



## **The first six months of the UPC: A summary of its orders and decisions**

Since the Unified Patent Court (UPC) opened on 1 June 2023, some interesting themes are already beginning to emerge from the (only) four substantive decisions and over 70 reasoned orders.

The most substantive, certainly in terms of numbers of pages, is the 19 September decision by the Munich local division granting a provisional injunction (interim injunction in England) against NanoString Technologies in 17 EU countries. The oral hearing took place over two days and turned into something of a mini trial with both the issues of infringement and validity of the patent (concerning RNA sequencing technology) being considered. When it came to whether provisional measures should be granted, the local division stated that a mere finding of potential infringement was insufficient. There was a requirement to show urgency and the local division had to weigh up the interests of the parties and consider the potential harm to each of granting or not granting the injunction. As to the first, time did not start running until 1 June (the date the UPC opened). Since the claimants applied for an order on 1 June, the urgency requirement was fulfilled. As to the latter, the local division took into account 10x Genomics' statements about permanently losing market share if they had to wait for the decision on the merits, balancing that argument against several arguments by the defendants that the measures were disproportionate, including that the second claimant was a non-practising entity. The local division awarded an injunction worded with reference to the patent claim (familiar to UK practitioners), rather than being restricted to a specific embodiment. NanoString appealed and the hearing was on 18 December 2023. A second application for a provisional injunction relating to another of 10x Genomics' patents was refused.

In a slightly earlier application for provisional measures heard by the Vienna local division, the decision was announced on the day of the hearing, 13 September, with the Presiding Judge providing a short explanation of the panel's reasons for denying the application for a provisional injunction. Based on the local division's construction of the claims of the patent in suit, relating to a device for frothing milk for beverages, there was no infringement. One procedural difference from English litigation as to provisional injunctions is perhaps worth mentioning - only a successful claimant for a provisional injunction is obliged to commence proceedings on the merits on the patent on which it has secured a provisional injunction, so the adverse ruling by the Vienna local division may well result in no proceedings on the merits ever being brought in this particular case.

This is not the only such application to fail. The local division in Helsinki, in its first decision, held that it did not have competence to hear a matter. The patentee, AIM Sport Vision, had opted out its patent, but then withdrew the opt-out when filing the infringement action and

seeking a provisional injunction against Supponor. The local division agreed with Supponor that the withdrawal of the opt-out was ineffective because, two national actions were pending in Germany, both at the date of the opt-out and at the date of its withdrawal. Due to the urgency of the matter (a decision was to be taken by UEFA in the following few days as to which of the parties' systems it would acquire, such systems being used in stadium advertising) the local division gave its decision orally on 21 September and followed with its written decision on 20 October.

Five other orders granting provisional measures have been made, all in the context of trade fairs (or rather, one was in the context of a symposium), where the urgency issue is paramount. Two were orders to secure and to preserve evidence made by the Milan local division on 13 and 14 June in proceedings concerning a textile machinery patent, and another, also granted by the Milan local division on 25 September, included an order allowing inspection of premises where the patent related to a method of manufacturing lattice girders. Another was a provisional injunction ordered by the Dusseldorf local division on 22 June, concerning a patent for electric bicycles. Notable in this latter case is the fact that a protective letter had been filed by Revolt Zycling, the party that was subject to the injunction. The purpose of protective letters is to prevent the grant of *ex parte* relief and to give the prospective defendant the opportunity to argue inter partes. However, to succeed, a protective letter must itself be convincing, which was evidently not the case here. The only arguments presented in it were as to non-infringement and exhaustion, but the Dusseldorf local division disagreed with the former and observed, as to the latter, that a Swiss court had already rejected the argument that an existing license agreement covered the combination at issue. As to validity, the protective letter also noted that the patent had been granted in 2015, had not been the subject of an opposition and it made no mention of any relevant prior art. As is common, attached to the provisional injunction was a penalty to be paid in the event of a breach of the order. myStromer, the patentee, had to return to court four months later complaining that Revolt Zycling had been in breach. The local division levied a fine in the sum of EUR 26,500. Finally, an order for preservation of evidence was granted on 21 September by the Brussels local division in relation to a device for treating sleep apnoea exhibited at a two-day symposium.

One common concern about UPC proceedings is the scope for bifurcation in different divisions of the UPC as between infringement and validity. This concern reflects the situation in Germany where an infringement action can be brought to trial much more quickly than a revocation proceeding, with the risk of a final injunction being granted on a patent that is subsequently held to be invalid – the so-called “injunction gap”. A decision of the Munich central division on 24 August in a dispute between Sanofi and Amgen (part of their international dispute over PCSK9 inhibitors) raises this very issue. The decision found that Sanofi's revocation action had been filed half an hour before Amgen's infringement action (on the same patent against Sanofi) had been filed at the Munich local division. Both actions had been filed by hard copy due to a malfunction of the case management system (CMS) on 1 June. The issue was not only whether the relative time of filing mattered as between proceedings filed on the same day, but also whether the hard copies had been filed at the appropriate division's offices. The Munich central division held that the relative time of filing was critical for determining which action was brought first, even where proceedings were filed on the same day. The result is that the infringement case will now continue in the Munich local division but, because it was filed first, the revocation action will remain in the

central division. Had the relative order of filing been reversed, article 33(4) of the UPC Agreement would have required that the revocation action be transferred to the Munich local division.

It was this point which was also in issue in litigation between Edwards Lifesciences and various companies in the Meril group. Edwards Lifesciences commenced infringement proceedings against Meril Lifesciences Pvt Ltd (referred to as Meril India) and Meril GmbH in the Munich local division on 1 June. On 4 August, Meril Italy srl, a newly formed subsidiary of Meril India, commenced revocation proceedings in the Paris central division. Edwards objected on the basis of article 33(4) which, as noted above, provides that where proceedings have been brought before a local division, revocation actions may only be brought before the same division. However, these proceedings have to be “between the same parties” and the Paris central division in its decision of 13 November found that Meril India was a separate and different legal entity to Meril India and Meril Germany and therefore the proceedings before it should continue. In coming to its conclusion, the central division noted that the UPC Agreement set out an autonomous set of rules on competence which regulated these proceedings and the present case was therefore outside the scope of the rules on *lis pendens* in the Brussels I Regulation. As to the arguments on the perils of allowing Meril two shots at revoking the patent, the central division pointed out that the local division could stay the proceedings, which would increase efficiency, or refer the counterclaim to the Paris central division and suspend or continue with the infringement action, as provided for in article 33(3) of the UPC Agreement. It did not agree with Edwards that the revocation action amounted to bifurcation by default.

The practical consequences for both these cases, which will now remain in place through the remainder of the written procedure, remain to be seen. As the actions are proceeding within different divisions of the same court, rather than (as in the German system) in different courts with different procedures and speeds it seems unlikely that the final oral hearings will take place at different times. Further, the Judge Rapporteurs in the subsequent, interim procedure that precedes the oral procedure can be expected to address this in exercising their case management powers.

Several other interesting issues should be mentioned. Firstly, in the first order of its kind, the Munich central division, on 23 November, refused to stay the UPC proceedings pending the outcome of the opposition proceedings in the EPO due to the length of time it would take before the opposition proceedings, including any appeal, came to an end (estimated to be mid-2028). Secondly, applications for security for costs have been made in a few actions, but only in one has the applicant been successful - the order being made by the Munich central division on 30 October against a company based in the UK on the basis that there was no enforcement treaty with the UK. Thirdly, in relation to the language of the proceedings, both the local divisions in Munich and in The Hague, have, in November, allowed applications to change the language of the proceedings to English. Fourthly, on the issue of access by the public to the court file, different divisions have come to different conclusions. In two separate orders on 20 and 21 September, the Munich central division refused disclosure to third parties. In the Amgen and Sanofi case, the applicant wished to form an opinion on the validity of the patent, and in an action between Astellas and Osaka University, the reason was said to be for education and training. Neither of these reasons was held to be “concrete, verifiable and legitimate”. In contrast, on 17 October, the Nordic-Baltic regional division agreed that the

Statement of Case could be made available to the applicant who wanted to see how the case was framed after it had been withdrawn. The order was suspended to allow an appeal, which has been made, and the Court of Appeal has continued the suspension pending its decision.

This round-up of the first six months of case law would not be complete without mentioning the result of the one substantive order from the Court of Appeal based in Luxembourg. The appeal was from the Munich local division in the litigation involving Amgen and Sanofi and arose because not all the exhibits were attached to Amgen's Statement of Case when it was served; rather it was said that they would follow. Sanofi argued that until all the exhibits were served, the Statement of Case could not be taken as having been served in accordance with the Court's rules of procedures. The Munich local division held otherwise and was upheld on this point by the Court of Appeal: only exhibits which were indispensable for the understanding of the Statement of Case had to be served to fulfil the rules. However, the local division had not properly considered the general principles of fairness and equality of arms when it granted Sanofi only a few days' extension of time. The extension granted by the Court of Appeal was equal to the time taken for Amgen to upload the exhibits to the CMS.

From the above, it will be seen that there have been no substantive decisions on either infringement or validity. This is not unexpected since the Court's stated aim is to conduct proceedings in such a way which will normally mean that the final oral hearing at first instance takes place within one year from service of the proceedings. Next year's Review promises to have more meaty issues to summarise as well as the continuing decisions on procedural matters.

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