



No. APP_17389/2025
UPC_CFI_86/2025

ORDER
of the President of the Court of First Instance
in the proceedings before the Local Division MANNHEIM
Pursuant to R. 323 RoP (language of the proceedings)
Issued on 02/05/2025

HEADNOTE

- the possibility of changing the language of the proceedings to the language of the patent does not conflict with the option offered to the Claimant pursuant to R. 14.1 RoP. It addresses situations where that initial choice appears to be detrimental to the Applicant(s) and was based on circumstances that cannot prevail when weighing the respective interests. The position of the Defendant(s) shall, in addition, be the decisive factor in the overall assessment when the outcome of this balancing of interests is equal.

KEYWORDS

- Change of the language of the proceedings – Art. 49 (5) UPCA and R. 323 RoP

APPLICANTS (DEFENDANTS IN THE MAIN PROCEEDINGS):

- 1- The Walt Disney Company Limited**
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- 2- The Walt Disney Company (Benelux) B.V**
Asterweg 15S - 1031 HL - Amsterdam – NL

- 3- The Walt Disney Company**
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4- Disney Interactive

500 S Buena Vista St - CA 91521 - Burbank – US

5- Disney Electronic Content, Inc.

500 S Buena Vista St - CA 91521 - Burbank - US

6- Disney Platform Distribution, Inc,

500 S Buena Vista St - CA 91521 - Burbank – US

7- Disney Enterprises, Inc.

500 S Buena Vista St - CA 91521 - Burbank - US

8- Disney Streaming Services LLC

500 S Buena Vista St - CA 91521 - Burbank - US

9- Disney Media & Entertainment Distribution LLC

500 S Buena Vista St - CA 91521 - Burbank – US

10- Disney Entertainment & Sports LLC

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11- BAMTech LLC

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All represented by: Dietrich Burkhard Kamlah Taylor Wessing PartGmbH

RESPONDENT (CLAIMANT IN THE MAIN PROCEEDINGS):

InterDigital VC Holdings, Inc.

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Represented by: Lisa Rieth ARNOLD RUESS Rechtsanwälte

PATENT AT ISSUE: EP2465265

SUMMARY OF FACTS

By a statement of claim filed on 3 February 2025, InterDigital VC Holdings, Inc. brought an infringement action against the Applicants (hereinafter also collectively referred to as “Disney and BAMtech” or “the Defendants” in reference to their role in the main proceedings) based on EP2465265 titled “*Methods and apparatus for improved intra chroma encoding and decoding*” (No. ACT_5377/2025 UPC_CFI_86/2025).

By a generic procedural application dated 9 April 2025 the Defendants, referring to R. 323 RoP, requested a change of the language of proceedings from German to English. The request was forwarded to the President of the Court of First Instance of the UPC pursuant to R. 323.1. RoP by email dated 11 April 2025. By an order dated 14 April 2025, the Claimant in the main action (No. ACT_5377/2025 UPC_CFI_86/2025) was subsequently invited, in accordance with R. 323.2 RoP, to state its position on the admissibility of the Application and on the use of the language in which the patent was granted, namely English, as language of the proceedings.

InterDigital VC Holdings, Inc. submitted its written comments on 22 April 2025 (uploaded in the CMS by way of R.9 RoP generic application within the main action No. App_19142/2025 UPC_CFI_86/2025 for technical reasons).

The panel of the LD Mannheim has been consulted in accordance with R. 323.3 RoP.

INDICATION OF THE PARTIES’ REQUESTS:

The Defendants request that the Court change the language of the proceedings from German to English pursuant to Art. 49 para. 5 UPCA and R. 323 RoP.

InterDigital VC Holdings, Inc. requests that the Court dismiss the Application.

POINTS AT ISSUE:

The Applicants first state that their request, despite not being submitted with the Statement of Defence, is admissible as it is appropriate that the decision can be taken at an early stage in the proceedings.

On the merits of the Application they further contend that a change of the language of the proceedings from German to the language in which the patent was granted is required in the present case on grounds of fairness and considering all relevant circumstances pursuant to Art. 49 (5) UPCA and R. 323 RoP, for the following reasons:

- The Defendants belong to the US-group The Walt Disney Company whose business language is English.
- The Claimant itself is based in the US and uses English as its working language. It therefore has no legitimate interest in conducting the proceedings in another language, which is further demonstrated by the fact that it did not even submit a translation of the patent and related literature in exhibits AR-T 05 and AR-T 06. It can consequently be assumed that the prior art in the relevant technical field of video coding is also published almost exclusively in English.
- According to the case law cited (CoA 10x Genomics v. Curio Bioscience, order of 17 April 2024, UPC_CoA_101/2024 ApL_12116/2024) if the outcome of the balancing of interests is equal, taking into account all the circumstances, the position of the defendant is the decisive factor in deciding on the change of the language of proceedings to the language in which the patent was granted.

InterDigital VC Holdings, Inc. opposes the Defendants' request for the following reasons:

- Pursuant to Art. 49 (5) UPCA, a change of the language of the proceedings may only be ordered at the request of a party if it appears necessary for reasons of fairness and taking into account all relevant circumstances.
- As the language regime of the UPC gives a choice to the Claimant, a fairness issue can be raised only in the event of a significant disadvantage which has not been substantiated by the Applicants.
- Conducting proceedings in German or in other languages can not represent any unreasonable disadvantage for the Walt Disney Group which claims to be one of the largest media and entertainment companies in the world with significant human and financial resources. This organisational and economic efficiency is reflected in the Defendant's litigation practice to date.
- The proceedings are in practice mainly handled by the legal representatives with limited involvement of the parties.
- The native language of two of the three judges of the panel is German.
- The use of German is not unreasonable with regard to parallel national proceedings where similar questions will be addressed.
- Excessively low standards for changing the language of the proceedings would be in contradiction with the overall UPC framework as defined by the legislator.

Further facts and arguments as raised by the parties will be addressed below if relevant for the outcome of this Order.

GROUNDINGS FOR THE ORDER:

1- Admissibility of the Application

It is first noted that, in the present case, the admissibility of the Application is not disputed.

2- Merits of the Application

According to Art. 49(1) UPCA, the language of the proceedings before a local division must be an official language of its hosting Member State or alternately the other language designated pursuant to Art. 49 (2). It is further provided by R. 323 RoP that “If a party wishes to use the language in which the patent was granted as language of the proceedings, in accordance with Article 49(5) of the Agreement (...) [t]he President, having consulted [the other parties and] the panel of the division, may order that the language in which the patent was granted shall be the language of the proceedings and may make the order conditional on specific translation or interpretation arrangements”.

Regarding the criteria that may be considered when deciding on the Application, Art. 49 (5) UPCA specifies that “(...) the President of the Court of First Instance may, on grounds of fairness and taking into account all relevant circumstances, including the position of parties, in particular the position of the defendant, decide on the use of the language in which the patent was granted as language of proceedings (...)”.

By an order dated 17 April 2024, the UPC Court of Appeal (hereinafter “CoA”) ruled that when deciding on a request to change the language of the proceedings to the language of the patent for reasons of fairness, all relevant circumstances must be considered. These circumstances should primarily relate to the specific case, such as the language most commonly used in the relevant technology, and to the position of the parties, including their nationality, domicile, respective size, and how they could be affected by the requested change (UPC_CoA_101/2024, Apl_12116/2024, para. 22-25). It was furthermore stated that the internal working language of the parties, the possibility of internal coordination and of support on technical issues are relevant circumstances, while other proceedings pending before a national court, which do not relate to the dispute, are in themselves of less relevance (UPC_CoA_354/2024, Apl_38948/2024, Order dated 18 September 2024, para. 26-27).

In the event that the result of the balancing of interests is the same in the context of this overall assessment, the CoA found that the emphasis placed “in particular” on the position of the defendant under Art. 49 (5) UPCA is justified by the flexibility afforded to the claimant which frequently has the choice of where to file its action – since any local or regional division in which an infringement is threatened or taking place is competent – and can generally choose the most convenient timeframe to draft its Statement of Claim, while the defendant is directly bound by strict deadlines. The position of the defendant(s) is consequently the decisive factor if both parties are in a comparable situation.

In the same decision, the CoA also held that “for a claimant, having had the choice of language of the patent, with the ensuing possibility that the claimant/patentee may have to conduct legal proceedings in that language, as a general rule and absent specific relevant circumstances pointing in another direction, the language of the patent as the language of the proceedings cannot be considered to be unfair in respect of the claimant” (para. 34).

In line with the abovementioned caselaw, this general approach to the issue of fairness in the context of an application pursuant to R. 323 RoP:

- involves considering all circumstances identified as being relevant in the requested assessment with particular attention given to the defendant if the parties appear to be in a comparable situation, and
- is not limited to situations where the language of the proceedings chosen by the claimant(s) puts the defendant(s) at a disproportionate disadvantage. Rather, a significant inconvenience resulting from this choice can validly be claimed.

It is not disputed that the language commonly used in the field of technology in question – namely video coding – is English. The prevalence of this language is evident from the fact that a large proportion of the exhibits have been submitted in English and without translation, despite this constituting a significant volume of material.

As regards the respective situations of the parties, the Claimant is based in the U.S.A. and obviously uses English as its working language, as is the case for all of the Defendants which are companies of the Disney group registered in the U.S.A., the Netherlands and the U.K. The nationality of the entities involved, alongside the need for communication and coordination among the Defendants in the context of the dispute, are both relevant factors to be considered in the decision to change or not to change the language of the proceedings (UPC_CoA_207/2024, Apl_24598/2024, para.12, UPC_CoA_354/2024 Apl_38948/2024, para. 26 -27).

In contrast, the language skills of the representatives and the native language of the judges composing the panel shall not be taken into account, as international disputes conducted in multilingual environments generally involve teams of several representatives with various specialisms, and translation and interpretation means can be offered by the Claimant anticipating a potential risk of overlooking nuances in factual and legal developments (UPC_CoA_101/2024 Apl_112116/2024, para. 26-27). Moreover, the general framework of the UPC provides that English is an official language of the Division concerned, and the language most generally used by the judges to communicate and work as can be expected of users in any supranational environment (ACT_22729/2024 and 22744/2024 UPC_CFI_26/2024 - LD Düsseldorf, order of 28/05/2024).

Similarly in a comparable situation, the considerable means at the disposal of the Defendants to conduct proceedings in various languages was not considered as a decisive item in assessing the balance of interests, compared to internal coordination and technical support which is considerably facilitated using English (UPC_CoA_354/2024_Apl_38948/2024). The argument put forward by InterDigital VC Holdings in this respect, based on the numerous parallel disputes involving the Disney group (Exhibit AR 4) is therefore not sufficient to influence the overall assessment in the present situation.

The same applies to parallel proceedings concurrently handled by the parties, if these do not relate to the present case (UPC_CoA_354/2024_Apl_38948/2024, para. 30).

Finally, the possibility of changing the language of the proceedings to the language of the patent does not conflict with the option offered to the Claimant pursuant to R. 14.1 RoP. It addresses situations where that initial choice appears to be detrimental to the Applicant(s) and was based on circumstances that cannot prevail when weighing the respective interests. The position of the Defendant (s) shall, in addition, be the decisive factor in the overall assessment when the outcome of this balancing of interests is equal. (UPC_CoA_354/2024_Apl_38948/2024, para. 36).

It follows from the above that the Application is well founded and shall be granted without the present order being conditional on specific translation or interpretation arrangements, which have at this stage not been requested.

ON THESE GROUNDS

- 1- The language of the proceedings shall be changed to the language in which the patent was granted, namely English.

- 2- The present order shall not be conditional on specific translation or interpretation arrangements.
- 3- An appeal may be brought against the present order within 15 calendar days of its notification pursuant to Art. 73. 2 (a) UPCA and R.220 (c) RoP.

INSTRUCTIONS TO THE PARTIES AND TO THE REGISTRY

The next step requires the Applicants to file the Statement of Defence within the time period prescribed by the Rules of Procedure.

ORDER

Issued on 02 May 2025

NAME AND SIGNATURE

Florence Butin
President of the UPC Court of First Instance