

UPC – Licensing considerations

Licensors and licensees of European patents and patent applications should consider whether their agreements are suitable for the establishment of the UP and UPC

With the establishment of the UP and UPC, two important new decisions must be made about conventional European patents and patent applications:

- The first decision is whether to turn a patent granted by the European Patent Office into a patent with unitary effect (UP).
- The second decision is, having chosen not to register with unitary effect, whether to 'opt-out' the conventional European patent from the exclusive jurisdiction of the UPC, and, if so, whether and when to subsequently withdraw the 'opt-out'.

These important new decisions are unlikely to be mentioned in existing IP licences. To ensure valuable rights are not inadvertently lost, licensors and licensees of European patents and patent applications should consider the suitability of their existing agreements and consider whether to amend future licences to clearly set out who is responsible for taking these decisions.

More information on both of these issues can be found in the UP/UPC section of our website.

What are the possible problems?

On paper, the registered applicant has sole responsibility for prosecuting a European patent application, including deciding which route to take once a European patent is granted. However, in practice, prosecution is often directed by the representative acting for a licensee, through clauses in the licensing agreement. This could lead to one or other party taking decisions that have significant repercussions on patent enforcement, against the wishes of the other.

Moreover, the type of court in which any infringement proceedings are first brought (i.e. UPC or national court) will tie any future proceedings to the same jurisdiction, meaning that once infringement proceedings have been brought in the UPC, all subsequent infringement proceedings in relation to the same patent must be brought in the UPC. Either the proprietor or a licensee can begin infringement proceedings, by virtue of a statutory right in the case of exclusive licensees, or by provisions in a license in the case of non-exclusive licensees. This means that decisions taken by one party might dictate the future litigation strategy of others without their involvement or consent.

What should I be doing?

Take a moment to review your licensing arrangements. This may help to ensure that you are not unwittingly forced into an undesirable position by a licensee or licensor later. Consider your preferred approach or approaches to the following questions:

- Should a licensee who has been responsible for prosecution of an application also have the power to choose between a unitary and conventional European patent, and whether or not to opt-out?
- Should a licensee be given the power to compel a patent holder to withdraw an opt-out when bringing infringement proceedings?
- Should a licensor, and even a licensor who has delegated responsibility for prosecution, be able to unilaterally opt-out a patent to shelter it from a revocation action at the UPC, without consent from licensees who may not want to use the national courts for infringement proceedings?
- How does a licensor balance the interests of one licensee whose preference may be to use a reputable national court (say, Germany) to bring an action for infringement, against the interests of all other licensees who may prefer to select the UPC over smaller national courts where they happen to operate?

Author: [Susannah Dragosavac](#) & [Paul Bettridge](#)

Need advice?

For more information, please contact email@carpmaels.com.

Carpmaels & Ransford LLP is a leading European intellectual property firm based in London. For more information about our firm and our practice, please visit our website at www.carpmaels.com.

This information provides a summary of the subject matter only. It should not be acted on without first seeking professional advice.

Carpmaels & Ransford LLP is regulated by the Intellectual Property Regulation Board (IPREG).