22 August 2024

EIP



UPC Jurisdiction over Ireland: Not so fast says Court of Appeal

On 19 August 2024, the Court of Appeal (CoA) of the Unified Patent Court issued its order <u>(UPC_CoA_388/2024_APL_39884/2024)</u> on an application for suspensive effect in the appeal by Sibio Technology Limited and Umedwings Netherlands BV (Sibio) against a recent decision by The Hague Local Division. Our commentary on the Local Division's decision can be found here: <u>Abbott v. Sibio: a tale of two applications for provisional measures .</u>

The Local Division granted provisional measures to Abbott Diabetes Care, Inc. (Abbott) in respect of EP2713879 (EP'879) relating to Continuous Glucose Monitoring (CGM) devices used in the management of diabetes. EP'879 is in force in UPC Member States Germany, France, the Netherlands and Ireland and the provisional measures were granted in respect of all these states. Ireland has, of course, not yet ratified the UPC Agreement. The CoA has now granted suspensive effect in respect of one aspect of the decision, i.e. the preliminary injunction applying to Ireland.

The substantive issue addressed by the CoA was whether Sibio's interest in maintaining the status quo (no preliminary injunction in Ireland) until the decision on its appeal exceptionally outweighs Abbott's interest. It was only in this circumstance that the CoA could justify an exception to the **principle that the appeal has no suspensive effect (as provided in Article 74(1) of the Agreement on a Unified Patent Court (UPCA)).**

CoA explained that such **an exception may apply if a) the order under appeal is manifestly erroneous**, or b) if the enforcement of the decision under appeal would make the appeal devoid of purpose, and agreed with Sibio that the Local Division's order for preliminary injunction extending to Ireland was manifestly erroneous.

As pointed out in our commentary at the time, Abbott's application before the Local Division set out that "The Patent is valid and in force in the Contracting Member States of Germany, France, The Netherlands and also Ireland. It is also in force in the UK." The Local Division read this to mean that Abbott wished the order to also cover Ireland (but not UK), even though Ireland has not yet ratified the UPC Agreement. **CoA held that this reasoning is clearly erroneous as only countries that have not only signed but also ratified the UPCA are Contracting Member States as Article 84.2 UPCA provides that the Agreement shall be subject to ratification in accordance with the respective constitutional requirements of the Member States. Therefore, a Member State that has signed can only be regarded as a Contracting Member State and thus cannot be considered to be covered by Abbott's request for a preliminary injunction.** Hence, the Local Division awarded more than was requested, which is contrary to Art. 76 UPCA ("The Court shall decide in accordance with the requests submitted by the parties and shall not award more than is requested.").

Sibio did not challenge competence of the Court with respect to Ireland before the Local Division but CoA also held that this does not count against Sibio as it could not have expected the Court's erroneous interpretation of Abbott's claim. Hence, suspensive effect of appeal was granted so far as the Local Division's order extended to Ireland and rejected so far as it was requested for Germany, Farnce and the Netherlands.

It is very striking that the Court of Appeal decided the issue solely on the basis of what Abbott's request had been, and applying Art. 76 UPCA. It therefore made no ruling as to whether Abbott could have obtained a preliminary injunction in respect of Ireland, had that been correctly requested. The Brussels Regulation on jurisdiction suggests jurisdiction extending outside of the UPC Contracting Member States may be possible in respect of preliminary injunctions, but does not clearly define the limits of this power. Article 71b (2) of the Regulation states "Application may be made to a common court [such as the UPC] for provisional, including protective, measures even if the courts of a third State have jurisdiction as to the substance of the matter". It seems that the Court of Appeal wishes to defer clarification of the meaning of this provision until such a time as the issue is inescapable.