



UPC Court of Appeal
UPC_CoA_44/2024
APL_5395/2024
App_12629/2024

ORDER
of the Court of Appeal of the Unified Patent Court
of 11 March 2024
on a procedural appeal

GUIDING PRINCIPLE:

The principle of due process requires that, where a new patent is asserted as an extension of an action already pending, the defendant has the same time limit to respond to the new patent - and, where appropriate, to bring an action for revocation - as it would have had if a new action had been brought in respect of that patent.

KEYWORDS:

Time limit for lodging a defence following an amendment or extension of the action pursuant to Rule 263 of the Rules of Procedure

PLAINTIFF/DEFENDANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE:

Netgear Inc.

Netgear Deutschland GmbH

Netgear International Limited

In the following also jointly referred to as: Netgear (in the singular)

represented by: Attorney Dr Stephan Dorn, Freshfields Bruckhaus Deringer Rechtsanwälte, Düsseldorf

DEFENDANT/PLAINTIFF IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE

Huawei Technologies Co Ltd Hereinafter

also referred to as Huawei,

represented by: Attorney Dr Tobias J. Hessel, Clifford Chance, Düsseldorf

LANGUAGE OF THE PROCEEDINGS:

German

PATENTS-IN-SUIT

EP 3611989

EP 3678321

ADJUDICATING BODY

Second panel

DECIDING JUDGES:

The following have contributed to this order:

Rian Kalden, presiding judge and rapporteur Ingeborg

Simonsson, legally qualified judge Patricia Rombach, legally qualified judge

CONTESTED ORDER OF THE COURT OF FIRST INSTANCE

- Date: 23 January 2024; ORD_593106/2024 (judge-rapporteur) following preliminary proceedings 593105/2023 (judge-rapporteur) in the main proceedings ACT_459771/2023)
- Action number assigned by the Court of First Instance: UPC_CFI_9/2023

FACTS OF THE CASE

By the contested order, the panel of the Court of First Instance of the Munich local division ordered that the action based on European patent 3678321 be severed from the main action pursuant to Rule 302.1 of the Rules of Procedure.

INDICATION OF THE PARTIES' APPLICATIONS

Netgear has appealed against this order and filed a motion in the main proceedings before the Court of Appeal (APL_5395/2024):

1. annul the order of the Munich local division ORD_597550/2023 (in proceedings App_595631/2023) and the order of the judge-rapporteur of the Munich local division ORD_589178/2023 (in proceedings App_587438/2023),
2. reject Huawei's application for leave to amend the complaint of 23 November 2023,
3. annul the order of the Munich local division ORD_593106/2023 (in proceedings ORD_593105/2023) to separate the subject matter of the extension of the action;
4. in the alternative, in the event that the Court of Appeal assumes the admissibility of the extension of the action, to order a reasonable time limit for the appellants' defence, which enables the appellants to assert all intended defences to which they would be entitled against a new action, also against the subject matter of the extension of the action;
5. Order the expediting of the appeal proceedings in respect of Appeal Applications 1 to 4 under R.225(e) in conjunction with R.9.3(b) of the Rules of Procedure and to shorten the time limits for comment in these appeal proceedings at the discretion of the Court of Appeal [as in App_7580/2024].

During the interim hearing, Netgear withdrew applications 1 to 3 and the application for an order of suspensive effect under application number App_12629/2024 on the condition that Huawei agrees to an extension of time after which a period of three months would run from the Court of First Instance's order of 18 January 2024 to file a defence to the extension of time. During the interim hearing, Huawei gave its consent.

CONTROVERSIAL POINTS

Time limit for the defence after the admissibility of the amendment or extension of the action.

REASONS FOR THE ORDER

1. The appeal is admissible.
2. Both parties were heard in the interim hearing on 11 March 2024 at 9.00 a.m.
3. Pursuant to R.263.1 RP, an application for leave to amend or extend the claim - and, where applicable, amend the claim(s) as a consequence thereof - may be made by asserting another patent. Admission will be refused if one of the circumstances specified in R.263.2 RP applies.
4. In considering whether the amendment unreasonably interferes with the other party's conduct of the proceedings, the court shall examine and take into account the means available to it to ensure that this is not the case.
5. The principle of due process requires that, where a new patent is asserted as an extension of an action already pending, the defendant has the same time limit to respond to the new patent - and, where appropriate, to bring an action for revocation - as it would have had if a new action had been brought in respect of that patent.
6. Unlike in the case of the filing of a new action, the Rules of Procedure do not specify the date from which this period begins to run. In the case of authorisation under R. 263 of the Rules of Procedure, this date should therefore be specified in the order.
7. The judge-rapporteur stated in his decision: "In the case of the joint conduct of both patents within the same infringement proceedings, the court is obliged to grant the defendant largely the same opportunities for defence with regard to the second patent as in the case of a new, further action. This can be done by granting or extending time limits for comments. In the case of separation of the subject matter of the extension of the action, this would even be simplified. The parties will be heard in a separate workflow on the question of whether the subject matter of the extension of the action can or should be separated". No specific date was mentioned in the order. In view of the further instructions to the parties: "The parties will be given the opportunity to comment on the issue of severance within 14 days", it was doubtful whether the deadline for the defence in the envisaged severed proceedings should be set.
8. The panel of the Court of First Instance then confirmed the judge-rapporteur's order of 11 December 2023 in its order of 18 January 2024 in the review requested by Netgear under R.333 of the Rules of Procedure, stating: "The defendants must be granted the same time limits to defend themselves in the present proceedings or in the context of separate proceedings as would have been granted if the action had been brought as a separate action, but no more. This means that the non-extended time limit for filing a defence in relation to the subject matter of the extension of the action began to run on 11 December 2023. The defendants will be informed of the workflow in which the statement of defence is to be submitted". Point 2 of the order states: "The period for filing a statement of defence in relation to the subject matter of the extension of the action began on 11 December 2023 and ends (without extension) on 11 March 2024".

9. According to the Court of Appeal, given the absence of a specific rule in the Rules of Procedure or the Convention and the lack of clarity of the judge-rapporteur's order as to the starting date of the time limit for the defence in these particular circumstances - where there was insufficient clarity as to the starting date of the time limit for the defence against the amendment - the panel of the Court of First Instance should not have taken as the starting date of the time limit the earlier date of the judge-rapporteur's order, but the date of service of its own order. Taking into account the fact that the Court of First Instance granted a time limit of three months, which was not objected to as such, the time limit ends on 18 April 2024.
10. In view of the above, the Court of Appeal annuls the order of the Court of First Instance of 18 January 2024 insofar as it ruled in point 2 of the order: "the time limit for filing a defence in relation to the subject matter of the extension of the action began on 11/12/2023 and will end (without extension) on 11/3/2024".

ORDER

The Court of Appeal:

1. annuls the order of the Court of First Instance of 18 January 2024 in so far as it ruled in point 2 of the order that 'the time limit for bringing an action in respect of the subject-matter of the extension of the action began on 11/12/2023 and will end (without extension) on 11/3/2024'.
2. sets the deadline for filing a statement of defence on the subject matter of the extension of the action and, if applicable, for filing a counterclaim for annulment by 18 April 2024.

INSTRUCTIONS TO THE PARTIES AND THE OFFICE REGARDING THE NEXT STEPS

This order settles APL_5395/2024 and App_12629/2024. issued on 11

March 2024

NAMES AND SIGNATURES

Judge

Rian Kalden

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Rian Kalden, presiding judge and rapporteur

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