

ORDER
of the Court of Appeal of the Unified Patent Court
issued on 27 November 2024
on a request for discretionary review (R.220.3 RoP)

APPELLANT (AND CLAIMANT BEFORE THE COURT OF FIRST INSTANCE)

TOTAL SEMICONDUCTOR, LLC, Plano, Texas, USA (hereinafter ‘Total Semiconductor’)

represented by: Dr. Thomas Lynker, Rechtsanwalt, and Evelyn Höfer, Rechtsanwältin,
TALIENS, Munich, Germany

RESPONDENTS (AND DEFENDANTS BEFORE THE COURT OF FIRST INSTANCE)

1. **Texas Instruments EMEA Sales GmbH**, Freising, Germany
 2. **Texas Instruments Deutschland GmbH**, Freising, Germany
- (hereinafter jointly referred to as ‘TI’)

both represented by: Klaus Haft, Rechtsanwalt, HOYNG ROKH MONEGIER, Düsseldorf, Germany

PATENT AT ISSUE

EP 2 746 957

LANGUAGE OF THE PROCEEDINGS

English

DECIDING JUDGE

This order was issued by Ingeborg Simonsson, Standing judge

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

- Date: 16 October 2024, ORD_38103/2024, App_29561/2024, UPC_CFI_132/2024, Mannheim Local Division

POINT AT ISSUE

Request for discretionary review of an order on security for costs of a party, denying leave to appeal, issued by the judge-rapporteur

SUMMARY OF FACTS

Through the impugned order, the Mannheim Local Division ordered, with reference to Art. 69(4) UPCA and R.158 RoP, Total Semiconductor to provide security in an amount of € 600.000 either by deposit or by a bank guarantee issued by a bank licensed in the European Union, within eight weeks from the date of service of the order. The Local Division reminded that in case of failure to provide security within the stated period of time, a decision by default may be given, in accordance with R.355 RoP. Leave to appeal was refused. The order was adopted by the judge-rapporteur. On information about appeal it was stated that R.158.3, 220.2 RoP do not apply because the leave to appeal was refused.

Total Semiconductor has made a request to the Court of Appeal for discretionary review.

On 15 November 2024, the standing judge issued an order pursuant to R.220.4 RoP. There, the standing judge made the preliminary assessment that it may be questioned whether a judge-rapporteur can issue an order on security for the legal costs and other expenses incurred and/or to be incurred by the requesting party pursuant to R.158 RoP and deny leave to appeal, or if such an order should be adopted by the panel, or, if adopted by the judge-rapporteur, be subject to review by the panel. The parties were invited to comment on this.

PARTY'S SUBMISSIONS

Total Semiconductor (in summary) submits that

- The judge-rapporteur might not have had the legal competence to issue an order on security for costs. At least, there is no explicit provision in the Rules of Procedure granting such competence to the judge-rapporteur. R.1.2 RoP does not grant the judge-rapporteur general competence, but only clarifies in general terms that different acts may also be performed by different judges. R.345.4 RoP does not seem to be applicable in relation to an order for security for costs either.
- By expressly refusing leave to appeal while nevertheless providing under "Information about Appeal" that R.158.3, 220.2 RoP do not apply because the leave to appeal is refused, the judge-rapporteur created the clear and unambiguous impression of a final and binding order of the court regarding the security for costs and that such an order could generally be subject to an appeal, but that in the case at hand leave to appeal was refused.
- An order for security for cost is not a case management order.
- The only available remedy in the case at hand was the request for discretionary review.
- There is nothing in the Rules of Procedure or the case law of the Court of Appeal suggesting that a panel review has to be sought first in a situation like the one at hand. There is also no CMS workflow available.
- Request for discretionary review cannot be dismissed just because the order for security of costs was not issued by the panel or with the reasoning that Total Semiconductor should have used a different (implausible) remedy.

TI (in summary) submits that

- The request for discretionary review is not admissible because only panel decisions – not orders of the judge-rapporteur – can be subject to discretionary review.

- An order regarding the security for costs of a party under R. 158 RoP is a case management order and the judge-rapporteur is competent to issue such an order. The affected party is entitled to request a panel review of the judge-rapporteur order within 15 days after it was served and the judge-rapporteur can refer any decision to the panel. The panel can even ex officio review every decision of the judge-rapporteur.
- Total Semiconductor did not request a panel decision, neither before nor after the order was issued.
- By refusing “leave to appeal”, the judge-rapporteur order merely states the obvious. An order issued by the judge-rapporteur as such cannot be subject to an appeal under R.220.2 RoP because the scope of R.220.2 RoP is limited to panel decisions.
- The question raised by the Court of Appeal should not be the subject of the discretionary review because it was not raised by Total Semiconductor.
- It can also not be expected that a panel review of the judge-rapporteur order would have had a different outcome.
- Total Semiconductor has set out no valid reasons why an appeal against the order should be heard.

GROUNDS FOR THE ORDER

Unless otherwise provided, a case management decision or a case management order of the judge-rapporteur or the presiding judge may not be appealed directly (CoA, order on 21 March 2024, UPC_CoA,486/2023, App_595643/2023, Netgear vs Huawei).

However, the facts of the case raise the question whether the judge-rapporteur could decide alone on security for costs of a party and deny leave to appeal. This is an access to justice issue which has not yet been decided and which the Court of Appeal can raise of its own motion. Consequently, the absence of a panel review cannot lead to inadmissibility of the request for discretionary review in the present case.

ORDER

1. Leave to appeal is allowed on the question whether the judge-rapporteur could decide alone on security for costs of a party and deny leave to appeal. The leave to appeal does not extend to the substantive matter of security for costs in the impugned order.
2. The President of the Court of Appeal will assign the review to a panel of the Court of Appeal (R.220.4 RoP).
3. Total Semiconductor shall pay, **no later than 4 December 2024**, a Court fee of €1.150, equalling the difference between the €350 fee for a request for discretionary review and the €1.500 fee for an appeal pursuant to R.220.2 RoP (see Table of Court fees). If the fee is not paid in time, a decision by default may be given (R.229.3 RoP).
4. Pursuant to R.220.4 3rd sentence RoP, the standing judge orders the following further steps. On the basis of the limited scope of the leave to appeal, and the submissions received from the parties following the order of 15 November 2024, the standing judge considers that the written procedure is completed (R.224, .225, .226, .233, .235 and .236 RoP) and that no interim conference is needed. The parties are ordered to inform the Court, **no later than 5 December 2024**, whether they prefer that an oral hearing is held or if they agree to dispense with an oral hearing. If a party prefers an oral hearing,

the party shall at the same time indicate its availability to attend an oral hearing on 16, 17 or 18 December 2024 and inform whether it agrees that the oral hearing is held by videoconference.

Issued on 27 November 2024

Ingeborg Simonsson, standing judge