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Court of Appeal Upholds Decision on Provisional Measures

Biolitec Holding GmbH & Co. KG v Light Guide Optics Germany GmbH and S.I.A. LIGHTGUIDE International (UPC_CoA_563/2024, APL_53716/2024)

Court of Appeal Order dated 24 February 2025 [1]

Background

This decision concerns an appeal brought by Biolitec Holding GmbH & Co. KG ("Biolitec") against the dismissal of its application for provisional measures by the Court of First Instance, Düsseldorf Local Division. The provisional measures sought to prevent Light Guide Optics Germany GmbH and S.I.A. LIGHTGUIDE International ("Lightguide companies") from using, offering, and selling the contested embodiment known as "Infinity Side Fiber." The patent in suit (EP 3 685 783) relates to a laser fibre for minimally invasive radial laser therapies.

Necessity of Provisional Measures

According to Article 62 of the Agreement on a Unified Patent Court (UPCA) and Rule 211.1 of the Rules of Procedure of the Unified Patent Court (RoP), the Court may order provisional measures against a defendant, such as an injunction, delivery up, and/or an interim award of costs to the applicant.

Pursuant to Article 62(2) UPCA and 211.3 RoP as explained by the Court of Appeal in this decision, the Court may use its discretion on a case-by-case basis to grant provisional measures to the applicant. This includes a time factor, so the Court may assess whether the merits of the application can be assessed during regular proceedings, or whether an

interim injunction, for example, is necessary to better protect the applicant from "irreparable harm" (Rule 206.2(c) RoP), albeit that irreparable harm is not a necessary condition in all cases.

The burden is on the applicant to demonstrate the necessity of provisional measures, for example to prevent threatened infringement or to forbid the continuation of alleged infringement, in accordance with Rule 206.2(c) RoP.

Grounds for the Appeal

In the appeal, Biolitec presented five arguments to the Court:

(1) Incorrect Application of the Necessity Test

Biolitec claimed that the Court of First Instance incorrectly relied on a necessity test for provisional measures (outlined in Article 62(2) UPCA and Rule 206.2 (c) RoP) and submitted that the criterion of necessity is a mere "formal requirement". Moreover, Biolitec claimed that an isolated necessity test exceeds the sufficient degree of certainty that is to be proven by an applicant (Rule 211.2 RoP). Biolitec claimed that Article 62(2) UPCA and Rule 206.2(c) RoP should be interpreted in the context of the Enforcement Directive, which does not provide basis for a necessity test.

The Court concluded that Biolitec's arguments regarding the incorrect reliance on the necessity test were not persuasive. The Court emphasized that the necessity requirement outlined in Article 62(2) UPCA and Rule 206.2(c) RoP is not a mere formal requirement and should be considered when issuing provisional measures under Rule 211 RoP.

(2) MEDICA Trade Fair

Biolitec also submitted that the Court of First Instance should have considered the MEDICA trade fair in November 2024 as a reason to issue provisional measures. Biolitec claimed that Lightguide companies might exhibit the contested "Infinity Side Fiber" at the trade fair, which may harm their market position.

The Court noted that while the contested product was exhibited at MEDICA 2023, this alone does not sufficiently indicate it would be exhibited again in 2024. The Court emphasized that participation alone in the trade fair does not make it likely that the contested product will be exhibited. Therefore, the Court concluded that Biolitec's argument did not justify the necessity of provisional measures.

(3) Stock Management

Biolitec presented evidence through a witness statement claiming that a typical

distributor of Lightguide companies would annually sell around 120,000 units of the contested product. The witness suggested that even a single purchase could significantly impact the market situation due to the high volume of product typically sold. However, Biolitec failed to provide any concrete evidence to substantiate this claim.

The Court concluded that this mere "personal estimate" of purchaser activity was insufficient to justify provisional measures, as it could not be assessed with a sufficient degree of certainty.

(4) Tenders

Lastly, Biolitec submitted that they suffered harm due to competition with Lightguide companies in public tenders. They cited two past tenders in Italy in 2023 but provided no specific information about the tenders themselves. The Court noted that Lightguide companies did not directly bid in the 2023 tenders, rather, it was their local distributor who participated, and that the patent was not granted at that time.

Here, the Court found Biolitec's arguments to be speculative and concluded that there was no evidence of ongoing competition regarding tenders.

(5) Price Erosion

During the oral hearing, Biolitec introduced a new argument, claiming that the alleged infringing activities of Lightguide companies would result in a reduction in price of their product. They claimed that moving from a market situation with only one product to one with two competing products could lead to price erosion. This argument had not been presented to the Court of First Instance.

The Court found this argument unconvincing. Aside from the fact that the arguments lacked any substantiation, Rule 222.2 RoP allows the Court of Appeal to disregard any new arguments and evidence not presented during the initial proceedings. Biolitec failed to demonstrate that this newly introduced argument could not have been raised before the Court of First Instance.

Decision

The Court rejected the appeal, as Biolitec failed to demonstrate that provisional measures were necessary for any reason that could not await the decision on the merits. They further failed to prove any potential irreparable harm which may result from the refusal of a provisional injunction under Rule 211.3 RoP.

Biolitec was ordered to bear the costs of the appeal proceedings.