



CFI clarifies scope for preliminary objections

Order ORD_576853/2023 [1] dated 29 Sept 2023 **by Local Chamber Munich (Presiding Judge and Rapporteur Mr. Zigann)** in the case **Edwards Lifesciences Corp. vs. Meril GmbH and Meril Life Sciences Pvt. Ltd.**

Introduction

Edwards (in the following “Claimant”) filed a patent infringement action against Meril (in the following “Defendant”) on the start date of the UPC (01 June 2023) concerning EP 3 646 825. The patent relates to a system comprising a prosthetic valve and a delivery catheter. Both, Edwards (US) and Meril (India), are companies in the field of medical devices.

On 1 Sept 2023 the Defendants filed a preliminary objection (Rule 19.1 of the Rules of Procedure, in the following “RoP”) and further requests in the workflow of the infringement proceedings and named it “statement of defence”. The Claimant replied to this as a “replica” in a written statement.

The Defendants made several requests. We will address the most interesting ones in this report:

1. Declare the action in part inadmissible because of

a) the lack of jurisdiction of the Court (Rule 19.1(a) RoP) as the Claimant seeks a decision with effect “in the area of application of the UPCA by the time of the oral proceedings - except in Malta”;

b) the lack of jurisdiction of the Court (Rule 19.1(a) RoP) insofar as the Claims relate to periods prior to 1 June 2023;

c) the lack of jurisdiction of the Munich Local Chamber (R. 19.1(b) RoP) with regard to all requests which relate to an alleged infringement by a system comprising the transcatheter heart valve "Myval Octacor™" and the delivery system "Navigator™";

2. Decide on the objection in an interlocutory decision in accordance with Rule 20.1 RoP;

3. Stay the further main proceedings;

4. Provide adequate security for any costs (Article 69(4) UPCA; Rule 158.1 RoP);

5. Stay the proceedings pending a preliminary ruling by the Court of Justice of the European Union pursuant to Article 267(2) TFEU in accordance with Rules 295(i), 266.5, first sentence, RoP.

The Claimant requested to reject the preliminary objections and all further requests.

In the following we will summarize the main findings of the Court's Order.

Correct Use of CMS

In its order the Judge Rapporteur (in the following "JR") first made clear how important it is to use the CMS correctly. According to Rule 4.1 sentence 2 RoP "parties shall make use of the official forms available online". These forms also include separate workflows. A preliminary objection (Rule 19 RoP) should have been a new workflow in the CMS. The Defendant filed its submission titled "statement of defence" (instead of correctly "preliminary objection") in the same workflow of the infringement proceedings.

This would generally lead to a rejection of the "preliminary objection" as well as the further requests as inadmissible.

In the present case, the submission as a "statement of defence" had the effect that the Claimant's reply has been filed as a "replica" and **the CMS will assume that the written procedure on the merits has been concluded after the next pleading has been filed as a "duplicate"**.

The JR was nevertheless benevolent, since the system is new to everyone and treated the Defendants' submission as admissible. Nevertheless, he commented that "whether and how this mess can be repaired by the system administrators is currently open."

Def. Requests #1 and #2 – lack of jurisdiction / interlocutory decision

According to Rule 20.2 RoP the JR informed the parties that the preliminary objection is to be dealt with in the main proceedings (which means that request #2 of the Defendants was rejected).

a) The Defendants argued that, in the event that further member states in which the patent-in-suit is validated ratify the UPCA between the filing of the action on 1 June 2023 and the date of the oral proceedings, **an "automatic" extension of the action** will occur, which would be inadmissible. The JR made clear that this is a purely **hypothetical question**. Concrete ratification steps of further Contracting States are not known at present. This question can therefore be clarified in the main proceedings (Rule 20.2 RoP), should it arise.

b) The Defendants assumed that the UPC has no **jurisdiction to decide on acts of infringement committed before the entry into force of the UPC Agreement on 1 June 2023**. The JR stated that this view is wrong in law. The UPC has jurisdiction over infringement acts committed before the entry into force of the UPC Agreement (Art. 3 c) and 32.1. a) UPCA). However, since this objection only concerns a part of the allegations in the Claim, the main proceedings would have to be continued anyway. Therefore, it is appropriate to deal with the objection in the main proceedings (Rule 20.2 RoP).

c) The Defendants further argued that the **question of jurisdiction is to be answered in a differentiated manner according to individual attacked embodiments or combinations of such attacked embodiments**. Again, the JR stated that this view is legally wrong. In the context of Art. 33.1 b) UPCA, the question is whether the **“same alleged infringement”** is involved. In the present case, the relief sought is that the court should generally prohibit the Defendants from further use of the technical teaching of the patent in suit. Consequently, all specifically named products or sets concern the “same alleged infringement” within the meaning of Article 33.1(b) UPCA. The JR made clear that the Munich local chamber is competent for the first Defendant at least because it has its seat in Bonn and thus in the Federal Republic of Germany. The argumentation used by the Defendant in this respect that for a selection within the competent German local chambers not the will of the party bringing the action but national law would apply due to a lack of norms of the UPC law is absurd. This is already shown by the consideration that this approach does not answer the question of jurisdiction for defendants domiciled in the areas without a local chamber, especially in the east of Germany. On this basis, the JR explained, that the Munich local chamber is also competent for the second Defendant at least according to Art. 33.1 b) EPC, because it has a continuous **“commercial relationship”** with the first Defendant concerning the infringing objects and the same infringement allegation is involved.

Subject of a preliminary objection

Concerning the further requests (e.g. #3, #4 and #5 see below) by the Defendants, the JR stated that they **cannot (actually) be made the subject of a preliminary objection**. The possible subjects of a preliminary objection are listed exhaustively in Rule 19.1 a) RoP. Questions of stay due to pending parallel proceedings, for example, are not among them. The JR made clear that also the further objections will be dealt with by the Court in the main proceedings and that a stay of proceedings (Def. requests #3 and #5) (and a referral to the European Court of Justice) is not necessary at this point in time.

Def. Request #4 – security for costs

A request according to Rule 158.1 RoP cannot (actually) be made the subject of a preliminary objection (see above). A security for costs order is within the discretion of the court (Art. 69(4) UPCA; Rule 158.1 RoP). The JR exercised the discretion granted to him to decide on the request immediately within the order. He did not order a security for costs and explained that the prerequisite for a successful request would be the demonstration that the financial circumstances of the other party give rise to fears that a possible claim for reimbursement of costs cannot be served or that despite sufficient financial means an enforcement of a decision on costs appears to be impossible or fraught with particular

difficulties. The Defendants argued that due to a lack of precedent, there is a great legal uncertainty as to how the US will deal with decisions of this court. The JR did not follow this argumentation and stated that judgments of foreign courts as well as associated cost decisions can in principle be recognized and enforced in the US. That this could be different with decisions and orders of this court or that it is seriously to be expected is neither submitted nor otherwise evident.

[1] https://www.unified-patent-court.org/sites/default/files/upc_documents/2023-09-29-ld-munich-upc_cfi_15-2023-ord_576853-2023-app_459987-2023-einspruch-im-hauptverfahren-anonymized.pdf (In German)