

**EIP**

# UPC Court of Appeal guidance on stay

## **BITZER Electronics A/S v Carrier Corporation (UPC\_CFI\_263/2023; UPC\_CoA\_22/2024)**

### **Order of 28 May 2024 (ORD\_25123/2024)[1]**

Carrier Corporation is the proprietor of European Patent EP 3 414 708 valid in France, Germany and the United Kingdom.

BITZER Electronics filed a notice of opposition, against this patent, with the European Patent Office (EPO) on 28 June 2023 and a revocation action before the Paris seat of the Central Division of the UPC on 29 June 2023. The oral hearing for the revocation proceedings before the UPC is scheduled for 21 June 2024, while the oral hearing before the EPO is scheduled for 25 October 2024.

In respect of these two proceedings, which were commenced simultaneously, the patent proprietor requested that the proceedings before the UPC be stayed pending the outcome of the opposition proceedings before the EPO. This request was rejected by the Court of First Instance by decision of 8 January 2024 and by the Court of Appeal of the UPC by decision of 28 May 2024.

The patent proprietor argued that the Court of First Instance failed, *inter alia*, to set out clearly the test to be applied in granting a stay, and to take account of the fact that an accelerated proceeding had been requested before the EPO, and that the Court of First Instance erred in its interpretation of Rule 295(a) RoP.

On the basis of general principles of law, such as Article 6 of the European Convention for the Protection of Human Rights and Fundamental Freedoms and Articles 41(3), 42 and 52(1) UPCA, the Court of Appeal held that proceedings before the UPC must be conducted in such a way that the final oral proceedings can be held within one year.

In order to respect these principles, the Court will generally not stay proceedings. However, the Court may stay proceedings under certain conditions, which it explained in the order against Carrier Corporation and BITZER Electronics.

Article 33(10) UPCA and Rule 295(a) RoP provide that a stay of proceedings may be granted pending the outcome of the EPO proceedings “when a rapid decision may be expected from the EPO” or if such a decision “may be expected to be given rapidly”.

The UPC has a discretionary power to decide whether a stay is the best option, having balanced the interests of the parties.

The Court held that the mere fact that there are two proceedings, one before the UPC and the other before the EPO, is not sufficient to justify a stay, as there is no prohibition on a person bringing proceedings before the UPC and the EPO at the same time.

The principle of avoiding irreconcilable decisions is not an argument for the Court either. These decisions are not irreconcilable for the Court of Appeal because if one decision upholds the patent and the other revokes it, the only consequence is that the latter decision prevails over the other. In addition, the authority which takes the last decision may take the first decision into account.

The only exception accepted by the Court is the fact that the decision from the EPO is expected “rapidly”. According to the UPC, this notion of “rapid” or “rapidly” depends on the specific characteristics of each case, such as the stage of the opposition proceedings and the stage of the revocation proceedings.

Finally, the fact that the proceedings before the EPO are accelerated is not in itself sufficient to qualify as a decision that “may be expected to be given rapidly” to justify a stay.

In the present case, the Court of Appeal held that there was no reason to stay the proceedings before the UPC because a rapid decision by the EPO was not to be expected. Indeed, the revocation proceedings before the UPC are in their final stage, with the oral hearing scheduled on 21 June 2024, well before the EPO decision. Moreover, according to the Court, if the aim is to avoid unnecessary duplication of proceedings and irreconcilable decisions, a stay of the revocation proceedings until the final decision from the EPO (i.e.

after any appeal) would be necessary. Such a stay is contrary to the principles of the UPC of short duration of proceedings and the idea of a "rapid" decision.

p3

[1] <https://www.unified-patent-court.org/en/node/757>