



Appeal Reference number:
UPC_ CoA_563/2024
APL_53716/2024

ORDER
of the Court of Appeal of the Unified Patent Court
issued on 11 February 2025
R 220.2 RoP Appeal of a Panel Review (R 333 RoP) Order

HEADNOTES:

- No corporate representative of a legal person or any other natural person who has extensive administrative and financial powers within the legal person, whether as a result of holding a high-level management or administrative position or holding a significant amount of shares in the legal person, may serve as a representative of that legal person, regardless of whether said corporate representative of the legal person or natural person is qualified to act as a UPC representative in accordance with Art. 48(1) or (2) UPCA.
- One of the objectives of parties being represented by a lawyer is, among other things, to ensure that legal persons are defended by a representative who is sufficiently distant from the legal person which he or she represents.
- The independent exercise of the duties of a representative is not undermined by the mere fact that the lawyer or the European patent attorney, qualified as a representative under Art. 48(1) or (2) UPCA, is employed by the party he or she represents.
- A representative who is employed by a party must act towards the Court as an independent counsellor by serving the interests of his or her client in an unbiased manner without regard to his or her personal feelings or interests, pursuant to Art. 2.4.1 of the Code of Conduct for Representatives who appear before the Court according to R. 290.2 RoP.

KEYWORDS:

Representation of parties in proceedings before the UPC, Art. 48 UPCA.

APPELLANT (DEFENDANT IN THE R 333 ROP APPLICATION AND CLAIMANT IN THE MAIN INFRINGEMENT ACTION BEFORE THE COURT OF FIRST INSTANCE)

Suinno Mobile & AI Technologies Licensing Oy, Helsinki, Finland (hereafter “**Suinno**”)
represented by [REDACTED] European Patent Attorney,

RESPONDENT (APPLICANT IN THE R 333 ROP APPLICATION AND DEFENDANT IN THE MAIN INFRINGEMENT ACTION BEFORE THE COURT OF FIRST INSTANCE)

Microsoft Corporation, Redmond, Washington, USA (hereafter “**Microsoft**”)
represented by Prof. Dr. Tilmann Müller-Stoy and Nadine Westermeyer, attorneys-at-law,
Bardehle Pagenberg, Partnerschaft mbB Patentanwälte Rechtsanwälte.

PATENT AT ISSUE

EP 2 671 173

DECIDING PANEL

Panel 1a

Klaus Grabinski, President of the Court of Appeal,
Peter Blok, legally qualified judge,
Emmanuel Gougé, legally qualified judge and judge-rapporteur.

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, Central Division, Paris Seat, dated 16 September 2024
- Numbers attributed by the Court of First Instance:
 - UPC_CFI_164/2024
 - App_40799/2024
 - ACT_18406/2024
 - ORD_41174/2024

DATE OF THE ORAL HEARING:

29 January 2025

8. The grounds of the appeal can be summarized as follows, insofar as relevant:

- the CFI incorrectly interprets the word “independently” in the context of Art. 48(5) UPCA and contradicts the initial intent of the UPC Members States insofar as it requires the representative to be a “third person” in addition to being independent, despite no such requirement being provided for under the UPCA;
- when considering the independence of the representatives under Art. 48(5) UPCA, a distinction should be drawn between in-house attorneys, on the one hand, who are employed by the entity they are representing and on which they depend, and, on the other hand, representatives who are directors and shareholders of the company they represent, who may control the company but are not dependent upon the company they represent;
- an excessively strict interpretation of independence, combined with the “third party” requirement, could lead to a situation where the mere ownership by the representative of one or more shares in the company he or she represents, could call into question their independence;
- by reference to the principle of equality of arms, parties should be allowed to organize their representation “in the best possible way available”.

9. Microsoft responded to the appeal, requesting that the Court of Appeal reject the appeal and order Suinno to pay the costs of the appeal proceedings and, in the alternative, refer questions to the CJEU for a preliminary ruling.

10. Microsoft’s arguments can be summarised as follows, insofar as relevant:

- Suinno’s representative does not meet the requirement of independence set out under Art. 48(5) UPCA or under Art. 2.4 of the Code of Conduct for Representatives who appear before the UPC according to R. 290.2 RoP and adopted by the Administrative Committee on 8 February 2023;
- a representative must not be “connected” to the represented party in a manner that creates bias or influences their behaviour as a result of this connection;
- According to the CJEU standard, a party cannot be properly represented by an individual who is financially dependent on the principal or who has extensive administrative and financial powers within the represented party;
- under Union law (Art. 19 Statute of the CJEU), a party and its representative cannot be the same person. This requirement is justified by CJEU case law, which emphasises that the representative must collaborate in the administration of justice and provide such legal assistance as the client needs in full independence and in the overriding interests of justice. It is further justified by legal professional privilege, which requires that the exchange of documents and information occurs with and between independent representatives;
- the language under Art. 48(5) UPCA is substantially identical to that of Art. 19(5) of the Statute of the CJEU, on which the case law of the CJEU is based, which implies that the Contracting

Member States of the UPCA intended to transpose the CJEU's interpretation of Art. 19 (5) of its Statute on the requirement of independence of representatives to Art. 48(5) UPCA;

- the lack of independence of Suinno's representative is manifest: he is, or at least was at the time of filing the infringement action and the R 262A application, the named inventor of the patent in dispute, the original applicant of the patent application underlying the patent in dispute, the managing director of the first assignee of the patent at issue (Suinno Oy), Suinno's managing director and Board Member, the main shareholder of the company, controlling 100% and owning 93.3% of Suinno's equity interest.

11. In a procedural order issued on 21 October 2024, the Court gave the parties a final opportunity to submit new evidence, following which both Microsoft and Suinno responded, on 22 and 23 October 2024 respectively, that they would not be submitting additional evidence, subject to any further submissions from the opposing party. Suinno, nevertheless, proceeded to file additional evidence on 29 November 2024.
12. Following the hearing, Suinno filed a R. 9.3 RoP application on 31 January 2025, raising additional remarks regarding the attorney-client relationship, which had not been discussed during the hearing and to which Microsoft has not responded.

GROUNDS FOR THE ORDER

13. The appeal must be rejected for the following reasons.
14. Suinno has not been validly represented by a representative within the meaning of Art. 48 (1) (2) and (5) UPCA.

Representation

15. It follows from Art. 48(1) and (2), in conjunction with Art. 48(7) UPCA, that parties must be represented before the UPC in all actions under Art. 32(1) UPCA, with the exception of actions under Art. 32(1)(i) UPCA.
16. This is confirmed under R. 8.1 RoP, which states that a party must be represented in accordance with Article 48 UPCA, unless otherwise provided by the Rules of Procedure (Rules 5, 88.4 and 378.5).
17. Representation may be provided by lawyers authorized to practice before a court of a Contracting Member State (Art. 48(1) UPCA) or, alternatively, by European Patent Attorneys who are entitled to act as professional representatives before the European Patent Office pursuant to Art. 134 European Patent Convention (EPC) and who have appropriate qualifications, such as a European Patent Litigation Certificate (Art. 48(2) UPCA).

18. This understanding of Art. 48(1) and (2) UPCA is complemented by Art. 48(5) UPCA, which sets forth that representatives of the parties shall enjoy the rights and immunities necessary for the independent exercise of their duties, including the privilege from disclosure in proceedings before the Court in respect of communications between a representative and the party, or any other person, under the conditions laid down in the Rules of Procedure, unless such privilege is expressly waived by the party concerned. These rights and immunities only apply to representatives, not to parties.
19. In accordance with Art. 48(5) and (6) UPCA, the rights and obligations of representatives are further specified in Part 5 (general provisions), Chapter 3 (rights and obligations of representatives) of the RoP.
20. If the party is a natural person, the representation requirement under Art. 48(1) and (2) UPCA implies that this person is not entitled to represent him or herself, regardless of whether the person is qualified to act as a UPC representative in accordance with Art. 48(1) or (2) UPCA. This understanding is based on the term “representation” used in Art. 48(1) and (2) UPCA and the concept of rights and immunities of representatives outlined in Art. 48(5) and (6) UPCA and R. 287 to 292 RoP.
21. If the party is a legal person, the same principle applies. As neither Art. 48 UPCA nor Part 5, Chapter 3 of the UPC Rules of Procedure distinguish between natural or legal persons regarding representation before the UPC, the UPC representative of a party that is a legal person must be as distant from the party as it would be if the party were a natural person.
22. It follows that no corporate representative of a legal person, or any other natural person who has extensive administrative and financial powers within the legal person, - whether as a result of holding a high-level management or administrative position or holding a significant amount of shares in the legal person - may serve as a representative of that legal person, regardless of whether said corporate representative of the legal person or natural person is qualified to act as a UPC representative in accordance with Art. 48(1) or (2) UPCA.
23. This interpretation of the term “represented” under Art. 48(1) and (2) UPCA and “representatives” in Art. 48(5) and (6) UPCA aligns with the interpretation of Art. 19(3) of the Statute of the Court of Justice of the European Union (CJEU Statute) by the CJEU.
24. According to established case law of the CJEU, Art. 19(3) and (4) CJEU Statute contains two distinct yet cumulative conditions regarding representation in proceedings before the CJEU.
25. The first condition, set out in the third paragraph of Art. 19 CJEU Statute, requires that a party be represented by a lawyer. The second condition, contained in the fourth paragraph of that article, provides that the lawyer representing that party must be authorised to practice before a court of a

Member State or of another State which is a party to the EEA Agreement (CJEU, 4 February 2020, C-515/17 P and 561/17 P, para 55 f. – Uniwersytet Wroclawski and Poland/REA).

26. The second condition mirrors the requirement under Art. 48(1) and (2) UPCA that a lawyer representing a party must be authorised to practice before a court of a UPC Contracting Member State and that a patent attorney representing a party must be a European Patent Attorney with the appropriate qualifications.
27. As regards the first condition relating to the concept of “lawyer”, however, the CJEU has adopted an autonomous and uniform interpretation of Art. 19(3) CJEU Statute. It follows from the wording, and in particular from the use of the term “represented”, that a “party” as referred to in that provision, irrespective of that party’s standing, is not authorized to act on its own behalf before a Court of the European Union (see CJEU, 4 February 2020, C-515/17 P and 561/17 P, para 57 f., cited above) and that a legal person cannot be properly represented before the Courts of the EU by a lawyer who has, within the body which he represents, extensive administrative and financial powers, holds a high-level management position within or holds shares in the legal person, or is the president of the board of administration of the company (above cited CJEU, 4 February 2020, C-515/17 P and 561/17 P, para 65; 5 September 2013, C-573/11 P, para 12 – ClientEarth/EU Council, also cited in the impugned Order, para 36).
28. One of the objectives of parties being represented by a lawyer is, among other things, to ensure that legal persons are defended by a representative who is sufficiently distant from the legal person which he or she represents (CJEU, 4 February 2020, C-515/17 P and 561/17 P, para 61; CJEU, 5 September 2013, C-573/11 P, para 14).
29. That interpretation of the term “represented” in Art. 19(3) CJEU Statute aligns with the understanding of the term “represented” in Art. 48(1) and (2) UPCA, as outlined above.
30. Suinno’s argument that this interpretation “destroys access to justice” and violates the principle of equality of arms must be rejected. To the extent that the requirement to have recourse to a third party constitutes a relevant restriction of access to justice and the equality of arms as guaranteed by the fundamental right to a fair trial, such restriction is justified by an objective of general interest. The requirement serves the interests of justice, as it is essential to the representative’s role in collaborating in the administration of justice and providing such legal assistance as his client needs in the overriding interests of justice (cf. CJEU 5 September 2013, C-573/11 P, para 12 – ClientEarth/EU Council).

Independence

31. As already mentioned, Art. 48(5) UPCA provides that the representatives of the parties shall enjoy the rights and immunities necessary for the independent exercise of their duties, including the

privilege from disclosure in proceedings before the Court in respect of communications between a representative and the party or any other person, under the conditions laid down in the Rules of Procedure.

32. The independent exercise of the duties of a representative is not undermined by the mere fact that the lawyer or the European patent attorney, qualified as a representative under Art. 48(1) or (2) UPCA, is employed by the party he or she represents.
33. This interpretation is in accordance with the Rules of Procedure, to which Art. 48(5) UPCA explicitly refers, among which R. 287.2 RoP explicitly provides that the attorney-client privilege laid down in R. 287.1 RoP applies also to communications between a client and a lawyer or a patent attorney employed by the client and instructed to act in a professional capacity, whether in connection with proceedings before the Court or otherwise, and R. 288.1 RoP which concerns litigation privilege and refers equally to R. 287.1 and 2 RoP regarding the addressees of that privilege.
34. This understanding of the term “independent exercise of duties” in Art. 48(5) UPCA is in line with the Code of Conduct for Representatives who appear before the Court according to R. 290.2 RoP of 8 February 2023 (Code of Conduct or CoC).
35. The Code of Conduct is based on R. 290.2 RoP and explicitly provides under its Art. 1 (Field of Application) that, in the event of a conflict between the Code of Conduct and the Rules of Procedure, the latter shall prevail. It follows that the Code of Conduct is to be applied to lawyers and patent attorneys that qualify as party representatives under Art. 48(1) or (2) UPCA, regardless of whether they are employed by the party or not.
36. This means that a representative who is employed by a party must also act towards the Court as an independent counsellor by serving the interests of his or her clients in an unbiased manner without regard to his or her personal feelings or interests, pursuant to Art. 2.4.1 CoC.
37. The Code of Conduct also imposes a strict obligation on the representative, irrespective of whether he or she is employed by the party, to refrain from using any information not related to the case when carrying out measures ordered by the Court to preserve or gather evidence (including inspection of premises) for any purpose or disclose the same to any person, including his or her client, irrespective of whether he or she is employed by the client (CoC, Art 2.6).
38. It further follows from R. 291 RoP that the conduct of a representative employed by a party must be compatible with the requirements of the proper administration of justice, even in cases where it may conflict with the interest of the party he or she represents.
39. In case the representative sees a risk that he or she cannot fulfil his or her overriding obligations under the UPCA, the Rules of Procedure or the Code of Conduct, he or she must recuse himself or

herself from the respective proceedings. Similarly, if the court considers that a representative does not act in conformity with said overriding obligations, he or she may be excluded at any time by the Court from the proceedings by way of order pursuant to R. 291.1 RoP. The UPCA, the Rules of Procedure and the Code of Conduct therefore safeguard the representative's independent exercise of duties not by excluding employed lawyers and patent attorneys as such, but by excluding any representative who fails to act independently, whether employed or not.

40. This Court is aware that its interpretation of the term "independent exercise of duties" in Art. 48(5) UPCA differs from the interpretation of the same term in Art. 19(5) CJEU Statute, as it is settled case law of the CJEU that a lawyer who is employed by a legal entity is not entitled to represent the legal entity as a party in proceedings before the CJEU and the EU Courts (CJEU, 14 September 2010, C-550/076, para 43 f.; April 2017, C-464/16 P, para 29 – PITEEE/EU Commission; 4 February 2020, C-515/17 P and C-561/17 P, para 63).
41. In this context, it should be noted that the concept of independence developed by the CJEU results from an autonomous interpretation of Art. 19 CJEU Statute by the CJEU and applies specifically to proceedings before the EU Courts.
42. It does not apply to representatives in proceedings before the national courts of the Member States, as it does not apply to the recognised possibility for a person authorised, under national law, to represent a party in a dispute to continue representing that same party before the CJEU in the context of a reference for a preliminary view (CJEU, 4 February 2020, C-515/17 P and 561/17 P, para 57).
43. In fact, as reported by the CJEU in its judgement in the "Akzo Nobel and Akcros/EU Commission" case, the General Court held in 2007 that, although it is true that specific recognition of the role of in-house lawyers and the protection of communications with such lawyers under legal professional privilege was relatively more common in 2004 than in 1982 (when the judgement in the case "AM & S Europe v Commission was handed down), it was nevertheless not possible to identify tendencies which were uniform or had clear majority support in the laws of the Member States (CJEU, 14 September 2010, C-550/07 P, para 69 ff.). As underlined by the CJEU, there are thus different approaches across EU and UPC Member States regarding in-house representatives, further justifying that the UPC may not follow the interpretation adopted by the CJEU in this regard.
44. As the UPC is a court common to the participating Member States and subject to the same obligations under Union law as any national court of the Contracting Member States pursuant to Art. 1(2) UPCA and is thus not an EU court, it follows that the UPC - like the national courts of its Contracting Member States - is not bound by the CJEU's interpretation of the term "independent exercise of duties" in Art. 19(5) CJEU Statute that lawyers employed by a legal entity are not entitled to represent that entity as a party in proceedings before the CJEU and the EU Courts. Instead, the UPC must provide an autonomous interpretation of the term "independent exercise of duties"

under Art. 48(5) UPCA in the context of the UPCA, the Rules of Procedure and the Code of Conduct, as has been done above in this order.

Suinno's representative

45. The Court of First Instance found that it is “undebated” that Suinno’s representative, ■■■■■■■■■■ ■■■■■■■■■■ is Suinno’s managing director and main shareholder, which gives him extensive administrative and financial powers within Suinno.
46. Suinno merely asserts that ■■■■■■■■■■ ■■■■■■■■■■ held an independent director seat and was the main shareholder of the company when it was founded. Suinno does however not show that the findings of the CFI as to the position of ■■■■■■■■■■ ■■■■■■■■■■ as Suinno’s managing director and main shareholder are incorrect.
47. Although ■■■■■■■■■■ ■■■■■■■■■■ is qualified as a European patent attorney and entitled, in general, to represent a party in UPC proceedings pursuant to Art. 48(2) UPCA, his extensive administrative and financial powers within Suinno - due to his position as managing director and main shareholder - preclude him from representing Suinno in filing an application under R. 262A RoP, requesting certain documents to be kept confidential from Microsoft.
48. In an additional statement of 29 November 2024, Suinno brought forward that it does not deny its representative past role within the company, that changes in the Register have been only partially processed and that its representative is still listed as an independent director. It is also alleged that Suinno’s representative does not own any shares directly but only indirectly, which in Suinno’s view is irrelevant as it does not demonstrate that the representative depends on the client.
49. This statement cannot be considered. Pursuant to R. 222.1 and 2 RoP, only facts and arguments the appellant submitted in the Statement of appeal constitute the subject-matter of the proceedings before the Court of Appeal and Suinno has not given any reasons why the new facts and arguments should not be disregarded. Additionally, Suinno did not file a reasoned request for a reply to the Respondent’s Statement of response, as required by R. 36 RoP. Furthermore, it was only filed after the judge-rapporteur informed the parties by procedural order of 21 October 2024 that the appeal proceedings were ready for oral hearing following the two statements submitted by the parties and that the RoP do not provide for a reply and a rejoinder. The judge-rapporteur nevertheless gave the parties an opportunity to submit new evidence within a period of five days from the date of notification of the order and Suinno responded that it would not submit additional evidence.
50. Even if the facts alleged in the statement of 29 November 2024 were taken into consideration, this would not alter the assessment of the case as it remains confirmed that ■■■■■■■■■■ ■■■■■■■■■■ is still registered as Suinno’s managing director and that he owns a significant number of shares of the company, at least indirectly and, thus, still holds extensive administrative and financial powers

within Suinno. The fact, alleged by Suinno in said additional statement and in the oral hearing, that according to a recent Income and Balance Sheet its turnover is only [REDACTED] and Suinno's conclusion that [REDACTED] is not dependent on Suinno, does not alter this assessment.

51. Finally, the additional observations filed by Suinno after the hearing under a R. 9.3 RoP application cannot be considered, for the same reasons as those mentioned under paragraph 49 above concerning the statement filed by Suinno on 29 November 2024.
52. The Order of the Court of First Instance to declare Suinno's R. 262A application inadmissible is therefore correct.

Alternative requests

53. The alternative request made by Suinno to "move" the filing date of the main infringement action to 17 September 2024 was raised for the first time on appeal and shall be rejected as inadmissible under Rule 222.2 as Suinno did not provide any reason why this request was not submitted during the proceedings before the Court of First Instance.
54. The alternative request made by it for a reimbursement of court fees shall be rejected, as such a possibility is neither provided for in the UPCA nor in the Rules of Procedure.

Costs

55. Considering that proceedings are still pending before the Court of First Instance, the costs of the proceedings, including those of this appeal, shall be determined by the Court of First Instance (see Court of Appeal Order of 03 April 2024 in Juul/Njoy, APL_588420/2023, UPC_CoA_433/2023, and Order of 24 September 2024 in Oppo/Panasonic, APL_32345/2024, UPC/CoA_298/2024).

Other grounds

56. Given the assessment in relation to the inadmissibility of the application, there is no need to examine the other grounds brought forward by the parties. As the subject-matter of this appeal is limited to admissibility of Suinno's application of 9 April 2024 pursuant to R. 262A RoP, it is not for the Court of Appeal to decide as to whether [REDACTED] can represent Suinno in the infringement case pending before the Court of First Instance. This, however, will have to be decided by the Court of First Instance. When deciding, the Court of First Instance may consider the order of the Court of Appeal of 8 February 2024, UPC_CoA_404/2023, App_584498/2023, para 10 et seq., - Ocado/Autostore."

ORDER

The appeal is rejected.

This order was issued on 11 February 2025

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