

**ORDER**  
**of the Court of Appeal of the Unified Patent Court**  
**issued on 21 June 2024**

HEADNOTE

1. If an appeal is lodged against an order rejecting a preliminary objection, the Court of Appeal may stay the proceedings at first instance on a “reasoned request” by a party (Rule 21.2 RoP). A statement which does not set out the reasons why the first instance proceedings should be stayed does not constitute a reasoned request.
2. The arguments presented by the applicant at the interim conference cannot remedy the lack of reasoning in its written statement. The interim conference may be used to further clarify the reasoning for a stay request. However, also in view of the defendant’s right to prepare its defence, it cannot be used to present the grounds for the request for the first time.

KEYWORDS

Appeal; reasoned request to stay proceedings pending appeal

APPELLANT AND DEFENDANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE

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

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represented by attorneys-at-law Boris Kreye and Dr. Lars Hessmann (Bird & Bird) and European patent attorneys Dr. Christoph Walke and Lars Grannemann (Cohausz & Florack)

## PATENT AT ISSUE

European patent EP 2 044 709 B1

## DECIDING JUDGE

Peter Blok, legally qualified judge and judge-rapporteur

## LANGUAGE OF THE PROCEEDINGS

English

## IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

- Order of the Court of First Instance of the Unified Patent Court, Central Division (Paris Seat), dated 2 May 2024
- Reference numbers: App\_8708/2024  
UPC\_CFI\_484/2023  
ORD\_13023/2024

## FACTS AND REQUESTS OF THE PARTIES

1. The appellant (hereinafter: Mala) is the proprietor of EP 2 044 709 B1 (hereinafter: the patent at issue) which is valid only in Germany.
2. On 29 April 2021, Nokia Solutions and Networks GmbH & Co. KG (hereinafter: Nokia Solutions) filed a revocation action against Mala with the German Federal Patent Court (docket no. 5 Ni 22/21 (EP), hereinafter: the German revocation action) requesting that the German part of the patent at issue be declared invalid.
3. On 18 July 2023, the German Federal Patent Court dismissed the German revocation action and upheld the patent at issue in its entirety. The full written decision of the German Federal Patent Court was served on the parties on 13 December 2023 (Mala) and 14 December 2023 (Nokia Solutions).
4. On 15 December 2023, the respondent (hereinafter: Nokia Technology) filed an action for the revocation of the patent at issue with the Court of First Instance of the Unified Patent Court, Central Division, Paris Seat (UPC\_CFI-484/2023 ACT\_595045/2023).
5. On 15 January 2024, Nokia Solutions filed an appeal against the decision of the German Federal Court of Justice (docket number X ZR 6/24).
6. On 16 February 2024, Mala lodged a preliminary objection in the revocation action before the UPC. Mala requested that the Court:
  - I. allow the preliminary objection;

- II. issue the decision on the preliminary objection in accordance with Rule 20.1 of the Rules of Procedure (hereinafter: RoP);
- III. decline its jurisdiction for the revocation action and reject the revocation action as inadmissible;
- IV. on an auxiliary basis, and in the event that the Court does not decline its jurisdiction as requested in item III., stay the proceedings until a final decision of the German Federal Court of Justice has been issued in the German revocation action;
- V. stay the proceedings until a final decision on the preliminary objection has been issued;
- VI. on an auxiliary basis, and in the event that the proceedings are not stayed as requested under V., extend the deadline to lodge a defence to the revocation by one month.

7. Nokia Technology opposed the preliminary objection. Nokia Technology requested that the Court:

- I. reject the preliminary objection;
- II. reject Mala's request to stay the proceedings until a final decision has been issued by the German Federal Court of Justice;
- III. in the alternative, separate and stay the proceedings regarding the German part of the patent at issue;
- IV. in the further alternative, deal with the preliminary objection in the main proceedings;
- V. in the further alternative, hear the parties in a hearing before a decision on the preliminary objection is taken;
- VI. reject Mala's request to stay the proceedings until a final decision has been issued on the preliminary objection;
- VII. reject Mala's request to extend the deadline for lodging a statement of defence by one month.

8. In its order dated 2 May 2024 (hereinafter: the impugned order), the Court of First Instance:

- I. rejected the preliminary objection;
- II. rejected Mala's request to stay the proceedings until the preliminary objection is decided;
- III. rejected Mala's request to stay the proceedings until a final decision is issued by the German Federal Court of Justice;
- IV. rejected Mala's request to extend the deadline for lodging a defence to the revocation.

9. Mala lodged an appeal against the impugned order. In its statement of appeal Mala requests that the Court of Appeal:

- I. revoke the impugned order;
- II. allow the preliminary objection;

- III. decline jurisdiction for the revocation action and reject the revocation action as inadmissible; on an auxiliary basis (i.e. in the event that the Court does not decline its jurisdiction for the revocation action), stay the revocation proceedings until a final decision of the German Federal Court of Justice has been issued in the German nullity appeal proceedings;
- IV. stay the first instance revocation proceedings until a final decision on the preliminary objection has been issued;
- V. further, in the event that the Court of Appeal does not find that Art. 71a to 71c Brussel I Reg recast is applicable in the case at hand, request the Court of Justice of the European Union to give a ruling on the question of
  - whether Art. 71c of the Regulation (EU) No 1215/2012 (recast) applies where proceedings are brought in the Unified Patent Court during the transitional period referred to in Article 83 of the UPC Agreement and parallel national proceedings have been brought in a court of a Member State party to the UPC Agreement prior to the beginning of such transitional period, and,
  - if not, whether Art. 72b (2) of the Regulation (EU) No 1215/2012 (recast) provides for a general application of Art. 29 et seqq. Brussel I Regulation recast where proceedings are brought in the Unified Patent Court during the transitional period referred to in Art. 83 of the UPC Agreement and parallel national proceedings have been brought in a court of a Member State party to the UPC Agreement before the start of such a transitional period;
- VI. stay the UPC revocation proceedings until the Court of Justice of the European Union has issued its ruling as specified in item V.

10. Nokia Technology responded to the appeal requesting that the Court:

- I. dismiss Mala's appeal;
- II. reject Mala's request to stay the proceedings until a final decision has been issued by the German Federal Court of Justice;
- III. in the alternative, separate and stay the proceedings against the German part of the patent at issue;
- IV. reject Mala's request that the Court of Appeal stay the revocation proceedings and request the Court of Justice of the European Union to give a ruling;
- V. in the alternative, stay the preliminary objection proceedings in accordance with Rule 295 (m) RoP until the Court of First Instance has issued a decision on the merits;
- VI. reject Mala's request to stay the revocation proceedings until a final decision has been issued on the preliminary objection.

## GROUNDS FOR THE ORDER

11. This order sets out the decisions taken by the judge-rapporteur following an interim conference held on Monday 17 June 2024.

### *Oral hearing by videoconference*

12. Pursuant to Rules 112.3(c) and 240 RoP, the Court may decide to hold the oral hearing by video conference if all parties agree or the Court considers it appropriate to do so due to exceptional circumstances. At the interim conference the representatives of all parties agreed to the proposal to hold the oral hearing by videoconference, which the judge-rapporteur put forward after consultation with the presiding judge. The oral hearing will therefore be held by videoconference.

### *Oral hearing date*

3. The date for the oral hearing has been set for Wednesday 24 July 2024, 14:00 CEST.
4. If a party is unable to attend the hearing on this date, it must inform the Court of Appeal within seven calendar days from the date of notification of this order, specifying the dates in the months of July, August and September on which all parties, including the other party, are available. If a party is available, it is requested to select the option “do not lodge response” in the workflow of the Case Management System.

### *Time limits*

5. The presiding judge has set the following time limits for the parties' oral submissions at the hearing:
  - Mala and Nokia Technology will each have 45 minutes to present their case;
  - Mala and Nokia Technology will then each have 20 minutes for a reply and a rejoinder respectively.

### *No stay*

6. Mala’s request to stay the revocation proceedings before the Court of First Instance until a final decision on the preliminary objection has been issued, is inadmissible. If an appeal is lodged against an order rejecting a preliminary objection, the Court of Appeal may stay the proceedings at first instance on a “reasoned request” by a party (Rule 21.2 RoP). The statement of appeal and grounds of appeal in which Mala submitted its request do not constitute a reasoned request, since Mala did not set out the reasons why the revocation proceedings should be stayed. Mala did not submit any arguments in this respect.

7. The arguments presented by Mala at the interim conference cannot remedy the lack of reasoning in its written statement. The interim conference may be used to further clarify the reasoning for a stay request. However, also in view of Nokia Technology's right to prepare its defence, it cannot be used to present the grounds for the request for the first time.
8. Moreover, the arguments put forward by Mala at the interim conference must also be rejected on its merits. The parties agree that, as a general rule, the main proceedings are not stayed pending the decision of the Court of Appeal on an order rejecting a preliminary objection. This general rule follows from the principle underlying Rule 19.6 RoP and Art. 74.1 UPCA, that proceedings before the Court of First Instance must as far as possible continue unhindered by any (procedural) appeals (Court of Appeal 19 June 2024, UPC\_CoA\_301/2024 APL\_33746/2024 App\_35055/2024).
9. The Court of Appeal may grant a stay under exceptional circumstances, having regard to the relevant circumstances of the case, such as the stage of the revocation proceedings before the Court of First Instance, the stage of the appeal proceedings and the interests of the parties. In the present case, the revocation proceedings are at the final stage of the written procedure. The only remaining step is for Nokia Technology to lodge a rejoinder to the reply to the defence to Mala's application to amend the patent. The time limit for this submission is expected to expire around 21 July 2024. In the present appeal proceedings, the written procedure has been closed and the oral hearing will be held on 24 July 2024 or, if the parties are unavailable on that date, on an alternative date as soon as possible. In the light thereof, it is expected that a decision or an order of the Court of Appeal will be issued before the oral hearing in the main proceedings at the Court of First Instance. Consequently, the costs and efforts of continuing the revocation proceedings pending the appeal are relatively low, especially for Mala, since it is Nokia Technology who is yet to file the last written statement. Therefore, the interest in avoiding costs and efforts, put forward by Mala, does not outweigh the interest in obtaining a decision on the validity of the patent as soon as possible, put forward by Nokia Technology.
10. A stay might be appropriate if the impugned order were manifestly erroneous. However, this is not the case here. Mala submits that a cursory examination of the impugned order makes it clear that the order is erroneous and refers to its grounds of appeal. Whether the errors alleged in the statement of grounds of appeal are in fact errors can be left open. If there are errors, they are in any event not errors which have resulted in a manifestly erroneous order.

#### ORDER

- I. The request to stay the first instance revocation proceedings until a final decision on the preliminary objection has been issued, is declared inadmissible;
- II. The parties are summoned to the oral hearing by videoconference;
- III. The date for the oral hearing has been set for **Wednesday 24 July 2024, 14:00 CEST**;

IV. At the oral hearing Mala and the Nokia Technology will each have 45 minutes to present their case. Mala and the Nokia Technology will then each have 20 minutes for a reply and a rejoinder respectively.

This order was issued on 21 June 2024.

Peter Blok, judge-rapporteur