



UPC_CFI-361/2023
Procedural Order of the Court of First Instance of the Unified Patent Court
Central Division (Paris Seat)
delivered on 25 April 2024

PARTIES:

Plaintiff:

Toyota Motor Europe NV/SA, Avenue du Bourget 60, 1140 Evere, Belgium,
represented by its CEO Yoshihiro Nakatal

Representative: Dr. Constanze Krenz, David Kless, DLA Piper UK LLP,
Maximilianstr. 2, 80539 Munich, German

Defendant:

Neo Wireless GmbH & Co. KG, Formerstr. 47, 40878 Ratingen, Germany,
represented by its managing director Björn Rappen,

Representative: Dr. Christoph Walke, Matthias Waters, Dr. Martin Rütten,
Cohausz&Florack, Bleichstraße 14, Düsseldorf, Germany

PATENT AT ISSUE:

EP 3 876 490

PANEL:

Panel 1 of the Central Division - Paris Seat

DECIDING JUDGE:

This order has been issued by the Judge-rapporteur **Maximilian Haedicke**.

LANGUAGE OF PROCEEDINGS:

English

FACTS:

On 20 October 2023, Plaintiff has brought a revocation action against the patent at issue (EP 3 876 490) before this Seat of the Unified Patent Court, registered as number ACT_ 579176/2023, UPC_CFI_361/2023.

On 16 February 2024 the Defendant in the revocation action filed a Preliminary Objection pursuant to Rules 19, par. 1, lett. a), and 48 of the Rules of Procedure of the Unified Patent Court ('RoP').

A hearing took place by video conference on 6 February 2024.

With order of 9 February 2024 the judge-rapporteur rejected the Preliminary Objection No. 594688/2023.

On 8 March 2024 the order rejecting the Preliminary Objection was appealed (No. APL_9578/2024 UPC_CoA_79/2024).

Defendant requested an extension of the time period for lodging a Rejoinder to the Reply to the Defence to revocation in the main proceedings and for lodging a Reply to the Defence to an Application to amend the patent in the proceedings pursuant to Rule 30 RoP. A time extension until 3 May 2024 was granted with order of 19 April 2024 ORD_21316/2024.

With provisional order of 25 March 2024 the Court set a date for the interim conference on 18 July 2024 and for the oral hearing on 19 December 2024. With provisional order of 11 April 2024 the Court set the dates for 29. May 2024 (interim conference) and for 5 July 2024)(oral hearing). With order of 20 April 2024 the court cancelled these dates.

The Court now set the dates for 19 July 2024 (interim conference) and for 25 September 2024 (oral hearing).

On 5 April 2024 Defendant has requested a stay of proceedings (application App_18259/2024).

Defendant's arguments for the stay of the proceedings:

- The parties were informed that the Court intends to set the date for the oral hearing at 19 December 2024. The patent term ends 27 January 2025. The decision of the Court may not even be issued before the lapse of the patent in suit.

- Complainant has filed a notice of Opposition against the patent in suit before the EPO. The EPO has accelerated the Opposition proceedings. It is expected that the oral hearing in the Opposition proceedings takes place in October/November 2024.
- If the Preliminary Objection is allowed, the revocation proceedings lose their basis entirely. By staying the first instance proceedings as long as the appeal against the Preliminary Objection is pending, it is avoided that unnecessary costs occur at Defendant's side.

Plaintiff objects the request for the stay of the proceedings.

Plaintiff's arguments opposing the request for the stay of the proceedings are:

- There is a high likelihood that the appeal against the preliminary objection will be unsuccessful.
- The request to stay the proceedings is not based on any interest on potential cost or time savings but was only used as one of multiple measures to intentionally delay the case.
- No rapid decision of the EPO can be expected. The threshold as set out in the decision of the CD Munich with respect to when a decision is "rapidly" expected, is evidently not met here (cf. CD Munich, order from 30.11.2023, ORD_579547/2023 in UPC_CFI_80/2023)
- Plaintiff has a predominant interest to continue the case. Staying the first instance proceedings at this point would only lead to an increased risk of the proceedings not being finished before the patent has expired. Thus, Complainant would effectively be without legal protection against the patent in suit, while it had not already expired.

GROUNDS FOR THE ORDER

The request for the stay of the proceedings is **rejected**.

1.

One of the Court's aims is to provide expeditious and high-quality decisions, striking a fair balance between the interests of right holders and other parties and taking into account the need for proportionality and flexibility (cf. Preamble to the Unified Patent Court Agreement, paragraph 6). The regime of deadlines provided by the RoP translates this aim into procedural measures. It provides a balance by setting deadlines that are short enough to allow for an expeditious decision while being long

enough to allow the parties to prepare and present their case in a manner suitable for the Court to provide a high-quality decision.

2.

Neither the fact that a Preliminary Objection has been lodged nor the likelihood of success of the appeal against the rejection of the Preliminary Objection are relevant factors for deciding whether the proceedings should be stayed.

The Preliminary Objection and its appeal do not alter the timeframe as provided for by the UPCA and the Rules of Procedure. The deadline-regime provided by the RoP was established also in view of parties that have to deal with Preliminary Objections. If the lodging of a Preliminary Objection would suffice for the stay of the proceedings, a party lodging a Preliminary Objection would have it in its hands to influence and alter the tight timeframe as provided for by the UPCA.

The likelihood of success of the appeal against the Preliminary Objection is irrelevant for the decision about a stay of the proceedings. The prospects of an appeal against his own order should not and could not duly be evaluated by the judge-rapporteur who decided about the Preliminary Objection.

3.

The prospective decision in the Opposition proceedings before the EPO does not lead to a stay of the proceedings.

According to Article 33 (10) UPCA the Court may stay its proceedings when a rapid decision may be expected from the European Patent Office. Article 33(10) UPCA is implemented in Rule 295 lett. a RoP. Based on the above provisions, the Court has discretion to stay proceedings (“may stay”) pending the outcome of parallel EPO proceedings when a rapid decision is expected.

This court uses its discretion in denying the stay primarily because no ‘rapid decision’ in this sense is to be expected.

As the Munich Central Division has explained in Order no. 579547 of 20 November 2023, ACT_465342/2023, UPC_CFI_80/2023 that

[T]he use of the word ‘rapid’ (...) as an adjective to “decision” suggests that there should be a concrete expectation (i.e. a known date in time) for a decision which date should be in the near future such that it is clearly expected to be delivered before unexpected decision by the UPC.

This Court follows this convincing reasoning and interprets the word “rapid” alike. Applying this reasoning, no such “rapid decision” of the opposition proceeding is to be expected. The Munich Central division has considered it to be doubtful whether a decision that was expected in just over three months with notification of the decision and the grounds expected some months thereafter would be considered as a “rapid decision” for the purposes of Art. 33 (10) UPCA.

In the current case, the date for the EPO opposition hearings has not even been set and is still unclear when the EPO will issue a decision. The EPO decision cannot be expected within the next three or four months so that the reasoning of the Munich Central Division applies *mutatis mutandis*.

The oral hearing before the UPC is scheduled for 25 September 2024 so that it is likely that the UPC will issue a decision before the EPO Opposition decision has been issued. The former hearing date setting for 19 December 2024 does not require the Court to stay the proceedings. With ORD_598259/2023 the Court cancelled the oral hearing date of 19 December 2024.

4.

By using its discretion and in consideration of other relevant factors as stated by the parties, the Court comes to the result that Claimant's interest to continue the proceedings outweighs Defendant's interest to stay the proceedings.

a.

In the current case Defendant's interest to (potentially) save litigation costs does not weigh up to the legitimate interest of Claimant in pursuing this revocation action. The Court takes into account that by establishing the UPC, the Member States, inter alia, wished to "improve the enforcement of patents and the defence against unfounded claims and patents which should be revoked and to enhance legal certainty..." and to "ensure expeditious and high quality decisions". (see Munich Central Division Order no. 579547 of 20 November 2023, ACT_465342/2023, UPC_CFI_80/2023),

b.

The balancing of interests also strikes in favour of plaintiff because the patent expires on 27 January 2025. Plaintiff has a legitimate interest to continue and possibly terminate the lawsuit before the patent expires.

c.

The fact that there is a danger of differing results between the UPCA proceedings and in the EPO proceedings does not lead to a different result. The UPCA Member States, all of which are also EPC Member States, established the UPC knowing of and accepting the possibility of parallel proceedings (also see e.g. Article 33(8) UPCA and the very reference to "rapid decision" in the provisions on staying proceedings). (see Munich Central Division Order no. 579547 of 20 November 2023, ACT_465342/2023, UPC_CFI_80/2023).

ORDER

For these grounds, having heard the parties on all aspects of relevance for the following order, the Court

rejects the request to stay the proceedings.

Issued on 25 April 2024.

Maximilian Haedicke

Information about appeal:

The present order may be appealed by any party which has been unsuccessful, in whole or in part, in its submissions at the Court of Appeal with the leave of the Court of First Instance within 15 days of service of the Court of First Instance's decision to that effect (Art. 73(2)(b) UPCA, R. 220.2, 224.1(b) RoP

ORDER DETAILS

Order no. ORD_18484/2024 in ACTION NUMBER: ACT_579176/2023

UPC number: UPC_CFI_361/2023

Action type: Revocation Action

Related proceeding no. Application No.: 18259/2024

Application Type: Generic procedural Application