



Competition Law Association

British Group of the
Ligue Internationale du Droit de la Concurrence
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UPC Webinar Series: Part II

Practice Points

Thursday 25 April 2024

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Topics

Transitional Regime & Opt Outs (Sidd)

Update on Parallel Proceedings (Sidd)

Transparency and Access to Documents (Chris)

Confidentiality (Agathe)

Change of Language (Agathe)

Transitional regime

Art. 83.1: During a transitional period of seven years after the date of entry into force of this Agreement, an action for infringement or for revocation of a European patent or an action for infringement or for declaration of invalidity of a supplementary protection certificate issued for a product protected by a European patent may still be brought before national courts or other competent national authorities.

- European patents are under the **concurrent jurisdiction** of the UPC and national courts during the ‘transitional regime’
- However, patentees may:
 - ‘opt out’ from the competence of the UPC (i.e. only national courts have jurisdiction)
 - subsequently withdraw that opt-out (i.e. patent comes back under the concurrent jurisdiction of UPC and national courts)

Opt-out – limitations

Art. 83.3: Unless an action has already been brought before the Court, a proprietor of or an applicant for a European patent ... shall have the possibility to opt out from the exclusive competence of the Court.

Cup&Cino Kaffeestem-Vertrieb v Alpina Coffee System – LD Vienna

- Patentee filed PI
- Opt-out was then filed in respect of the patent in suit (apparently in error)
- Court confirmed that the opt-out ineffective due to pending UPC action
- i.e. cannot opt out once the UPC has already been utilized

Withdrawal of opt out – limitations

Art. 83.4: Unless an action has already been brought before a national court, proprietors of or applicants for European patents ... who made use of the opt-out ... shall be entitled to withdraw their opt-out at any moment.

AIM Sport v Supponor – LD Helsinki

- Patent was the subject of pending (non-concluded) national litigation in Germany commenced before entry into force of UPC
- Patentee opted out, then withdrew opt-out prior to commencing UPC action (which did not include the German designation of the EP)
- Defendant argued that withdrawal ineffective due to Art. 83(4)

Withdrawal of opt out – limitations

AIM Sport v Supponor – LD Helsinki

- Patentee argued Art. 83(4) applies only to proceedings filed after the entry into force of the UPC
- Court disagreed: withdrawal of opt-out ineffective if patent subject to litigation prior to UPC
- Such opted out patents locked out of UPC forever?
- Under appeal

Parallel proceedings before the divisions of the UPC

Rule 340.1 (Connection Joinder): In the interests of the proper administration of justice and of avoiding inconsistent decisions, where more than one action concerning the same patent (whether or not between the same parties) is pending before:

- (a) different panels (whether in the same or different divisions); or
- (b) different panels of the Court of Appeal,

the panels may by agreement, at any time, after hearing the parties, order that two or more actions shall, on account of the connection between them, be heard together.

Rule 334(i): ... the judge-rapporteur, the presiding judge or the panel may consolidate any matter or issue or order them to be heard together

Parallel proceedings before the divisions of the UPC

Edwards v Meril – LD Munich / CD Paris – UPDATE!

Background

- Meril, through a group company, brought central revocation proceedings in the CD Paris subsequent to Edwards' infringement claim in Munich
- CD Paris disagreed with Edwards that Meril group company the 'same party' as Munich defendants (which would require any revocation claim to be brought as a counterclaim in Munich)
- Accordingly, separate revocation actions pending in respect of same patent (brought by same group of companies)
- Edwards requested that the revocation claims be heard together

Parallel proceedings before the divisions of the UPC

Edwards v Meril – LD Munich / CD Paris – UPDATE!

- On 28 March 2024, the LD Munich ordered that the revocation counterclaims be referred (transferred) to CD Paris (to align the revocation claims and avoid irreconcilable decisions) i.e. bifurcation was ordered
- However, LD Munich did not order “connection joinder” because LD Munich and CD Paris were not able to agree on the operation of R.340 (in particular, whether the two panels should hear the case together or LD Munich effectively hands the case over to CD Paris)
- On 22 April 2024, CD Paris (following uninvited submissions from all parties) ordered that the trial of the referred revocation counterclaims be held on the same date as the trial of the revocation claim
- Judge has reserved the decision on consolidation / joining of the claims pending the filing of translations of the Munich pleadings

Transparency

Ocado v Autostore

Timeline

1 June 2023 – 3 cases filed

4 August 2023 – cases withdrawn, following settlement

15 August 2023 – request for copy of complaint (Nordic-Baltic RD)

18 September 2023 – court invites comments from parties

25 September 2023 – Ocado objects

17 October 2023 – Nordic-Baltic RD orders access but gives permission to appeal under Rule 220.2

1 November 2023 – Ocado appeals and seeks suspensive effect

6 November 2023 – Court of Appeal grants suspensive effect

10 January 2024 – interventions rejected

8 February 2024 – need representative

12 March 2024 – Court of Appeal hears case

10 April 2024 – Court of Appeal rejects appeal

12 April 2024 – access provided to (mildly redacted) complaint *[241 days after request]*

Transparency

Ocado v Autostore

What did we learn before the Decision?

- **The court is allowed a summer vacation!**
- **Once back from vacation, Court will require rapid responses from parties (1 week; 2 days)**
- **Suspensive effect is available for an appeal of an order pursuant to Rule 220.2**
 - *Rule 223.5: There shall be no suspensive effect for an appeal of an order pursuant to Rule 220.2, Rule 220.3 or 221.3.*
- **No amicus briefs; intervenors must have direct factual or legal interest in the outcome of the proceedings (Order 10 January 2024)**
- **A member of public requesting access is a “party” and must be represented (Order 8 February 2024)**

Transparency

Ocado v Autostore

What did we learn from the Decision?

- The Court of Appeal can sit as three legal judges if there are no technical issues
 - *Art. 9(1) UPCA: Any panel of the Court of Appeal shall sit in a multinational composition of five judges...three legally qualified judges who are national of different Contracting Member States and two technically qualified judges with qualifications and experience in the field of technology concerned.*
- The general principle under the UPCA is that the proceedings are public, including the written procedure
- (obiter) While a case is pending at first instance, the court must consider "*the general interests of justice*" including the "*integrity of the proceedings*" which means avoiding "*influence and interference from external parties in the public domain*"
- (obiter) This may be counterbalanced if a competitor or licensee interested in validity or infringement
- Once the case is no longer pending (if decided or settled), third parties will normally get access

Transparency

Ocado v Autostore

A side note on redaction and GDPR

Member of Public

Party Employee

SUMMARY OF FACTS AND PARTIES' REQUESTS

1. On 15 August 2023, Mr. ██████ as a member of the public, applied under R.262.1(b) Rules of Procedure of the Unified Patent Court (RoP) to be given access to – inter alia – the statement of claim in proceedings ACT_459791/2023; UPC_CFI_11/2023, where Ocado was the claimant in infringement proceedings.

Case Number: App_543819/2023

- **Proceeding type:** Application
- **Action/Application:** Application RoP262.1 (b)
- **Applicants:**
Freshfields Bruckhaus Deringer LLP Represented by Christopher Stothers
- **Court Division:** firstInstance - regional - Nordic-Baltic
- **Date of Formal receipt:** 2023-08-15 23:46:37
- **Language of proceeding:** English

- c. Further, an article dated 28 May 2021 published by Supply Chain magazine, a French industry publication, describes recent recruitment by AutoStore France, including business development director, ██████, whose “*role at AutoStore will be to support the transformation of retail in the face of an explosion of e-commerce and omnichannel, which is pushing innovation (micro-fulfillment, urban hubs, dark stores, etc.)*.”⁴⁸ It is inferred therefrom that AutoStore France is offering the Infringing Products on the French market.

⁴⁸ <https://www.supplychainmagazine.fr/nl/2021/3354/nouvelles-recrues-chez-autostore-en-france-et-pour-leurope-du-sud-670340.php> (Exhibit OCA-39).

Transparency

Ocado v Autostore

What don't we know yet?

- Will the court allow future intervenors e.g. who ask for the same document?
- How worried does the court need to be about "*influence and interference from external parties in the public domain*"?
- What other interests might outweigh that?
- Are the full documents available if the court decides on limited grounds?
- Will the Local and Regional Divisions continue to give permission to appeal?
- Will the Court of Appeal continue to give suspensive effect?
- Will access be available in fewer than 241 days?
- How will the court decide contested issues of confidentiality?

Confidential information in a UPC matter: art. 58 UPCA - RoP 262A

- Art. 58 UPCA Protection of confidential information:
 - To protect **the trade secrets, personal data or other confidential information** of a party to the proceedings or of a third party, **or to prevent an abuse of evidence**, the Court may order that the collection and use of evidence in proceedings before it be restricted or prohibited or that access to such evidence be restricted to specific persons.
- Rule 262A RoP:
 - Timing of application can **be problematic**:
 - 3. The Application shall be made **at the same time as lodging a document** containing the information or evidence and shall provide a copy of the unredacted relevant document and, if applicable, a copy of the redacted document.
 - Discretion of the court and serious reasons of the CI holder:
 - 5. The **Court may allow** the Application considering in particular whether the **grounds** relied upon by the applicant for the order **significantly outweigh the interest of the other party** to have full access to the information and evidence in question.
 - At least one person from each party has access as well as the lawyers to ensure fair trial:
 - 6. The number of persons referred to in paragraph 1 shall be **no greater than necessary** in order to ensure compliance with the **right of the parties to the legal proceedings to an effective remedy and to a fair trial**, and shall include, **at least, one natural person from each party and the respective lawyers** or other representatives of those parties to the legal proceedings.

Confidential information in a UPC matter: art. 58 UPCA - RoP 262A

- A few decisions already on confidentiality applications by parties to restrict access of other party to information on file: Fujifilm v Kodak and Panasonic v Oppo in infringement on the merits (LD Dusseldorf and Mannheim), 10x v Curio in PI proceedings (LD Dusseldorf), C-Kore v Novawell in Provisional Measure on Evidence Preservation (LD Paris), Plant-e v Bioo in Security for Costs request (LD The Hague)
- Mannheim Local Division, Panasonic v Oppo (UPC_CFI_210/2023) sets out the **13 steps** involved in a confidentiality request
- Düsseldorf Local Division, Fujifilm v Kodak (UPC_CFI_355/2023 – citing 10x v Curio, CFI_463/2023):
 - Context:
 - Defence to infringement based on a prior use argument deriving from an acquisition in 2017, so party providing information on know-how requests limited access to the information, in particular no R&D staff, no sales staff and activities of people having access cannot be in R&D or sales in the next 5 years. Also, only 3 people should have access
 - Order:
 - *The Agreement and the Rules of Procedure thereby show that on principle a party to a proceeding before the UPC has an **unlimited right to have resort to the contents of the file and the information submitted** by its opponent. Being able to digest the facts and arguments put forward by the opposing party is an indispensable prerequisite which enables the party concerned to develop its own arguments and therefore ensures the **fundamental right to be heard** before it has to accept a decision by the court. [...] The court has to be put in a position to understand, why the applicant believes that the concrete information to be protected is vulnerable and confidential. It is **therefore necessary to substantiate with regard to each redacted part** of the written submissions, **why this explicit part of the submission amounts to confidential information.***
 - Protection of CI significantly outweighs interest of patentee to have unlimited access but need for sufficient access to ensure a fair trial, Trade Secrets Directive spirit reflected in RoP, not enough reason to limit to 3 people to “historic knowhow”, product not sold anymore => disproportionate burden on patentee if number of people is limited and measures on how to restrict access and/or destroy evidence after case is over are imposed. In a dispute on technical issues, R&D staff must have access to technical information unless “cutting-edge technological improvements are at stake”

Confidential information in a UPC matter: art. 58 UPCA - RoP 262A

- Paris Local Division, C-Kore v Novawell (UPC_CFI_397/2023):
- Context:
 - *ex parte* order granting measures to secure evidence of infringement granted, some confidential evidence seized
 - Some of the seized evidence is confidential, parties are in direct competition according to patentee, Novawell swiftly requested that the CI remain confidential, by order of 12 December 2024, a confidentiality club was organised pursuant to art. 58 UPCA to examine all the information gathered in the saisie written report
 - No dispute on which information is a trade secret and should be protected as such, no dispute on who should be part of the confidentiality club
- LD Paris cites art. 9.3 of the EU Directive 2016/943 on Trade Secrets before art. 58 UPCA and rule 262A.6 RoP
- C-Kore agreed that only its representatives have access to it => Court found on 26 March 2024 that if both parties agree, then no need to have members of the parties in the confidentiality club despite explicit wording of RoP 262A and EU Directive:
 - *In view of all these facts, the **Court notes that there is an agreement between the parties on the composition of the confidentiality club** and that this proposal by the parties is **in accordance with the principle of a fair trial**. Even though Rule 262A RoP provides that the confidentiality club shall include at least one natural person from each party, the Court considers that it is possible for the parties to exclude access by a natural person by mutual agreement, provided that the principle of a fair trial is not affected. (UPC-CFI-239/2023, The Hague LD, Order of 4 March 2024 on confidentiality)*
- This approach, also taken in the Plant-e v Bioo case where parties were agreeing to restrict access to attorneys' eyes only is in line with NL practice but in direct contradiction with spirit of Trade Secret Directive as explained in LD Dusseldorf Fujifilm v Kodak decision
- NB: Agreement of parties is usually a strong indication for UPC that reasonable: e.g. deadline extensions granted where parties agree

Change of Language: art. 49(3)-(5) UPCA

- Article 49(3)-(4) UPCA:
 - 3. *The parties may agree on the use of the language in which the patent was granted as the language of proceedings, subject to approval by the competent panel. If the panel does not approve their choice, the parties may request that the case be referred to the central division.*
 - 4. *With the agreement of the parties the competent panel may, on grounds of convenience and fairness, decide on the use of the language in which the patent was granted as the language of proceedings.*
- Article 49(5) UPCA:
 - 5. *At the request of one of the parties and after having heard the other parties and the competent panel, the President of the Court of First Instance **may**, on grounds of **fairness and** taking into account **all relevant circumstances**, including the position of parties, **in particular the position of the defendant**, decide on the use of the language in which the patent was granted as language of proceedings. In this case the President of the Court of First Instance shall assess the need for specific translation and interpretation arrangements.*
- CoA, 10x v Curio (UPC_COA_101/2024) on 49(5) UPCA:
 - Relevant circumstances related to the **specific case or to the parties**: the language mostly used in the **field of technology** involved and of the **evidence (including prior art)**. The **nationality or domicile** of the parties: a party must be able to fully understand what is submitted on its behalf and by the other party. Thus, if the language of the proceedings is not the language of a party, this is not compensated by the fact that its representative is proficient in the language of the proceedings. [...] Another relevant circumstance related to parties is their **size relative to each other**. A multinational company with a substantial legal department has more resources to deal with and coordinate international disputes in different languages than a small company with limited resources that is only active on a limited number of markets
 - Art. 49(5) UPCA provides that in particular the position of the defendant is to be taken into account. If the outcome of balancing of interests is equal, **the position of the defendant is the decisive factor**



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Thank you for your time
Any more questions?

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