



Reference numbers:  
APL\_20002/2024  
UPC\_CoA\_177/2024

**Order**  
**of the Court of Appeal of the Unified Patent Court**  
**issued on 23 July 2024**

HEADNOTES

1. An application for the preservation of evidence or inspection of premises within the meaning of Article 60 UPCA and Rules 192 et seq. RoP implies a request to disclose to the applicant the outcome of the measures, including the report written by the person who carried out the measures. This follows from the fact that the legitimate purpose of the measures is the use of the evidence in proceedings on the merits of the case (Rules 196.2 and 199.2 RoP), which includes the use of the evidence to decide whether to initiate proceedings on the merits and to determine whether and to what extent the evidence will be submitted in these proceedings. Disclosure of the evidence to the applicant or to certain persons acting on behalf of the applicant is indispensable for that purpose. Moreover, Rules 196.1 and 199.1 RoP provide that the Court may decide in its order that the evidence shall be disclosed to certain named persons and shall be subject to appropriate terms of non-disclosure. This confirms that the procedure initiated by an application under Article 60 UPCA aims at not merely the preservation of evidence and the inspection of premises as such, but also at the disclosure of the evidence to the applicant.
2. However, the granting of an application for preservation of evidence or inspection of premises does not imply an unconditional order to disclose the evidence to the applicant. Pursuant to Article 60(1) UPCA the order must be subject to the protection of confidential information (see also Article 7(1) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, hereinafter: Directive 2004/48/EC). Where the evidence may contain confidential information, this entails that the Court must hear the other party before deciding whether and to what extent to disclose the evidence to the applicant. In this context, the Court must give the other party access to the evidence and must provide that party with the opportunity to request the Court to keep certain information confidential and to provide reasons for such confidentiality. If the other party makes such a confidentiality request, the Court must provide the applicant with the opportunity to respond in a manner that respects the potential confidentiality interests of the other party. The Court may do this, for example, by granting access only to the representatives of the applicant whom the Court, pursuant to Rule 196.3(a) RoP, has authorised to be present during the execution of the measures and subject to appropriate terms of non-disclosure.
3. The opportunity for the other party to make a confidentiality request must be distinguished from the remedies available against the order for the preservation of evidence or the inspection of premises, such as the review of an order for preservation of evidence without hearing the

defendant pursuant to Rule 197.3 RoP. Therefore, the Court must hear the other party on the request for disclosure even if this party has decided not to file a remedy against the order to preserve evidence or inspect premises. For the same reasons, the failure to apply for a review of an order for the preservation of evidence or for the inspection of premises, cannot not be considered as a tacit approval of the disclosure of evidence.

4. Pursuant to Article 60(8) UPCA the Court shall ensure that measures to preserve evidence or to inspect premises are revoked or otherwise cease to have effect, at the defendant's request, if the applicant does not bring, within a period not exceeding 31 calendar days or 20 working days, whichever is longer, action leading to a decision on the merits of the case before the Court (see also Article 7(3) of Directive 2004/48/EC and Article 50(6) of the Agreement on Trade-Related Aspects of Intellectual Property Rights). Rules 198.1 and 199.2 RoP specify that the time period runs from the date specified in the Court's order, taking into account the date when the report referred to in Rule 196.4 RoP is to be presented. These rules must be interpreted in the light of the purpose of the measures for the preservation of evidence or inspection of premises, which is to use the outcome of these measures in the proceedings on the merits of the case (Rules 196.2 and 199.2 RoP). In view of this, the Court must, as a general principle, specify in its order a time period that starts to run from the date of disclosure of the evidence to the applicant or from the date on which the Court has made a final decision not to grant the applicant access to the evidence.

#### KEYWORDS

Appeal; measures to preserve evidence; measures to inspect premises; protection of confidential information; time period to bring an action leading to a decision on the merits of the case

#### APPELLANT AND APPLICANT IN THE PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE

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## PANEL AND DECIDING JUDGES

### Panel 1c:

Klaus Grabinski, President of the Court of Appeal

Peter Blok, Legally qualified judge and judge-rapporteur

Emanuela Germano, Legally qualified judge

## 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, Local Division Milan, dated 8 April 2024
- Reference numbers: ACT\_565446/2023, UPC\_CFI\_286/2023  
ACT\_565453/2023, UPC\_CFI\_287/2023  
App\_8547/2024  
ORD\_9710\_2024

## FACTS AND REQUESTS OF THE PARTIES

1. On 23 August 2023, the appellant and the applicant in the proceedings before the Court of First Instance (hereinafter: Progress) filed an application for preserving evidence and an application for inspection against the respondents and defendants in the proceedings before the Court of First Instance (hereinafter: AWM and Schnell) (ACT\_565446/2023, UPC\_CFI\_286/2023 and ACT\_565453/2023, UPC\_CFI\_287/2023).
2. The Court of First Instance, Local Division Milan, granted both applications by orders dated 25 September 2023 (ORD\_576298/2023 and ORD\_576304/2023). In the orders, the Court of First Instance gave the following reasoning under the heading “Confidentiality”:

*Whether the Defendants should lodge a request for the review of this order according to rule 197.3 RoP, they are expressly invited to comment on any confidentiality interests that they might have after the written expert Report has been submitted by the experts appointed to carry out this order. Representatives of the Claimant that were allowed to be present at the execution of the measures for inspection of Defendant’s premises must be heard. The Court will only then decide whether and to what extent the experts written Report and its enclosed documents are brought to the attention of the Claimant and whether the secrecy order obliging PMA’s representatives is lifted. It will be then settled a confidentiality club, in order to identify the relevant information for the case as well as the information considered to be “trade secret” (as defined by EU Directive n. 943/2016 on protection of trade secrets) to be kept confidential so that access will be restricted to specific persons.*

*In the event that the Defendants should omit, for any reasons, to file the request for review ex rule 197.2 RoP, it will imply a tacit approval for full disclosure of the contents of the experts’ report and annex, without limitations or any other condition. In this case too, the access of the Claimant shall be nonetheless subject to a previous express authorisation of the Court.*

*Pursuant to art. 60.8 UPCA and rule 198 RoP, the measures to preserve evidence and inspect premises shall be revoked or otherwise cease to have effect, at the Defendants’ request, if the Applicant does not bring action leading to a decision on the merits of the case before the Court within a period not exceeding 31 calendar days or 20 working days,*

*whichever is the longer, after, as alternatives:*

*(i) the final decision of the Court on a request for review lodged under rule 197 RoP, that modifies or confirms the order ex parte;*

*(ii) the expiry of the thirty days term provided by rule 197.3 RoP, without a request for review lodged by the Defendants.*

The operative part of the orders includes the following conditions:

*- the access to the written experts' Report and its attachments is prohibited and it will be available for the parties only after a specific order of the Court, as better clarified in the grounds for the decision;*

*- the measures to preserve evidence and to inspect premises shall be revoked or otherwise cease to have effect, at the Defendants' request, if the Applicant does not bring action leading to a decision on the merits of the case before the Court within a period not exceeding 31 calendar days or 20 working days, whichever is the longer, after (i) a final decision of the Court on a request for review lodged under rule 197 RoP, that modifies or confirms this order or, as an alternative, (ii) the expiry of the thirty days term provided by rule 197.3 RoP, without a request for review lodged by the Defendants;*

3. On 17 October 2023, the two orders were executed at the premises of AWM and Schnell. The experts appointed by the Court of First Instance lodged their reports on 18 October 2023 in sealed envelopes also containing the official report of the bailiff and the evidence gathered during the inspection.
4. On 16 February 2024, Progress filed a request for access to the expert reports (App\_8547/2024). On 4 March 2024, Progress filed an application in which it submitted the following further requests:
  - i) to issue an amended order, to the effect that a time period for Progress to start proceedings on the merits be set which takes into account that the reports of the Court's experts are not available to Progress' representatives and, as these representatives are bound to keep the results confidential until released by the Court, are therefore not available to Progress;
  - ii) to make the reports available to Progress' representatives as soon as possible after the Court has decided whether redacted versions must be made due to considerations of confidentiality;
  - iii) to relieve Progress' representatives of their duty of non-disclosure in respect of the Applicant as soon as possible; as an auxiliary request, to allow Progress' representatives to at least recommend that Progress start an action on the merits before the expiry of the six-month time period provided for in Rule 320.2 of the Rules of Procedure of the Unified Patent Court (hereinafter: RoP) for filing a request for *restitutio in integrum*.
5. AWM and Schnell requested the Court of First Instance:
  - i) to reject the request and the application filed by Progress;
  - ii) to declare that the provisional measures to preserve evidence and to inspect are revoked and, in any case, cease to have effect;
  - iii) to order the return to AWM and Schnell of any evidence gathered through the execution of the Court's order;
  - iv) to order Progress to provide AWM and Schnell with appropriate compensation for any injury caused by those measures; and
  - v) to order Progress to reimburse AWM and Schnell for the legal fees incurred.

6. In the impugned order dated 8 April 2024, the Court of First Instance, in summary:
  - i) declared Progress' application for disclosure of the expert report inadmissible and therefore dismissed the application;
  - ii) revoked the provisional measures to inspect premises and to preserve evidence;
  - iii) ordered the restitution to AWM and Schnell of all evidence gathered through the execution of the revoked measures, whereby such restitution shall commence as of 5 June 2024, unless the Court of Appeal decides otherwise;
  - iv) awarded legal fees in favour of AWM and Schnell and therefore ordered Progress to pay in their favour the sum of € 10,000.00;
  - v) granted leave to appeal within fifteen days of the notification of the order.
  
7. At appeal, Progress makes the following requests:
  - i) to set aside the impugned order in its entirety;
  - ii) to declare the time limit for filing a claim for the proceedings on the merits set in the order of 25 September 2023 null and void;
  - iii) to make the reports of the Court's experts available to Progress' representatives as soon as possible;
  - iv) to relieve Progress' representatives of the obligation of confidentiality regarding the Reports of the Court's experts concerning Progress;
  - v) to give the appeal suspensive effect;
  - vi) to order AWM and Schnell to reimburse Progress for the legal fees of the proceedings before the Court and for the costs of representation;
  - vii) to refund the security deposit of € 50,000.00 which Progress was required to provide to the Court of First Instance.
  
8. Progress also filed a separate application to obtain suspensive effect for the present appeal (UPC\_CoA\_177/2024 App\_20143/2024). By order of 2 May 2024, the Court of Appeal granted that application and declared that the present appeal shall have suspensive effect.
  
9. AWM and Schnell request that the Court of Appeal reject the appeal, entirely uphold the impugned order and order Progress to refund AWM and Schnell the legal fees incurred in the appeal proceedings, including the proceedings for suspensive effect.

#### GROUNDS FOR THE ORDER

##### *Principles for the disclosure of the outcome of measures to preserve evidence or to inspect premises*

10. An application for the preservation of evidence or inspection of premises within the meaning of Article 60 of the Agreement on a Unified Patent Court (hereinafter: UPCA) and Rules 192 et seq. of the Rules of Procedure of the Unified Patent Court (hereinafter: RoP) implies a request to disclose to the applicant the outcome of the measures, including the report written by the person who carried out the measures (hereinafter: the evidence). This follows from the fact that the legitimate purpose of the measures is the use of the evidence in proceedings on the merits of the case (Rules 196.2 and 199.2 RoP), which includes the use of the evidence to decide whether to initiate proceedings on the merits and to determine whether and to what extent the evidence will be submitted in these proceedings. Disclosure of the evidence to the applicant or to certain persons acting on behalf of the applicant is indispensable for that purpose. Moreover, Rules 196.1 and 199.1 RoP provide that the Court may decide in its order that the evidence shall be disclosed to certain named persons and shall be subject to appropriate terms of non-disclosure. This confirms that the procedure initiated by an application under Article 60 UPCA

aims at not merely the preservation of evidence and the inspection of premises as such, but also the disclosure of the evidence to the applicant.

11. However, the granting of an application for preservation of evidence or inspection of premises does not imply an unconditional order to disclose the evidence to the applicant. Pursuant to Article 60(1) UPCA the order must be subject to the protection of confidential information (see also Article 7(1) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, hereinafter: Directive 2004/48/EC). Where the evidence may contain confidential information, this entails that the Court must hear the other party before deciding whether and to what extent to disclose the evidence to the applicant. In this context, the Court must give the other party access to the evidence and must provide that party with the opportunity to request the Court to keep certain information confidential and to provide reasons for such confidentiality. If the other party makes such a confidentiality request, the Court must provide the applicant with the opportunity to respond in a manner that respects the potential confidentiality interests of the other party. The Court may do this, for example, by granting access only to the representatives of the applicant whom the Court, pursuant to Rule 196.3(a) RoP, has authorised to be present during the execution of the measures and subject to appropriate terms of non-disclosure.
12. The opportunity for the other party to make a confidentiality request must be distinguished from the remedies available against the order for the preservation of evidence or the inspection of premises, such as the review of an order for preservation of evidence without hearing the defendant pursuant to Rule 197.3 RoP. Therefore, the Court must hear the other party on the request for disclosure even if this party has decided not to file a remedy against the order to preserve evidence or inspect premises. For the same reasons, the failure to apply for a review of the order for the preservation of evidence or for the inspection of premises, cannot not be considered as a tacit approval of the disclosure of evidence.
13. In line with these principles, the non-binding guidelines on the use of templates for orders to inspect premises and to preserve evidence, as published on the Court's website, recommend including the following instruction in the order:

*The Defendant shall be invited to comment on any confidentiality interests that he might have after the written expert Report has been submitted by the person appointed to carry out this order. Representatives of the Applicant that were allowed to be present during the preservation of evidence or inspection of Defendant's premises or local situations must be heard. The court will only then decide whether and to what extent the expert Report is brought to the attention of the Applicant and whether the secrecy order obliging Applicant's representative(s) is lifted.*

#### *The request for disclosure of evidence in this case*

14. In the light of the principles set out above, Progress rightly challenges the Court of First Instance's finding that Progress failed to make a request for disclosure of evidence before 16 February 2024. Such a request for disclosure was inherent in the applications which Progress lodged on 23 August 2023. Moreover, in those applications, Progress expressly requested the Court to make a report "such that the Court can release that information to [Progress] which [Progress] needs to prepare the action on the merits". The Court of First Instance should have decided on that request without requiring a further request from Progress.
15. For their part, AWM and Schnell rightly argue that the Court must hear them and offer them the opportunity to make a confidentiality request before authorising disclosure of the evidence to

Progress. This follows from the principles set out above.

16. The fact that the Court of First Instance in the orders of 25 September 2023 ruled that the failure to file a request for review under Rule 197.2 RoP implies tacit approval for full disclosure of the expert report and annexes, does not alter this assessment. This ruling does not prevent the Court from hearing AWM and Schnell in the context of the procedure for authorising the disclosure of evidence, which is expressly provided for in the orders. In the context of this procedure, AWM and Schnell can and must be given the opportunity to make an explicit confidentiality request in accordance with the principle set out above. Any other interpretation of the order would be inconsistent with the Court's obligation under Article 60(1) UPCA to protect confidential information and the fundamental right to be heard.

*Principles for the revocation of orders for preserving evidence and inspection of premises*

17. Pursuant to Article 60(8) UPCA the Court shall ensure that measures to preserve evidence or to inspect premises are revoked or otherwise cease to have effect, at the defendant's request, if the applicant does not bring, within a period not exceeding 31 calendar days or 20 working days, whichever is longer, action leading to a decision on the merits of the case before the Court (see also Article 7(3) of Directive 2004/48/EC and Article 50(6) of the Agreement on Trade-Related Aspects of Intellectual Property Rights). Rules 198.1 and 199.2 RoP specify that the time period runs from the date specified in the Court's order, taking into account the date when the report referred to in Rule 196.4 RoP is to be presented. These rules must be interpreted in the light of the purpose of the measures for the preservation of evidence or inspection of premises, which is to use the outcome of these measures in the proceedings on the merits of the case (Rules 196.2 and 199.2 RoP). In view of this, the Court must, as a general principle, specify in its order a time period that starts to run from the date of disclosure of the evidence to the applicant or from the date on which the Court has made a final decision not to grant the applicant access to the evidence.
18. In line with these principles, the non-binding guidelines on the use of templates for orders to inspect premises and to preserve evidence, as published on the Court's website, recommend including the following instruction in the order:

*The measures to preserve evidence and/or inspect premises shall be revoked or otherwise cease to have effect, at the defendant's request, if the applicant does not bring action leading to a decision on the merits of the case before the Court within a period not exceeding 31 calendar days or 20 working days, whichever is longer, after the written expert Report has been disclosed to the Applicant or the Court has decided by a final decision not to give access to the Report. (Art. 60(8) UPCA, R. 198.1 RoP)*

*No grounds for revocation of the measures in this case*

19. The orders of 25 September 2023 must be interpreted in the light of the principles set out above. Based on these principles, Progress rightly challenges the Court of First Instance's opinion that Progress should have brought an action leading to a decision on the merits within a period of 31 calendar days from the expiry of the thirty-day term stated in Rule 197.3 RoP, even without a request for review lodged by AWM and Schnell. The Court of First Instance did not take into account that the orders of 25 September 2023 expressly provide that, even if AWM and Schnell failed to file a request for review within the time period of Rule 197.3 RoP, Progress' access to the evidence is still subject to "previous express authorisation" (grounds of the orders) or a "specific order of the Court" (operative part of the orders). Therefore, these orders cannot

be interpreted to mean that the mere expiry of the time period for lodging a request for review is sufficient to start the time period for commencing proceedings on the merits within the meaning of Article 60(8) UPC and Rules 198.1 and 199.2 RoP. Instead, the time period runs from the date on which Progress gains access to the evidence following the specific order on the request for disclosure or the date of the final order rejecting that request. Any other interpretation would imply that Progress would have to commence proceedings on the merits before having access to the evidence or before a final decision refusing access to the evidence. This would not be in line with the purpose of the measures.

20. Since the Court did not grant Progress access to the evidence and there is no final order rejecting its request for disclosure, the time period for bringing an action leading to a decision on the merits has not started to run. The infringement action which Progress lodged since was therefore initiated in time. Consequently, there were and are no grounds for revocation of the measures to preserve evidence and inspect premises pursuant to Rules 198.1 and 199.2 RoP.

### *Conclusion*

21. It follows from the above considerations that the decision of the Court of First Instance to revoke the measures to preserve evidence and inspect premises must be set aside. The dismissal of the application for disclosure, the ordered restitution of all evidence and the ordered payment of legal fees must also be set aside, as the Court of First Instance based those decisions on the revocation of the measures.
22. At the oral hearing, Progress clarified that its request to declare the time limit for bringing an action on the merits, as set in the orders dated 25 September 2023, null and void (see above paragraph 7, sub ii), is conditional upon the Court of Appeal adopting the same interpretation of this time limit as the Court of First Instance. This condition is not met. Therefore, there is no need to decide on this request.
23. The Court of Appeal will not issue a final judgment on Progress' requests to make the reports of the Court's experts available to Progress' representatives (see above paragraph 7, sub iii) and to relieve Progress' representatives of the obligation of confidentiality (see above paragraph 7, sub iv). Instead, it will refer the case back to the Court of First Instance. The reason for this is that, in this exceptional case, the merits of the case, i.e. the merits of these requests and the potential confidentiality issues, have not yet been discussed between the parties.
24. The panel of the Court of First Instance that issued the impugned order shall further address Progress' requests in accordance with the principles set out in this order. In particular, the Court of First Instance must grant AWM and Schnell access to the evidence and provide them with the opportunity to request confidentiality. If AWM and Schnell make such a confidentiality request, the Court must allow the representatives of Progress who the Court authorised to be present during the execution of the measures, to respond, subject to appropriate terms of non-disclosure.
25. The Court of Appeal has already decided upon Progress' request for suspensive effect of the appeal (see above paragraph 7, sub v) in its order of 2 May (UPC\_CoA\_177/2024 App\_20143/2024). Therefore, there is no need to decide on that request in this order.
26. The Court of Appeal declares Progress' request to refund the security deposit (see above paragraph 7, sub vii) inadmissible pursuant to Rule 222.2 RoP. Progress did not explain why it did not make this request in the proceedings before the Court of First Instance, nor why the



request is relevant to the decision on the appeal. Moreover, Progress did not provide any reason to justify allowing the request.

27. Since this order is not the final order concluding the action, the Court of Appeal will not issue an order for costs.

ORDER

- I. The impugned order is set aside in its entirety;
- II. Progress' request to refund the security deposit is declared inadmissible;
- III. The action is referred back to the panel of the Court of First Instance that issued the impugned order.

This order was issued on 23 July 2024.

Klaus Grabinski President of the Court of Appeal	
Peter Blok Legally qualified judge and judge-rapporteur	
Emanuela Germano Legally qualified judge	