



No. APP_64878/2024
UPC_CFI_627/2024

ORDER
of the President of the Court of First Instance
in the proceedings before the Local Division MUNICH
pursuant to R. 323 RoP (language of the proceedings)
Issued on 16/01/2025

HEADNOTE:

- When deciding on an application to change the language of the proceedings to the language in which the patent was granted for reasons of fairness, all relevant circumstances must be taken into account including the fact that parties are domiciled in countries where the language of the proceedings chosen by the claimant is an official language.
- Ensuring a fair access to justice for medium-sized enterprises is an important objective of the UPCA.

KEYWORDS:

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

APPLICANTS (DEFENDANTS IN THE MAIN PROCEEDINGS):

1- NVIDIA Corporation

2788 San Tomas Expressway - 95051 - Santa Clara - USA

2- NVIDIA GmbH

Adenauer Str. 20/A4 - 52146 - Würselen – Germany

Represented by: Johannes Heselberger – Bardehle Pagenberg

RESPONDENTS (CLAIMANTS IN THE MAIN PROCEEDINGS):

1- BF exaQC AG

Südliche Münchner Straße 56 - 82031 - Grünwald – Germany

2- ParTec AG

Possartstraße 20 - 81679 - Munich – Germany

Represented by: Roman Sedlmaier – IPCGS Gigerich Sedlmaier Patentanwalt Rechtsanwalt
PartG mbB

PATENTS AT ISSUE: EP3743812 and EP2628080

SUMMARY OF FACTS

By a statement of claim filed on 29 October 2024, BF exaQC AG and ParTec AG brought an infringement action against the Applicants (hereinafter collectively referred to as “NVIDIA” or “the Defendants” in reference to their role in the main proceedings) based on the patents EP3743812 titled “*application runtime determined dynamical allocation of heterogeneous compute services*” and EP2628080 titled “*a computer cluster arrangement for processing a computation task and method for operation thereof*”.

By a generic procedural application dated 9 December 2024 (App_64678/2024) Nvidia Corporation and Nvidia GmbH, referring to R. 323 RoP, requested that the language of proceedings be changed from German to English (hereinafter “the Application”).

The Application was forwarded to the President of the Court of First Instance of the UPC pursuant to R. 323.1. RoP. By an order dated 12 December 2024, the Claimant in the main action (No. ACT_58616/2024 UPC_CFI_627/2024) 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.

BF exaQC AG and ParTec AG submitted their written comments on 17 December 2024.

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

INDICATION OF THE PARTIES' REQUESTS:

The Defendants in the main proceedings request that the Application be granted pursuant to R. 323 RoP in conjunction with Article 49(5) UPCA, and therefore that the language of the proceedings be changed to English as it is the language of the patents at issue EP 3 743 812 and EP 2 628 080.

BF exaQC AG and ParTec AG request that the Court dismiss the Application.

POINTS AT ISSUE:

The Applicants – referring in particular to UPC_CoA_101/2024 (APL_12116/2024) and UPC_CoA_207/2024 (APL_24598/2024) – state that the requested change may be granted taking into account the language most commonly used in the relevant field of technology, the language in which the evidence including the prior art is provided, the nationality or domicile of the parties and their respective sizes, and whether such change would affect the course of the proceedings. They emphasize that the position of the Defendant(s) should prevail if the interests of both parties are equally balanced.

They contend that in the present case, changing of the language of the proceedings to English is appropriate and aligns with the general principle of fairness. This change serves the interests of the Defendants which clearly outweigh those of the Claimants, for the following reasons:

- the two patents at issue relate to the field of computer technology where English is generally used, as demonstrated by the fact that 38 of the 49 annexes submitted are in English.
- the claimants themselves requested to be exempted from providing German translations of these exhibits.
- although domiciled in Germany, BF exaQC and ParTec are capable of communicating fluently in English.
- as BF exaQC operates as ParTec's "exclusive license agent", the interests regarding the requested change must be assessed solely with respect to ParTec. Notably, ParTec advertises its activities predominantly in English, with an international focus.
- the primary attack is directed at NVIDIA Corp., which has its registered office in the United States. Patent litigation proceedings are centrally managed within the Defendant's group and thus coordinated in English.
- regarding the respective sizes of the parties, the Claimants possess sufficient resources to conduct legal disputes in English, as evidenced by their action against Microsoft before the US District Court of the Eastern District of Texas, Marshall Division, for alleged infringement of US patent 10,142,156 which belongs to the same patent family as the patent at issue 1.

- implementing the requested change at this early stage of the proceedings would not cause any delays, and allowing further submissions in English would minimize translation efforts.

BF exaQC and ParTec oppose the Defendant's request for the following reasons:

- an additional need for translation alone is not sufficient to restrict the Defendants' right to a fair trial.

- the Defendants market, offer and distribute their products in a country where German is the official language, and in which they can therefore reasonably expect to be sued.

- Art. 49 para. 5 UPCA constitutes an exception that must be interpreted narrowly, and the concept of "fairness" aims to ensure equal opportunities – including a fair hearing – which are not prejudiced in the present case.

- the language of the patent and the common language in the field of computer technology do not, in themselves, support the requested change, in cases where the registered offices of the parties and their respective sizes are validly considered as relevant circumstances.

- the corporate language of ParTec is German, and as a result, the proceedings are prepared in this language and a change to English would significantly increase their efforts. In contrast, one of the Defendants operates an office in Germany and Nvidia Corp. has established resources and structures within the country. Furthermore, they maintain a German-language website which demonstrates their targeted approach to this market.

- with regard to the respective sizes of the parties, Nvidia Corp. – the parent company of Nvidia GmbH – has more than 50 subsidiaries worldwide with over 29,600 employees and reported revenues of USD 26.97 billion in 2023 and USD 60.92 billion in 2024. In contrast, the Claimants are considerably smaller in terms of personnel, revenue, market capitalization and corporate structure.

- the Court of Appeal stated that circumstances not directly related to the specific case, such as the Claimants' action against Microsoft in the USA cited by the defendants, are less relevant.

- should the request be granted, a situation would arise where a medium-sized company with a regional focus, despite facing one of the world's most financially powerful entities, would be required to bear the additional burden of translating pleadings before a national court.

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:

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

1- 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 “1. 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 to decide 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 taken into account. 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_CofA_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 involves considering the language of the patent and the language commonly used in the technology in question, alongside all circumstances identified as being relevant in the requested assessment of the respective interests of the parties.

The assertion that English is the commonly used language in the relevant field of technology of the patents concerned is undisputable in this case. This conclusion is supported by the prior art cited and the language used in nearly all the annexes submitted with the Statement of Claim.

However, the Application to change the language initially chosen by the Claimants cannot be granted, taking into account all other relevant circumstances of the present case, in particular those related to the nationality, domicile and respective sizes of the parties.

As correctly noted by the Respondents, three of the four companies involved in the dispute – namely both Claimants and one Defendant – are domiciled in Germany while one is headquartered in the US, Nvidia GmbH itself has four entities based in this country (exhibit K48 – Respondents). The decision to file the infringement action in German is therefore based on legitimate grounds. Furthermore, neither the scope of their activity nor the language in which their products are advertised demonstrates that ParTec and BF exaQC have generally adopted English for their internal communications.

The fact that the parties are domiciled in countries where the language of the proceedings chosen by the claimant is an official language was considered by the Court of Appeal to be an important factor in deciding on an application to use the language of the patent as the language of the proceedings (UPC_CoA_207/2024 - APL 24598/2024 – Order dated 5 September 2024).

With respect to the size of the parties, Nvidia Corp. – which the Applicant considers to be the most relevant for the purpose of weighing the respective interests, as it is the primary target in the dispute – operates globally through 50 subsidiaries. This size and territorial scope are reflected by the information provided in exhibit K48 and K49, notably regarding its number of employees (26,196 in 2023 and 29,600 in 2024) and global revenue (26,97 billion US dollars in 2023 and 60,92 billion US dollars in 2024). By comparison, according to a press information dated 12 June 2024 (exhibit K50), ParTec AG’s revenue amounted to EUR 95,7 million in 2023. This context must be considered when weighing the respective interests of the parties, taking into account the objective of ensuring fair access to justice for medium-size enterprises facing difficulties in enforcing their patents which is an important goal of the UPCA.

It follows from the above that given its financial resources and logistical support, NVIDIA has the capacity and means to conduct proceedings in a foreign language – especially since this applies to only one of the Defendant – without significant inconvenience. In contrast, adopting English would disadvantage the Claimants, both of which are German companies based in Germany, and have consequently chosen to file their action in German for valid reasons. In this respect, allowing NVIDIA to coordinate and manage the dispute in English would serve as a matter of convenience for the Defendants, who have not demonstrated that they are significantly impaired in organising their defence due to the language primarily selected by the Claimants.

The Application must therefore be dismissed.

ON THESE GROUNDS

- 1- The Application is dismissed.
- 2- An appeal may be brought against the present order within 15 calendar days of its notification to the Applicants 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 16 January 2025

NAME AND SIGNATURE

Florence Butin
President of the UPC Court of First Instance