

ORDER
of the Court of Appeal of the Unified Patent Court
issued on 21 March 2024
concerning an appeal with leave granted after a discretionary review

HEADNOTES:

1. Unless otherwise provided, a case management decision or case management order of the judge-rapporteur or the presiding judge may not be appealed directly. The admissible legal remedy against such decisions and orders is an application for review by the panel in accordance with R.333.1 RoP. The panel decides on the admissibility of such an application. An appeal against the orders issued on the basis of this application is admissible under the requirements of R.220.2 and R.220.3 RoP.
2. The determination of the judge-rapporteur to deal with the Preliminary objection in the main proceedings is a case management decision that must be reviewed by the panel at the request of the defendant in accordance with R.333.1 RoP.
3. Allowing and rejecting a Preliminary objection may be reviewed under R.333.1 RoP if these are case management decisions or orders.
4. If a Preliminary objection is rejected, as an exception to the general principle, leave to appeal may be given by the judge-rapporteur and the order may be appealed against without prior panel review under R.333.1 RoP being required. If leave is granted, the unsuccessful party thus has the choice to either file an appeal or an application for review under R.333.1 RoP. If the judge-rapporteur did not grant leave to appeal, a party may apply for a panel review. The resulting panel decision may then subsequently be appealed if leave has been granted by the panel under R.220.2 RoP, or it may be subject to a request for discretionary review under R.220.3 RoP.

KEYWORDS:

- Setting out the grounds for leave to appeal under R.220.3 RoP
- Appeals against decisions of the judge-rapporteur concerning the Preliminary objection

APPELLANTS/DEFENDANTS IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE:

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RESPONDENT/CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE

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LANGUAGE OF THE PROCEEDINGS:

German

PANEL AND DECIDING JUDGES:

This order was issued by the second panel of the Court of Appeal with the participation of:
Rian Kalden, Presiding judge
Ingeborg Simonsson, legally qualified judge
Patricia Rombach, legally qualified judge and judge-rapporteur

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE:

□Date: 11 December 2023

□File number of the Court of First Instance: ORD_588901/2023 in ACT_459771/2023, UPC_CFI_9/2023 (main proceeding), App_586381/2023 UPC_CFI_9/2023 (related proceeding), see also App_570172/2023 UPC_CFI_9/2023

ORAL HEARING ON:

20 February 2024

ISSUED ON:

03/21/2024

PATENT AT ISSUE:

EP 3 611 989

SUMMARY OF FACTS AND PROCEDURAL BACKGROUND

1. The claimant in the main proceedings (hereinafter referred to as the respondent) is asserting a claim against the defendants in the main proceedings (hereinafter referred to as the appellants) for infringement of European patent 3 611 989. The appellants have filed a Preliminary objection under R.19 RoP (App_570172/2023). By order dated 30 October 2023, the judge-rapporteur of the Munich local division (hereinafter: judge-rapporteur) informed the parties pursuant to R.20.2 RoP that this objection was to be dealt with in the main proceedings (hereafter also referred to as: 'the R.20.2 notification').
2. On 14 November 2023, the appellants filed a request pursuant to R.333.1 RoP in order to have 'the R.20.2 notification' reviewed by the panel. The judge-rapporteur rejected this application as inadmissible by order dated 11 December 2023.
3. In the reasons for this decision, the judge-rapporteur in essence stated that 'the R.20.2 notification' was not a decision or order within the meaning of R.333.1 RoP. This in his view follows from R.21.1 RoP. According to R.21.1 RoP, a decision of the judge-rapporteur allowing the Preliminary objection may be appealed pursuant to R.220.1(a) RoP. A decision (in the English and French language version: "order" or "ordonnance") of the judge-rapporteur rejecting the Preliminary objection may only be appealed pursuant to R.220.2 RoP. Therefore, an application for review by the panel of 'the R.20.2 notification' pursuant to R.333.1 RoP was not admissible. An appeal against 'the R.20.2 notification' was not possible either.
4. The appellants lodged a request for discretionary review, requesting that the Court of Appeal:
 - 1) review the judge-rapporteur's decision not to allow the appeal against the judge-rapporteur's order from 11 December 2023 (R.220.3 RoP).
 - 2) allow the appeal (R.220.4 RoP),
 - 3) review the judge-rapporteur's procedural order from 30 October 2023 (ORD_575956/2023), according to which the Defendants' Preliminary objection (App_570172/2023) must be handled in the main proceedings, and rule that a decision must be made immediately about the defendants' objection pursuant to R.19 RoP in accordance with R.21.1 RoP, and
 - 4) decide on the Preliminary objection immediately and then admit that objection.
5. The standing judge of the Court of Appeal, in the order of 11 January 2024 (UPC_CoA_486/2023, APP_595643/2023), declared the request for discretionary review admissible, even though the application was directed against an order of the judge-rapporteur and not against a decision. The standing judge considered:

"The fact that the judge-rapporteur himself decided on the admissibility of the application to have his 30 October 2023 decision ('the R.20.2 notification') reviewed by the panel pursuant to R.333.1 RoP, rather than have the panel decide on the admissibility of the application, prevents that a request for discretionary review pursuant to R.220.3 RoP may be made, since there is no panel order. This would however only be justified if the underlying reasoning of the judge-rapporteur to consider himself competent to decide on

the admissibility of the request for the review pursuant to R.333.1 RoP and to consider it inadmissible, as set forth in his 11 December 2023 order, is indeed accurate”.

Under these circumstances, the standing judge considered it justified to consider the request for discretionary review as admissible.

6. The standing judge has only granted leave to appeal against the decision of 11 December 2023. The standing judge explicitly noted that the leave granted does not extend to the ‘the R.20.2 notification’ and that – if the appeal against the 11 December 2023 order would be successful – ‘the R.20.2 notification’ should first be reviewed by the panel of the Court of First Instance pursuant to R.333.1 RoP.

PARTIES’ SUBMISSIONS

7. Appellants argue as follows.
8. The appeal against the 11 December 2023 decision is well-founded. According to the clear wording of R.333.4 RoP, it is the panel and not the judge-rapporteur who decides on a request for review under R.333.1 RoP.
9. ‘The R.20.2 notification’ is a case management order, which is to be reviewed by the panel in accordance with R.333.1 RoP, before an appeal under R.220.2 and R.220.3 RoP is possible. This procedure gives the panel the opportunity to remedy the Preliminary objection itself and thus avoids a superfluous appeal.
10. No efficiency considerations can be invoked against the review by the panel. While the entire panel has to deal with the Preliminary objection due to ‘the R.20.2 notification’, the judge-rapporteur could have decided it himself and an appeal could be lodged directly against that decision in accordance with R.20.1 RoP, without involvement of the panel. Thus, the decision to proceed in accordance with R.20.2 RoP leads to more burden on the panel.
11. The respondent argues as follows.
12. The parties are not entitled to a decision on the Preliminary objection before the main proceedings under R.20.1 RoP. It is at the discretion of the judge-rapporteur alone whether to decide on the Preliminary objection directly by himself or whether it is to be decided in the main proceedings by the panel.
13. ‘The R.20.2 notification’ does not constitute a decision. Only the rejection of the application pursuant to R.333.1 RoP is a decision that can be reviewed pursuant to R.333.1 RoP.
14. If the criteria under R.350 RoP for a decision or under R.351 RoP for an order are not met and the Rules of Procedure do not expressly stipulate elsewhere that they are decisions or orders, the exercise of the power to direct proceedings pursuant to R.334 RoP does not have the quality of a decision or order and is thus not subject to R.333 RoP review.

REASONS:

I. Scope of Appeal

15. In order to determine the scope of this appeal, the Court of Appeal first considers the system of discretionary review under R.220.3 and R.220.4 RoP.
16. If no leave to appeal has been granted by the Court of First Instance pursuant to R.220.2 RoP, then under R.220.3 RoP a request may be made that this decision (i.e. to refuse leave to appeal) is reviewed by the Court of Appeal. Pursuant to R.220.4 RoP, this request shall be assigned to the standing judge. If and to the extent the request is allowed – in other words: to the extent leave to appeal has been granted – the appeal will be heard by the panel to which the appeal will be assigned by the President of the Court of Appeal. The standing judge when allowing the request, or the full panel once the appeal is assigned to it, may consider it necessary that the parties lodge further statements of grounds of appeal and response, in addition to the arguments already exchanged in the request for discretionary review and the response thereto, but this will not always be necessary. A request for discretionary review must already set out the reasons why the appeal should be heard, and the facts, evidence and arguments relied on (cf R.220.3 in conjunction with R. 221.2 RoP).
17. As said, the standing judge has only granted leave to appeal against the decision of 11 December 2023. Consequently, of the requests made by the appellants in their request for a discretionary review, only the first one relates to the request to grant leave to appeal as such. The requests under 2, 3 and 4 set out the extent of the leave sought, or in other words: the decisions the appellant sought leave to appeal for. The request under 2, which simply reads “to allow the appeal”, must in view of appellants’ submission be understood as a request to set aside the order of 11 December 2023. The standing judge has indeed understood it this way and granted leave to appeal against this decision. For the requests under 3 and 4 – to set aside ‘the R.20.2 notification’ and to decide on the Preliminary objection – no leave to appeal has been granted. Therefore, these requests are outside the scope of this appeal and will not be considered in these proceedings.
18. Neither the standing judge, not this panel, has seen reasons to request for additional statements by the parties, as their arguments were sufficiently elaborated in the request under R.220.3 RoP and the written response thereto.

II. Admissibility of appeal

19. The appeal is admissible.
20. By order dated 11 January 2024, the standing judge rightly granted leave to appeal.
21. It is true that R.220.3 RoP provides for the grant of leave to appeal by the standing judge only in the case of an order issued by a *panel* and that the decision impugned here is a decision by the judge-rapporteur. As the standing judge already considered in the order of 11 January 2024, as a general principle, unless provided otherwise, a case management

decision or order made by the judge-rapporteur or the presiding judge can only be appealed if such decision or order has first been reviewed by the panel pursuant to R.333.1 RoP. This follows from the fact that it is only possible to make a request for discretionary review to the Court of Appeal under R.220.3 RoP in the event leave to appeal of an order of a *panel* is refused. Therefore, in case of an order or decision by the judge-rapporteur or the presiding judge, first a request pursuant to R.333.1 RoP must be made in order to obtain a panel decision, which can – if necessary – subsequently be the subject of an appeal under R.220.2 RoP if leave to appeal is granted by the panel, or be the subject of a request for discretionary review under R.220.3 RoP if such leave is not granted.¹

22. However, since the subject of the appeal is precisely the question whether the judge-rapporteur could decide on the admissibility of appellant’s request for a R.333.1 RoP review or whether this should have been decided by the panel, in which case there would have been a decision by the panel in accordance with R.333.5 RoP, the standing judge rightly held that this cannot lead to the inadmissibility of the application under R.220.3 RoP.²

III. Substance

23. The appeal is justified. The judge-rapporteur should not have decided alone on the application for review under R.333.1 RoP. Since the request for review was admissible, the panel should have decided under R. 333.1 RoP in substance. Therefore a referral back is justified in this case.

(1) Authority to decide

24. The judge-rapporteur should not have decided on the application for review under R.333.1 RoP.
25. As can be inferred from Article 52(2) UPCA, case management during the written procedure and the interim procedure is mandated by the panel to the judge-rapporteur. In accordance therewith, R.331.1 RoP provides that case management is the responsibility of the judge-rapporteur *subject to* R.102 and R.333 RoP.
26. Accordingly, under R.102.1 RoP, first part, the judge-rapporteur may always refer ‘any matter’ (back) to the panel for decision; under R.102.1 RoP second part, the panel may review ‘any decision or order’ or ‘the conduct of the interim procedure’ on its own motion. Under R. 102.2 RoP any party may request that ‘a decision or order’ of the judge-rapporteur be referred to the panel for review pursuant to R.333 RoP.
27. Under R.333.1 RoP case management decisions or case management orders made by the judge-rapporteur or the presiding judge *shall* be reviewed by the panel, on a reasoned Application by a party.

¹ See explanatory remarks 17th draft Rules of Procedures.

² See CJEU judgment of 14 July 2022, University of Bremen v. REA, C-110/21, ECLI:EU:C:2022:555, para. 24.

28. This system laid down in the Rules of Procedure avoids unnecessary appeals to, and involvement of, the Court of Appeal in the event that the panel does not share the opinion of the judge-rapporteur.
29. R.333.4 RoP explicitly provides that the panel shall decide the Application for review. As such, this is an act exclusively reserved for the panel of the court within the meaning of R.1.2 RoP. Failing a specific provision on the authority to deal with admissibility of a R.333 RoP Application (cf. R.233.2 RoP, 2nd sentence, authorizing the judge-rapporteur to decide on inadmissibility), this decision is exclusively reserved for the panel as well.
30. It also follows from the system of the Rules of Procedure that a decision whether or not an Application for review pursuant to R.333.1 RoP is admissible is not to be taken by the judge-rapporteur, but by the panel. If this were not the case, it would lead to arbitrary results. After all, in the event that the judge-rapporteur considers such application to be not admissible and does not grant leave to appeal, the decision cannot be subject to appeal (as an application for discretionary review under R.220.3 RoP is only admissible in case of an order issued by the *panel*, see para. 21 above). On the other hand, if the judge-rapporteur refers a decision to the panel or the panel reviews it of its own motion, in accordance with R.102.1 RoP, if no leave to appeal is given, an application under R.220.3 RoP would be possible. There is no justification for there to be less room for review by the Court of Appeal when a case management decision is taken by the judge-rapporteur as opposed to a decision taken by the full panel.

(2) Consequences of the lack of competence of the judge-rapporteur

31. According to R.242.2 (a) RoP, the Court of Appeal may exercise all the powers of the Court of First Instance. Only in exceptional cases it may refer the case back to the Court of First Instance for a new decision or retrial and the fact that the Court of First Instance has not decided an issue which is necessary for the Court of Appeal to decide shall not normally constitute an exceptional case justifying a referral back (R.242.2 (b) RoP). If the Court of Appeal was of the opinion that the request under R.333 RoP was inadmissible, then it would have to decide the matter itself. However, the situation is different if the request is to be held admissible. In that case, the competent panel of the Court of First Instance has not yet decided under R. 333.1 RoP in substance, where it should have done so.

(3) Admissibility of the request

32. The request for review was admissible.
33. When deciding whether the R.20.2 RoP notification is based on a case management decision within the meaning of R.333.1 RoP, the Court of Appeal considers the following: From the system as laid down in the Rules of Procedure, in particular R.331 RoP in conjunction with R.102 and R.333 RoP, on the basis of which decisions and orders by the judge-rapporteur under the mandate of the panel can always be reviewed, either at the initiative of the panel itself, or at the (reasoned) request of a party, it follows that there is a broad scope for review of actions of the judge-rapporteur. This calls for a broad, rather than a limited interpretation of 'case management decision or order' as meant in R.333.1 RoP.

34. Contrary to the opinion of the judge-rapporteur, the R.20.2 RoP notification is based on a case management decision within the meaning of R.333.1 RoP. This is clear from the catalogue of case management powers under R.334 RoP. This includes, under (e), the decision on the order in which the issues are to be decided and under (i) the order to hear them together. Deciding when the Preliminary objection is to be decided falls in these categories.
35. The notion of ‘case management decision or order’ being a broad concept that calls for a broad interpretation, R.333.1 RoP cannot be considered to exclude those mentioned in R.334 RoP and be limited to decisions and orders within the meaning of R.350 and R.351 RoP, as the respondent argued. Clearly, the general wording used in R.102 and R.333 RoP (see par. 25 above) indicates that all case management orders and decisions, notably including those mentioned in R.334 RoP, can be subject of review under R.333 RoP. The fact that the judge-rapporteur has room for discretion when dealing with case management, does not exclude the resulting decisions from review under R.333 RoP. It is for the panel, when exercising its review under R.333 RoP, to take into account efficiency, proportionality and due regard for the discretion granted to the judge-rapporteur.
36. The fact that the request under R.333.2 RoP provides for a time limit of 15 days from service of the 'order' for filing an Application is of no relevance in this respect. Rather, R.333.1 RoP is to be interpreted as meaning that in a case where, as here, the case management decision is notified, the time period begins to run when the notification is served in accordance with R.20.2 RoP.
37. The principles of procedural economy which also apply to case management decisions or orders, in particular to a decision or order on a Preliminary objection, also speak in favour of the possibility of review by the panel of a R.20.2 notification. The purpose of the Preliminary objection is to clarify the jurisdiction and competence of the court or the competence of the division and the language of the proceedings as early as possible. In line with the consideration in Recital 6 to the UPCA that the Unified Patent Court should ensure expeditious decisions, R.20.1 RoP provides that the Preliminary objection should be decided as soon as practicable. This purpose would be frustrated if the panel could not, at the request of a party, already in the interim procedure review the R.20.2 notification.
38. Contrary to the view expressed in the impugned decision, it cannot be inferred from the wording of R.20 and R.21 RoP that a determination when to decide on a Preliminary objection is not a reviewable decision. The fact that R.20.2 RoP, in contrast to R.20.1 and 21.1 RoP, does not refer to a decision, but to a ‘notification’, cannot be understood to indicate that the notification is not based on a case management decision.
39. The fact that R.21 RoP does not mention the ‘notification’ does not mean that there is no possibility to request a review of the decision to deal with the Preliminary objection in the main proceedings. Pursuant to R.21 RoP, an appeal under R.220.1 (a) RoP may be lodged against a decision of the judge-rapporteur allowing the Preliminary objection; an order by the judge-rapporteur rejecting the objection may only be appealed pursuant to R.220.2 RoP. However, R.21 RoP does not constitute an exhaustive catalogue of legal remedies for the decisions or orders named therein. Allowing and rejecting a Preliminary objection may also be reviewed under R.333.1 RoP if these are case management decisions or orders. A

fortiori, it cannot be concluded from R.21 RoP that legal remedies against other case management decisions of the judge-rapporteur in relation to a Preliminary objection are excluded from a review pursuant to R.333 RoP.

40. Nothing else can be inferred from the wording of R.21.1 2nd sentence RoP, according to which an order rejecting the Preliminary objection may 'only' be appealed pursuant to R.220.2 RoP. This is merely intended to clarify that, in the event of rejection of a Preliminary objection, the appeal is admissible if the requirements of R.220.2 RoP are met and that in this particular case, as an exception to the general principle, leave to appeal may be given by the judge-rapporteur without prior panel review under R.333.1 RoP being required. If leave is granted, the unsuccessful party thus has the choice to either file an appeal or an application for review under R.333.1 RoP. If the judge-rapporteur did not grant leave to appeal, a party may apply for a panel review. The resulting panel decision may then subsequently be appealed if leave has been granted by the panel under R.220.2 RoP, or it may be subject to discretionary review under R.220.3 RoP.
41. Finally, other than as submitted by the respondent, an Application under R.333.1 RoP in the event of a R.20.2 notification is not inadmissible due to a lack of a justified interest. Admittedly, as submitted by the respondent, the parties are not entitled to a decision on the Preliminary objection before the main proceedings under R.20.1 RoP. However the applicant of a Preliminary objection has the right that the judge-rapporteur exercises the discretion granted to him in this respect without an error of assessment and has an interest that the proper exercise of this discretion is reviewed by the panel upon its request.

IV. Conclusion

42. On the basis of the foregoing, the judge-rapporteur was wrong to reject the application for review under R.333.1 RoP as inadmissible. He should not have decided on the admissibility himself. He should have referred the application to the panel for a decision under R.333.1 RoP, and the panel should then have reviewed the decision of the judge-rapporteur of 30 October 2023 in substance.
43. This conclusion leads to the setting aside of the impugned decision and the referral of the case back to the panel of the Munich local division (R.242.2(b) RoP; see par. 31 above) for a decision pursuant to R.333.4 RoP.

ORDER:

On appeal by the appellants (defendants), the order of the judge-rapporteur of the Munich local division of 11 December 2023, ORD_588901/2023, is set aside. The Application for review pursuant to R.333 RoP is referred to the competent panel of the Munich local division for decision.

NAMES AND SIGNATURES

Judges

Presiding judge: Rian Kalden

Legally qualified judge: Ingeborg Simonsson

Legally qualified judge and judge-rapporteur: Patricia Rombach