Unified Patent Court
Einheitliches Patentgericht
Juridiction unifiée du brevet

Reference no.:
APL_12739/2024
UPC_CoA_106/2024

Order

of the Court of Appeal of the Unified Patent Court
issued on 5 September 2024

HEADNOTE

1. A connection joinder pursuant to R. 340 RoP cannot result in the referral of an action to another division of the Court of First Instance beyond the possibilities provided for referral of actions in Art. 33 UPCA.

2. Art. 33 UPCA does not permit the referral of an action for infringement from a local division to the central division without the agreement of the parties involved.

KEYWORDS

Appeal; Connection joinder; Referral of an action for infringement

APPELLANTS (DEFENDANTS IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE)

1. **ADVANCED BIONICS AG**
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2. **ADVANCED BIONICS GMBH**
Max-Eyth Straße 20, 70736 Fellbach-Oeffingen, Germany

3. **ADVANCED BIONICS SARL**
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hereinafter: Advanced Bionics,

represented by attorneys-at-law Miriam Kiefer and Carsten Plaga (Kather Augenstein)

RESPONDENT (CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE)

MED-EL ELEKTROMEDIZINISCHE GERÄTE GESELLSCHAFT M.B.H.
Fürstenweg 77a, 6020 Innsbruck, Austria

hereinafter: MED-EL,

represented by attorney-at-law Dr. Michael Rüberg (Boehmert & Boehmert)

PATENT AT ISSUE

EP 4074373

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

German

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

□ Order of the Court of First Instance of the Unified Patent Court, Local Division Mannheim dated 22 February 2024

□ Reference numbers: App_597488/2023
ACT_585052/2023
UPC_CFI_410/2023
ORD_597898/2023

FACTS AND REQUESTS OF THE PARTIES

1. On 27 September 2023, Advanced Bionics AG commenced an action for revocation of European Patent 4074373 (hereinafter: the patent at issue) against MED-EL before the Court of First Instance of the Unified Patent Court (hereinafter: UPC), Central Division, Paris seat (ACT_576555/2023 UPC_CFI_338/2023) (hereinafter: the revocation action). The written procedure in the revocation action has been closed. The oral hearing is set for 29 October 2024.

2. On 2 November 2023, MED-EL commenced an action for infringement of the patent at issue against Advanced Bionics before the Court of First Instance of the UPC, Mannheim Local Division (ACT_585052/2023 UPC_CFI_410/2023) (hereinafter: the infringement action). The

written procedure in the infringement action has been closed. The oral hearing is set for 15 January 2025.

3. On 22 December 2023, Advanced Bionics lodged a preliminary objection in the infringement action. Advanced Bionics requested that the Court:
   I. refer the infringement action to the Central Division, Paris seat, so that the Central Division can hear the infringement action and the revocation action together;
   II. stay the proceedings in the infringement action provisionally until a final decision on the referral is made;
   III. in the alternative, stay the proceedings in the infringement action until a final decision is made in the revocation action;
   IV. in the further alternative, stay the proceedings in the infringement action until a first-instance decision is made in the revocation action.

4. In the impugned order, the Court of First Instance
   I. dismissed the requests to refer the infringement action to the Central Division and the request to stay the proceedings in the infringement action provisionally pending a final decision on the referral;
   II. provisionally suspended the decision on a stay of the proceedings in the infringement action; and
   III. granted leave to appeal against the dismissal of the requests pursuant to paragraph I.

5. The reasoning of the Court of First Instance can be summarised as follows.
   - R. 340.1 of the Rules of Procedure of the UPC (hereinafter: RoP) requires the involvement of both panels. It does not provide a basis for the unilateral imposition of a referral;
   - The Court understands Advanced Bionics' request for a referral to include a request to obtain the consent of the Central Division to a joint hearing of the infringement action and the revocation action pursuant to R. 340.1 RoP;
   - It remains open to interpretation whether the joint hearing within the meaning of R. 340.1 RoP means a hearing before one of the two adjudicating bodies or a hearing before both "merged" panels;
   - The request for a joint hearing conflicts with R. 340.1, second sentence, RoP, which requires compliance with Art. 33 of the Agreement on a Unified Patent Court (hereinafter: UPCA). This means a joint hearing is inadmissible if it conflicts with the jurisdiction regime set out in Art. 33 UPCA;
   - It is doubtful whether Art. 33(5) UPCA is applicable in the present case, given that defendants 2 and 3 are not involved in the revocation action;
   - Even if the claimant has a right to choose between the local and central divisions when commencing the infringement action, its choice of the local division should not be annulled by a joint hearing pursuant to R. 340.1 RoP. This follows from R. 340.1, sentence 2, RoP and from the requirement to interpret the RoP in accordance with Art. 33(5) UPCA;
   - In any event, the Court exercises the discretion provided for in R. 340.1 RoP to refrain from holding a joint hearing, particularly in consideration of the proper administration of justice. A joint hearing would likely cause delays in the revocation action and require a change of the language of the proceedings;
   - The Court sees no reason to grant Advanced Bionics' request II to stay the proceedings pending a possible appeal;
   - There is currently no need to decide on Advanced Bionics' auxiliary requests III and IV. The decision on whether the infringement proceedings should be stayed with regard to parallel

revocation action should be made once the parties have made their final submissions on all relevant points.

6. Advanced Bionics lodged an appeal against the impugned order, requesting that the Court of Appeal revoke the impugned order and refer the infringement action to the Central Division, Paris seat, so that the Central Division can hear the infringement action and the revocation action together. The grounds of appeal can be summarised as follows:
   - The Court exercised its discretion incorrectly;
   - The Court failed to take into account the aspect of avoiding contradictory decisions;
   - The order of the Court is based on incorrect assumptions regarding the timetable for the revocation action and the change of the language of the proceedings;
   - The further requirements of R. 340.1 RoP are met;
   - The Court incorrectly assumed that the choice of MED-EL to bring the infringement action before the Mannheim Local Division is of particular interest under R. 340.1 RoP.

7. MED-EL lodged a response to the appeal, requesting that the Court of Appeal dismiss the appeal as either inadmissible or unfounded, or alternatively, to refer the case back to the Court of First Instance. Its response can be summarised as follows:
   - The appeal is inadmissible because defendants 2) and 3) filed a counterclaim for revocation after the impugned order was issued. A referral of the infringement action without referral of the counterclaim is not possible;
   - The appeal is also unfounded. The discretionary decision can only be reviewed by the Court of Appeal for errors of judgement, which are not present in this case;
   - The counterclaim for revocation also argues against the exercise of discretion in favor of Advanced Bionics;
   - The Court rightly held that the requirement for proper administration of justice is not met; making a decision on the avoidance of inconsistent decisions was therefore unnecessary;
   - As the Court stated in its order, a decision on the application pursuant to R. 340 RoP can only be made jointly with the other panel involved in the consolidation of the proceedings. The Court of Appeal cannot substitute its own decision for this joint determination. Therefore, the case must be referred back to the Court of First Instance in the event that the Court of Appeal finds that the Court of First Instance exercised its discretion incorrectly.

GROUNDS FOR THE ORDER

8. A joinder pursuant to R. 340 RoP cannot result in the referral of an action to another division of the Court of First Instance beyond the possibilities provided for referral of actions in Art. 33 UPCA. Interpreting R. 340 RoP in a way that permits such referrals would conflict with the competence regime of the UPCA and would therefore be contrary to Art. 41(1) UPCA and R. 1.1 RoP, which stipulate that the provisions of the UPCA take precedence over the Rules of Procedure. Furthermore, R. 340 RoP expressly provides that Art. 33 UPCA must be respected.

9. Art. 33 UPCA does not permit the referral of an action for infringement from a local division to the central division without the agreement of the parties involved. Under Art. 33(5) UPCA, a local division may proceed in accordance with Art. 33(3) UPCA when an action for infringement is brought before it while a revocation action between the same parties relating to the same patent is pending before the central division. Art. 33(3)(c) UPCA allows the referral of an infringement action with a counterclaim for revocation to the central division with the

agreement of the parties. Art. 33(5) in conjunction with Art. 33(3) UPCA does not allow a referral of an infringement action without the agreement of the parties.

10. It follows that Advanced Bionics' request must be rejected. Advanced Bionics requests the referral of the infringement action to the Central Division. There is, however, no agreement between the parties on such referral; in fact, MED-EL expressly objects to it. The requested referral therefore does not comply with Art. 33 UPCA.

11. Advanced Bionics' concern that MED-EL may present an interpretation of the patent claims in the infringement action which conflicts with its interpretation in the revocation action and that the Local Division and the Central Division may render conflicting decisions, does not warrant a different assessment. Apart from the fact that Advanced Bionics has not demonstrated that MED-EL has indeed presented conflicting interpretations, the risk of conflicting interpretations and decisions can be minimised by other means besides referring the infringement action to the Central Division. For example, the revocation action is currently at a more advanced stage than the infringement action and is likely to be decided first. This allows the panel of the Mannheim Local Division to consider the decision in the revocation action, including the construction of the patent claims by the Central Division, when deciding the infringement action. Additionally, Advanced Bionics may draw the attention of the Mannheim Local Division to the claim constructions presented by MED-EL in the revocation action.

12. It follows that the appeal must be rejected. The Court of First Instance rightly held that the requested referral of the infringement action to the Central Division conflicts with the regime of Art. 33 UPCA and is therefore not permissible. Since the appeal is rejected, there is no need to decide on MED-EL's auxiliary request to remit the case to the Court of First Instance.

ORDER

The appeal is rejected.

This order was issued on 5 September 2024.

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