



Central Division
Paris Seat

ORDER
of the Court of First Instance of the Unified Patent Court
Central division (Paris seat)
issued on 9 January 2025
concerning the generic procedural application No. App_56176/2024
UPC_CFI_412/2023

HEADNOTES:

1. Rule 356 (2) 'RoP', insofar as it requires an explanation of the default, shall be interpreted to mean that the applicant must demonstrate that they were unable to comply with preemptory time limits or to appear at the oral hearing at which they were summoned (except as provided for in Rule 116 and 117 'RoP') due to reasons beyond their control and therefore that the default is not attributable to their own fault but was caused by unforeseeable circumstances or *force majeure*.

KEYWORDS: decision by default.

APPLICANT:

ITCiCo Spain S.L. - C/Pau Piferrer 17, 07011, Palma de Mallorca, Spain
represented by Robin Hayes, Whitney Moore LLP

RESPONDENT:

Bayerische Motoren Werke Aktiengesellschaft - Petuelring 130, 80809 München, Germany
represented by Johannes Lang, Bardehle Pagenberg Partnerschaft mbB

PATENT AT ISSUE:

European patent n° EP 2 796 333

PANEL:

Panel 2:

Paolo Catalozzi

Presiding judge and judge-rapporteur

Tatyana Zhilova

Legally qualified judge

Dörte Otten-Dünneweber

Technically qualified judge

DECIDING JUDGE:

This order has been issued by the panel.

SUMMARY OF FACTS AND PARTIES' REQUESTS:

1. On 14 October 2024 the applicant filed an application pursuant to Rule 356 of the Rules of Procedure ('RoP') requesting the Court to set aside the decision by default delivered on 16 September 2024, order no. ORD_51965/2024, in the revocation action No. ACT_585518/2023 UPC_412/2023 and to grant a stay of enforcement of this decision pending a final decision in respect of Rule 356 'RoP'.
2. The applicant based its request on the circumstances that an explanation for the default has been given, the relevant fee has been paid and the step that the party has failed to take has been completed. With particular regard to the first task, the applicant acknowledges that the statement of claim was served on 25 November 2023 with the deadline for filing the defence to revocation falling on 25 January 2024. However, the applicant argues that until January 2024 it was unclear whether service had been properly effected. The applicant further submits that it learnt only in January that its long-standing European Patent Attorney (Mr. ██████████ who was expected to provide detailed technical input for inclusion in the defence, was unavailable because of illness.
3. On 14 November 2024 the respondent, invited to submit its comments on the application, requested that the application to be rejected and, consequently, that the defence to revocation and the application to amend the patent not be accepted. Additionally, the respondent requested to declare that no reply deadline is pending for the claimant regarding the defence to revocation and that the applicant bears also the costs of the proceedings for the application to set aside the Court's decision by default. The respondent objects that the applicant did not sufficiently explain its default as it did not take reasonable efforts to meet the time limit for filing the defence to revocation.
4. As granted by the judge-rapporteur, the applicant filed its reply to the respondent's comments on 25 November 2024, while the respondent filed its rejoinder on 5 December 2024.

FOUNDATIONS FOR THE ORDER:

Requirements for setting aside a decision by default.

5. According to Rule 356 'RoP', a party against whom a decision by default has been given may lodge an application to set aside that decision within one month of service of the decision (para. 1). The application shall contain the party's explanation for the default, shall be accompanied by the payment of the relevant fee and by the step the party has failed to take (para. 2). Para. 3 states that if the provisions of para. 2 are met the application shall be allowed unless a party has been put on notice in an earlier decision that a further decision by default shall be final.
6. In the present case it is not debated that the applicant paid the relevant fee and filed the statement of defence, which was the action that was not taken in due time. However, the parties disagree on the requirement of the party's explanation for the default. The respondent is of the opinion that this requirement is to be understood not as a mere explanation for the default, but as a declaration, supported by evidence, that the default was without applicant's fault. The applicant rebuts that there is no legal basis for such interpretation.
7. The Court agrees with the respondent.
8. Although Rule 356 'RoP' does not expressly state that the applicant must demonstrate that the default is not determined by its own fault, that is, that it was unable to comply with peremptory time limits or to appear at an oral hearing at which it was duly summoned (except as provided for in Rule 116 and 117 'RoP') due to reasons beyond its control, such a requirement is inherent in the provision that obliges the applicant to explain the reason for the default and, more generally, in the Unified Patent Court system.
9. Indeed, it is observed that the *rationale* of Rule 356 'RoP' is to allow the party against whom a decision by default has been issued to argue before the Court who delivered the decision that the right of defence was violated due to the erroneous finding of the lapse of time or of the correctness of the summon at the oral hearing, and, in this way, to remedy such an error, "reopening" the proceedings and allowing the party to fully exercise its violated right of defence.
10. Therefore, the provision requiring an explanation for the default can have no other logical meaning than to allow the Court to verify whether the non-compliance with the relevant procedural rules has a valid justification.
11. The opposite interpretation advocated by the applicant would deprive the provisions of procedural peremptory time limits, as well as the obligation to appear at the oral hearing, of any significant value, thus allowing a party which failed to take the procedural actions to wait for the outcome of the request for a decision by default and, if the latter is unfavourable, to ask the same judge to set it aside by articulating its defences also in light of the considerations on the merits of the dispute set forth by the judge in their decision.
12. This latter interpretation would effectively lead to an extension of procedural deadlines (or an alteration of the obligation to appear at the oral hearing) because a party can simply decide not to comply with the procedural rules at its discretion and this is contrary to the principles of efficiency of the proceedings, endangering the goal of setting the final oral hearing on the issues of infringement and validity at first instance within one year, and of fairness and equity (see Preamble 2, 5 and 7 to the Rules of Procedure).

13. It follows that the requirements for setting aside a decision by default include the evidence that the default was not due to the party's fault but was caused by unforeseeable circumstances or *force majeure*.

Erroneous belief as to date of service.

14. The applicant accepts that delivery of the statement of claim occurred on 25 November 2023 but argues that it was unclear as whether service had occurred because previously a letter from the Paris Central Division dated 15 November 2023 enclosing the statement of claim was sent informing of the possibility to accept service of proceedings electronically. The applicant objects that there was no clear statement in the letter that it constituted service.

15. Furthermore, the applicant points out that the appendices to the statement of claim were not enclosed with the letter.

16. The Court notes that the issue was already addressed in the decision by default where it was found that the statement of claim was served on the defendant on 25 November 2023, and this document appears to contain all the information that is essential to enable the defendant to understand the claim brought against it even though the appendices were not enclosed in the service. There is no basis to alter this ruling.

17. The circumstance alleged by the applicant, concerning the letter received on 15 November 2023 and the alleged ambiguity of its effects is not material to this case, as the delivery of that letter does not impact the validity of the notification. The notification date, which determines the commencement of the relevant time limits, is unequivocally established as 25 November 2023.

Non-availability of the defendant's long-standing European Patent Attorney.

18. The applicant points out that it learnt only in January that its long-standing European Patent Attorney, Mr. ██████████ was unavailable because of illness and this prevented the timely drafting of the defence to revocation due to the lack of the expected detailed technical input from him.

19. The issue has been addressed by the judge-rapporteur in the order issued on 9 February 2024 (ORD_4804/2024) which found this allegation to be insufficiently supported by evidence.

20. In support of its allegation the applicant submits a sworn statement ("Affidavit") given by Mr. Jude Braven, applicant's company director. In this statement he stated that immediately upon becoming aware of the service of the statement of claim on 26 November 2023, he contacted Mr. ██████████ who had been responsible for the prosecution of not only the patent-in-suit, but also of several other European patents granted to the respondent, and sent him the served document, asking to undertake a full assessment of the claim and to begin working on a defence. Mr. Braven added that on 29 November 2023 Mr. ██████████ sent an email containing initial comments on the statement of claim as well as some general comments in relation to the Unified Patent Court's procedures and jurisdiction, and, at the same time, suggested that the defendant engage another law firm to come on record for it in the proceedings because he did not have experience of Unified Patent Court's proceedings. In the statement Mr. Braven further disclosed that after this contact he repeatedly tried to reach Mr. ██████████ (on 4, 5, 11, 12, 18 and 19 December 2023 and numerous times early in January 2024) but was unsuccessful as Mr.

██████████ did not respond to emails and was not present in the office. Mr. Braven declared that on 18 December 2023 he was informed that Mr. ██████████ was on medical leave and that on 15 January 2024 a colleague of Mr. ██████████ told him that Mr. ██████████ had taken extended sick leave and was not expected back to work for a further 6 to 8 weeks.

21. Against this background, the Court observes that it is understandable that the respondent was desirous of obtaining Mr ██████████ assistance and contribution, as he was familiar with the technology covered by the patent-in-suit having been responsible for the prosecution of the patent at the European Patent Office. However, given that the applicant was unable to communicate with Mr. ██████████ since 4 December 2023 (only nine days after the service of the claim) and subsequently learned of his health issues on 18 December 2023, it should have, acting with the diligence expected of an industry professional, timely addressed Mr. ██████████ evident unavailability, for example by consulting another professional, in order to comply with the two-month deadline for drafting and filing the defence to revocation or, at the very least, requesting a time extension from the Court as soon as it became apparent that Mr. ██████████ was unavailable, attaching evidence of Mr. ██████████ illness, rather than waiting until the deadline to make such a request.
22. Therefore, the non-compliance with the deadline set for submitting the defence to revocation appears to be attributable to the applicant.

Conclusions.

23. As the requirement for setting aside the decision by default are not met, namely the evidence of a justifiable non-compliance of the deadline for submitting the defence to revocation, the application shall be dismissed.

ORDER

The Court

rejects ITCiCo Spain S.L.'s request to set aside the decision delivered on 16 September 2024, no. ORD_51965/2024.

Issued on 9 January 2025.

The presiding judge and judge-rapporteur

Paolo Catallozzi

Paolo
Catallozzi

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da Paolo Catallozzi
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Legally qualified judge

Tatyana Zhilova

Tatyana
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Technically qualified judge

Dörte Otten-Dünneweber

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ORDER DETAILS

Order no. ORD_58414/2024 in ACTION NUMBER: ACT_585518/2023

UPC number: UPC_CFI_412/2023

Action type: Revocation Action

Related proceeding no. Application No.: 56176/2024

Application Type: Generic procedural Application