national parts. The Court of Appeal came to this conclusion by considering the purpose of the provision rather than by placing emphasis on its literal wording.

In view of the above findings, the Court of Appeal held that there is no conflict between Rule 5.1(a) and (b) RoP, and Article 83(3) UPCA. Rather, they held that the legislation is consistent in requiring that a valid opt out must be lodged by or on behalf of all owners of all national parts of a European patent or application.

This decision highlights the importance of a careful determination of the details to be provided for patent owners when filing an opt out from the UPC. When filing an opt out all of the owners must be named in respect of all of the states for which the European patent was granted or are designated in the European patent application. If these details are not correct, the opt out may be ruled invalid by the UPC if a third party challenges the patent. A mistake in opt out details is unlikely to be correctable if a third party challenge against the patent has already been filed.

It is thus important to assess who the current (true) owner(s) of each part of a European application or patent are at the time of filing the opt out, including reviewing any changes that may have occurred to ownership of rights since filing. For the purposes of filing the opt out, it is the person(s) entitled to be registered as the proprietor or applicant who is the true owner(s) and who should be named as the proprietor or applicant on the opt out request, whether or not they are named as such on the EPO or national registers. Care should therefore be taken to determine if assignments may in fact have been made but not recorded on the relevant registers.

Please contact your usual J A Kemp attorney if you have any general or case-specific queries regarding the details to be provided when filing an opt out from the UPC.

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