



Local division Mannheim

UPC_CFI_410/2023
order
of the Court of First Instance of the Unified Patent Court

Applicant or defendant

- 1) **Advanced Bionics AG** represented by Miriam
Laubisrütistrasse 28 - 8712 - Stäfa - CH Kiefer

- 2) **Advanced Bionics GmbH** represented by Miriam
Max-Eyth Strasse 20 - 70736 - Fellbach- Kiefer
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- 3) **Advanced Bionics Sarl** represented by Miriam
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Defendant or plaintiff

- 1) **MED-EL** represen
Elektromedizinische ted by
Geräte Gesellschaft Michael
m.b.H. Rüberg
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AT

Patent in suit

<i>Patent no.</i>	<i>Holder</i>
EP4074373	MED-EL Elektromedizinische Geräte Gesellschaft m.b.H.

Participating judges

Presiding	Judge Dr Peter Tochtermann
Rapporteur	Dr Holger Kircher Legally qualified
judge	András Kupecz

Facts of the case

In the present action, the plaintiff is bringing an action against the defendants for infringement of EP 4 074 373 (hereinafter: the patent in suit). The action (ACT_585052/2023) was received by the Mannheim local division on 2 November 2023. The language of the proceedings is German.

Earlier - namely on 27 September 2023 - the defendant 1 filed an action for revocation (ACT_576555/2023 = UPC_CFI_338/2023) concerning the patent in suit with the Central Chamber in Paris, which was served on the plaintiff on 16 October 2023.

The defendants are of the opinion that both actions should be heard jointly by the central division in accordance with R. 340.1 VerfO in order to ensure a uniform interpretation of the patent in suit at both the infringement and the validity level. In order to enable the joint hearing at the central division, the infringement proceedings must be referred from the local division to the central division.

If the Board does not grant the defendant's request for referral, the present infringement proceedings should in any case be suspended pursuant to R. 295 lit. g in conjunction with R. 118.2 lit. b of the Rules of Procedure until a (final) decision on the action for annulment is available.

The defendants filed a motion in a document dated 22 December 2023,

I. refer the present infringement proceedings to the central division (Paris) so that the central division (Paris) can hear the present infringement proceedings and the pending action for annulment together

II. to provisionally stay the present infringement proceedings in any event until a final decision on the referral has been made

In the alternative, the defendants have applied,

III. stay the present proceedings until the final conclusion of the nullity proceedings

IV. in the further alternative: to stay the present proceedings until a first-instance decision on the nullity proceedings.

In its defence of 22.01.2024, the plaintiff objected to the infringement proceedings being referred to the central division and otherwise requested that the case be referred,

I. dismiss the defendant's applications.

In the alternative, the plaintiff has applied,

II. that both proceedings will be heard by the local division,

III. in the further alternative: that both proceedings be heard by the local division and the central division.

The plaintiff is of the opinion that R. 340.1 VerfO presupposes several similar actions. Infringement and nullity actions, on the other hand, are not of the same type. Therefore, according to this provision, the infringement proceedings cannot be referred to the central division - at least not against the plaintiff's wishes - in order to enable a joint hearing of the infringement action and the nullity action. At most, a joint hearing of both actions before the local division is conceivable. A stay of the present infringement proceedings is also out of the question, as the action for annulment has no sufficient prospect of success.

For further details of the legal arguments of the parties, reference is made to the defendant's documents dated 22 December 2023 and 8 February 2024 as well as the plaintiff's document dated 22 January 2024.

Reasons for the decision

I.

The Board understands the defendant's **main request I** to refer the present infringement proceedings to the central division in such a way that the Board is first requested to obtain the consent of the central division to a joint hearing of both actions before the central division. The joint hearing within the meaning of R. 340.1 sentence 1 of the Rules of Procedure always requires the participation of both involved panels ("*...., the panels can ...order by mutual agreement,*"). However, R. 340.1 sentence 1 VerfO does not provide a basis for a unilateral imposition of a referral.

However, the defendant's request for a referral understood in this way is also unsuccessful.

As a result, it can be left open whether R. 340.1 VerfO - as the plaintiff believes - only regulates the joinder of similar actions or whether - as the defendants believe - the joint hearing of different actions is also covered by the scope of the provision.

It can also be left open whether the "joint hearing" of the two actions within the meaning of R. 340.1 VerfO means a hearing before one of the two adjudicating bodies - according to

the defendants - or a hearing before both "merged" panels - according to the plaintiff.

Even if both questions raised were answered in favour of the defendant, the defendant's application would in any case be precluded by R. 340.1 sentence 2 of the Rules of Procedure (see below under 1). Irrespective of this, the Chamber exercises its discretion to refrain from holding a joint hearing within the meaning of R. 340.1 sentence 1 VerfO (see 2 below).

1. R. 340.1, second sentence, RFees clarifies that the higher-ranking provision of Art. 33 UPCA must always be observed in connection with a procedural link for joint proceedings. In the English version, R. 340.1 sentence 2 RP reads as follows: *Article 33 of the Agreement shall be respected*. This means that a procedural link for joint proceedings is inadmissible if it conflicts with the jurisdiction regime set out in Art. 33 UPCA. This is the case here.

According to the jurisdiction regime set out in Art. 33 UPCA, jurisdiction for infringement actions lies in principle with the local or regional divisions (para. 1) and for nullity actions with the central division (para. 4). However, Art. 33 para. 5 sentence 1 UPCA opens up an additional "optional" jurisdiction of the central division for infringement actions if a nullity action relating to the same patent is already pending there. In the present case, however, the applicability of Art. 33 para. 5 sentence 1 UPCA - which the parties agree on - is doubtful. The "optional" jurisdiction of the central division provided for therein only applies if the same parties are involved in both actions - the nullity action and the infringement action (so-called "identity of parties"). In the present case, however, the infringement action is also directed against the defendants 2 and 3, who are not involved in the nullity action.

Ultimately, however, the doubts about the applicability of Art. 33(5) sentence 1 UPCA in the present case can be left aside. For even if the plaintiff had been granted a right to choose between the local and the central division when filing the infringement action pursuant to Art. 33 (5) sentence 1 UPCA, the exercise of this right of choice in favour of the local division should not be subsequently annulled by a joinder pursuant to R. 340.1 UPCA. This follows from R. 340.1 sentence 2 VerfO (see a below), but in any case from the requirement that the VerfO be interpreted in conformity with the UPCA (see b below).

a) Insofar as R. 340.1 sentence 2 of the Rules of Procedure requires compliance with Art. 33 UPCA, this does not only refer to the competences of the respective chambers ultimately regulated therein, i.e. to the "result". Rather, it must also be considered whether the plaintiff was granted a right to choose between different chambers under Art. 33 UPCA. If this is the case, this right of choice may not be de facto withdrawn from the plaintiff by the fact that his action is heard before the chamber that he did not choose.

b) If one did not wish to follow the above understanding of R. 340.1, second sentence, of the Implementing Regulations, the same result would also follow from the requirement to interpret the Implementing Regulations in conformity with the UPCA. According to R. 1.1 sentence 2 RP

the provisions of the Implementing Regulation must always be interpreted in such a way as to avoid any conflict with the higher-ranking provisions of the UPCA. The same follows from point 1 of the preamble to the RP. In the present case, R. 340 RP is therefore to be interpreted in such a way that the right of choice of the infringing plaintiff, which is granted to him by the higher-ranking provision of Art. 33 para. 5 sentence 1 UPCA, is respected. It follows from this that a joint hearing before the Central Office under R. 340 RP cannot be ordered if the infringing plaintiff has objected to this - as in the present case.

2. Notwithstanding the above considerations, if R. 340.1 of the Code of Procedure is applicable, the Chamber will in any case exercise the discretion provided for therein to refrain from holding a joint hearing. According to R. 340.1 sentence 1 VerfO, two aspects in particular must be taken into account when exercising discretion, namely the avoidance of conflicting decisions on the one hand and the interest in the orderly administration of justice on the other. At least with regard to the latter aspect of the orderly administration of justice, the Chamber does not consider a joint hearing to be appropriate.

Firstly, the defendants themselves correctly point out that the nullity proceedings before the central division are already at a more advanced stage of the proceedings than the present infringement proceedings. While the deadline for the Reply is still running in the present infringement proceedings, the Reply is already expected in the nullity proceedings on 19 February 2024. Accordingly, it is currently to be expected that the oral hearing in the nullity proceedings can take place at an earlier date than in the present infringement proceedings. A referral of the present infringement proceedings to the central division would therefore result in the nullity proceedings already pending there being delayed.

Secondly, the referral of the present infringement proceedings to the central division as requested by the defendants would be accompanied by a change in the language of the proceedings. Since the patent in suit was granted in English, the proceedings would be continued in English after a referral to the central division (Art. 49 (6) UPCA). In this case, translations of the German documents previously submitted in the infringement proceedings may have to be prepared.

On the basis of the current state of facts and disputes, the Chamber believes that both aspects speak against a joint hearing of both claims before the central chamber.

Of course, the present decision does not prejudice any decisions that may have to be taken by the Board in the future on the basis of a changed state of facts and disputes - for example in the case of an action for annulment (R. 75 RP in conjunction with Art. 33 para. 3 UPCA).

II.

The **defendant's main claim II**, which is more likely to be an auxiliary claim, also has no prospect of success.

Should the applicant challenge the present order by means of an appeal, this does not prevent the further progress of the legal dispute (conclusion of first right under Art. 74 (3) UPCA). The Board sees no reason to undermine this basic legislative decision by suspending the legal dispute. On the one hand, it follows from the R. 295 lit. c VerfO that such a stay should in any case only be ordered after an appeal has been lodged and only in the cases mentioned therein. Secondly, in the opinion of the Chamber, in view of the above-mentioned interpretation of R. 340 VerfO, it is also not in the interest of the proper administration of justice to suspend the present infringement proceedings.

III.

There is currently no need to decide on the **defendant's auxiliary requests III and IV** to stay the present infringement proceedings.

The question of whether infringement proceedings should be stayed with regard to parallel nullity proceedings should only be decided once the parties have made a final submission on all relevant points, in particular on the question of infringement. This is the case at the earliest after the conclusion of the written procedure, but possibly also after the conclusion of the oral hearing. Consequently, the stay is therefore regulated in R.118.2 lit. b UPC Rules of Procedure, i.e. in connection with the final decision on the merits to be made by the court. Only now can the court form an opinion as to whether the question of the protectability of the patent in suit is at all relevant for the intended decision on the merits, so that a stay can be considered. This reservation also applies to the mandatory stay provided for in R. 118.2 lit. b 2nd half-sentence of the UPC Rules of Procedure in the event that the patent in suit is likely to be destroyed.

IV.

On the **plaintiff's auxiliary request II** that the local division - quasi as a mirror image of the defendant's main request - should open the nullity proceedings pending before the central division

"seize" was not to be decided. The plaintiff only made this application in the alternative in the event that the defendant's main application I was granted. It appears unclear how the plaintiff's alternative application could be successful in such a case, as the defendant's application is specifically directed at a joint hearing of both actions before the central division (Paris). Irrespective of this, however, the plaintiff has in any case made it sufficiently clear that no decision is sought if the plaintiff's main claim I is rejected in its entirety. Since this condition is fulfilled, no decision is required on the plaintiff's auxiliary request.

The same applies to the **plaintiff's further auxiliary request III**, which is aimed at a joint hearing before both "merged" panels.

Tenor of the order

1. The defendant's applications
 - to refer the present infringement proceedings to the Central Chamber (Paris) so that the Central Chamber (Paris) can hear the present infringement proceedings and the pending action for annulment (CFI_338/2023) together,
 - provisionally stay the present infringement proceedings pending a final decision on the referral of the case to the central division (Paris),are rejected.
2. The decision on a stay of the present proceedings is postponed for the time being.
3. The appeal against the rejection of the application pursuant to point 1 is authorised.

Peter
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Dr Peter Tochtermann Presiding
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András Kupecz
Legally qualified judge