



Competition Law Association

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UPC Webinar Series: Part I

Provisional Measures

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UPC statistics – overview as of February 2024

- **217 infringement** actions / counterclaims
 - 29 infringement actions in Munich, 17 in Düsseldorf, 11 in Mannheim, 9 in Paris, 5 in Nordic Baltic, 3 each in Hamburg, Milan and the Hague, 1 each in Brussels, Helsinki and Vienna
 - 26 counterclaims (86 if each infringement defendant counted separately)
- 22 applications for **provisional measures** (PIs, preservation of evidence, inspection)
- **25 revocation** actions
 - 21 in Paris, 4 in Munich
- **Court of Appeal**
 - 24 appeals
 - 1 request for discretionary review, 2 applications for suspensive effect and 3 applications for an order for expedition of an appeal

Preliminary Injunctions

Preliminary injunctions

- *myStromer v Revolt Zycling* (Düsseldorf LD – 22 June 2023)
- *Ex parte* PI **granted**
 - EP 2 546 134 - ‘Combination structure of bicycle frame and motor hub’
 - Protective brief filed by Revolt at UPC on 19 June 2023
 - Non-infringement defence based on exhaustion of rights – no validity challenge
 - Meanwhile in Switzerland:
 - Saisie helvétique* conducted at the premises of Revolt on 19 June 2023
 - Eurobike trade show started in Frankfurt on 21 June 2023
 - Application for a preliminary injunction made on 22 June 2023
 - *Ex parte* preliminary injunction granted by Düsseldorf LD on same day
 - Applicant required to pay security – €500,000
 - Meanwhile in Switzerland:
 - Post *saisie* MyStromer sought an *ex parte* preliminary injunction, which was denied

Preliminary injunctions

- *10X Genomics v NanoString* (Munich – 19 September 2023)
- *Inter partes* PI **granted** (Unitary Patent territories):
 - Validity – “sufficient degree of certainty” = “predominant likelihood” is sufficient – satisfied here after consideration of all invalidity arguments
 - Infringement – “sufficient degree of certainty” = “high degree of probability” required – satisfied here
 - Urgency – application based on Unitary Patent, therefore could not have been filed earlier
 - Damage – irreparable harm as very young market that is in an initial phase, long-term life cycle of products
 - Balancing of interests – the more certain the Court is of infringement and validity, the more likely it is that granting the PI will be justified
 - No security required; in December 2023, penalty payment of €100,000 ordered due to breaches

Preliminary injunctions

- *10X Genomics v NanoString* Appeal proceedings
 - Appeal heard on 18 December 2023 (Klaus Grabinski's chamber)
 - Delaware proceedings – jury awarded 10x Genomics > \$31 million in damages finding seven asserted patents valid and willfully infringed. NanoString applied for chapter 11 bankruptcy
 - 26 February 2024, 2 orders issued:
 - no stay of PI case in view of bankruptcy proceedings
 - **PI issued by Munich LD lifted**
 - Reasoning of Court of Appeal – considered it overwhelmingly probable that claim 1 of main request will prove to be invalid
 - Standard of proof for grant of PI should not be set too high particularly if delays caused by main proceedings would cause irreparable harm to the patent proprietor BUT should not be set too low to prevent D from being harmed by provisional measure that is later revoked
 - Burden of proof (same as in main proceedings): re. entitlement to bring proceedings and infringement lies with patentee; re. invalidity lies with D

Preliminary injunctions

- *10X Genomics v NanoString* (Munich – 10 October 2023)
 - *Inter partes* PI sought on the basis of a different patent **refused**
 - Patentee relied on claim being understood to have “obvious error”, therefore failed infringement threshold test
 - Court not convinced that claims as granted valid (did not consider amended claim for which a positive preliminary opinion was issued by the German Federal Patent Court)
 - No urgency – it was possible to seek PI in FR / NL before 1 June 2023 (this was an EP, not UP as first PI)

Preliminary injunctions

- *Ortovox v Mammut* (Düsseldorf – 11 December 2023)
 - *Ex parte* PI **granted** (Germany and Austria):
 - Infringement – court accepted applicant’s arguments and no protective letter filed
 - Validity – no opposition; revocation action in Switzerland only but UPC court considered prior art and decided that the cited references “*do not give rise to any justified doubts as to the legal validity of the patent in suit*”
 - Court held that prosecution file not to be taken into account when interpreting patent claims
 - Urgency – “*The urgency required for the ordering of provisional measures is only lacking if the injured party has been so negligent and hesitant in pursuing his claims*”; applicant filed within one month of hearing of offer
 - Damage to applicant – leading trade fair, potential significant sales, is a direct competitor product
 - Applicant required to provide €500,000 as security

Preliminary injunctions

- *Cup&Cino v Alpina Coffee System* (Vienna – 13 September 2023)
 - *Inter partes* PI **refused** in context of a trade fair – failed infringement threshold
- *SES v Hanshow* (Munich – 20 December 2023)
 - *Inter partes* PI **refused** – Court not satisfied to “*a sufficient degree of certainty that ... the applicant's right is being infringed*”
 - Claim construction – Court took guidance from the prosecution history (originally filed claims) to construe granted claims (cf *Ortovox*)
 - Defendants able to recover costs of protective briefs
 - Appeal pending

Preliminary injunctions

- Approach to date:
 - Infringement and validity arguments are key – Court will apply “sufficient degree of certainty”/ “sufficiently certain conviction” threshold before granting any preliminary relief
 - “predominantly probably” that applicant entitled to bring proceedings and that patent is infringed
 - “sufficiently certain conviction” lacking if “predominantly probable” that patent not valid
 - Validity assessed independently, but the outcome of EPO oppositions or national proceedings will be considered
 - Requirements for irreparable harm and weighing up of interests heavily based upon assessment of infringement and validity issues. Assessment of commercial factors not significant in cases to date
 - Court’s approach to validity has been similar to that of the EPO (unsurprising until it develops its own jurisprudence) though note 10x v NanoString appeal judgment
 - *Ex parte* available (trade fair scenarios so far)
 - Security – not always required. No consistent approach yet established

Order to preserve evidence (1/3)

- **Two applications for preserving evidence** (Rule 192 RoP) submitted on **12 and 13 June 2023** → Applicant (Oerlikon Textile GmbH e CO KG), claiming the possible infringement of its patent **EP '848** by two Indian companies (Himson Engineering Private Limited e Bhagat Group), wanted to obtain authorization to collect evidence to be found at an important textile fair in Milan, which took place from 8 to 14 June.
 - ACT_498862/2023 (CFI n. 127/2023) – Oerlikon Textile GmbH e CO KG v. Himson Engineering Private Limited;
 - ACT_500982/2023 (CFI n. 141/2023) – Oerlikon Textile GmbH e CO KG v. Bhagat Group

- On **13 June** and on **14 June 2023** the Milan Local Division granted the orders to preserve evidence **ex parte** (Art. 60, par. 5 Agreement and Rule 197, par. 3 RoP).

- **Fumus boni iuris + Periculum in mora**

- **Fumus boni iuris:**
 - ✓ **Jurisdiction:** Oerlikon's claims were amongst those included in Article 32, par. 1 (c) UPCA (“actions for provisional and protective measures and injunction”) + Oerlikon's patent not opted out;
 - ✓ **Competence:** Milan Local Division competent pursuant to Article 33, par. 1 (a) UPCA as it was the forum commissi delicti, i.e. “the local division ... where the actual or threatened infringement has occurred or may occur”;

Order to preserve evidence (2/3)

- ✓ **Identification of future action on the merits pursuant to Rule 192, par. 2 RoP:** Oerlikon confirmed that it intended to initiate proceedings on the merits to establish the infringement of Himson and Bhagat;
 - ✓ **Examination of the evidence provided by Oerlikon:**
 - Right asserted by Oerlikon: presumption of validity of the patent EP '848; no opposition before the EPO; no protective letters filed by Himson or Bhagat;
 - Violation of its right under Article 60, par. 1 UPCA: documentation submitted by Oerlikon *“seems to offer affirmative evidence, at least circumstantially, of the Respondent unlawful reproduction of the features claimed in EP '848, justifying the request for the measures requested herein”*;
 - ✓ **Compliance with the conditions prescribed by Rule 192, par. 2 RoP:** (i) clear indication of the requested measures + exact location of the evidence (ITMA trade show in Rho); (ii) reasons why the measures were necessary to preserve evidence; (iii) facts and evidence relied on in support of the application.
- **Periculum in mora:**
- ✓ **Extreme urgency:** ITMA trade fair ended on 14 June 2023;
 - ✓ **Reasons for not convening the Respondent and granting the orders *ex parte* (Rule 192, par. 3 RoP):**
 - time constraints did not allow the defendants to be heard before the end of the fair;
 - there was the risk *“that the evidence will no longer be available to the applicant once the fair will be over, because the defendant is based abroad and the documents indicated [to be preserved, ed] easy to conceal and/or destroy”*.

Order to preserve evidence (3/3)

➤ Execution of the two orders:

- Orders to be executed according to the Italian law by a Technical Expert with the support of a bailiff;
- Technical Expert had to submit at the UPC Registry by the following day: (i) written report of the activities carried out; (ii) copy of documentation acquired after the execution → Documentation to be used by the applicant only in the proceedings on the merits of the case.

➤ Service of the orders: service by “*alternative method*” (Rule 275 RoP), as the Judge found that there were “*good reasons*” to derogate from the ordinary service procedures due to:

- 1) extreme urgency;
- 2) the need not to frustrate the “*surprise effect*”;
- 3) the need to comply with Rule 197, par. 2 RoP, which provides for service of the order immediately upon execution of the measure.

➤ Order **immediately enforceable** (Rule 196, par. 3): not subject to the payment of a deposit.

- ❖ The two defendants **did not request review of the orders** pursuant to Rule 197, par. 3 RoP;
- ❖ Applicant initiated **proceedings on the merits** pursuant to Rule 198 RoP, claiming ascertainment and declaration of the infringement of its patent and relevant consequent measures: proceedings currently ongoing before the Milan Local Division.



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QUESTIONS & ANSWERS