

EIP

Mannheim Local Division Finally Dispenses with Service by Hague Procedure

**Panasonic Holdings Corporation v Xiaomi H.K. Limited (UPC_CFI_330/2024,
UPC_CFI_332/2024 and UPC_CFI_335/2024)**

Orders of 1 August 2023 (ORD_44601/2024, ORD_44597/2024, ORD_44656/2024)[1]

Panasonic has commenced infringement actions against a number of Xiaomi entities at the Mannheim Local Division of the UPC. In relation to the entities in China and Hong Kong, there have been repeated failures of service of the action on the defendant. Panasonic initially tried to serve the Chinese and Hong companies at the address of the German company, but service was refused by the German company and the court declined to order that service could be validly effected on the German company without at least an attempt being made to effect service according to the Hague Service Convention as required by Rule 274 RoP[2]. Panasonic appealed this order, but the Court of Appeal affirmed the first instance ruling[3]. (The Court of Appeal made similar rulings in other cases against Xiaomi at the same time[4], consistent with its rulings in earlier cases relating to other defendants in Hong Kong and China[5].) The court later ordered that the actions against the Hong Kong entity and the Chinese entities each be split from the original infringement action where the other defendants had already been served and these actions were given new case numbers[6]. This resulted in the captioned three cases in respect of the Hong Kong defendant, for the three patents being asserted (EP 3096315, EP 2568724 and EP 2207270).

The claimant had provided the court with the Chinese language translations required for service in Hong Kong, and the UPC Registry transmitted the documents prescribed by the

Hague Service Convention to the responsible receiving authority for Hong Kong. These documents were returned with a note stating that service would not be effected because some of the documents were not provided in duplicate, and the documentation referred to “Hong Kong”, which was asked to be corrected to “Hong Kong, SAR, China” (SAR standing for Special Administrative Region).

The Mannheim Local Division was firmly of the view that the objections raised lacked any merit. It considered that there is no requirement in the Hague Service Convention for all documents to be provided in duplicate, and the ones that were required to be provided in duplicate, such as the statement of claim, had been. It considered the request concerning “Hong Kong” to be censorship, and noted that there was no legal basis for the court itself to modify the documents as formulated by the claimant. It considered that the Hong Kong receiving authority had acted contrary to its international treaty obligations under the Hague Service Convention. The court therefore held that there need be no further attempt at service, and also that the six month time limit provided by Article 15 of the Hague Service Convention, which is usually required before the procedure for service as prescribed by the Hague Service Convention can be dispensed with, need not apply.

The court held that all other methods of actual service had been exhausted – the German company had refused service, as had Xiaomi’s representative at the UPC. Accordingly, the Court turned to the alternative forms of service under Rule 275 RoP, and ordered that the steps already taken constituted valid service. It ordered a notice to be published on the UPC homepage, stating in respect of each proceedings that an order replacing service was issued on 1 August 2024. Additionally, it was ordered that the order should be sent by registered letter with acknowledgement of receipt to the defendant’s UPC representative, who was known from proceedings before the Munich local division, but the court emphasised that this step is not a prerequisite for the alternative service order to be effective.

It can be seen that the claimant and the court has been through a complex and ultimately fruitless exercise in order to try to effect service as prescribed by the Hague Service Convention, but at the same time repeated Court of Appeal decisions have stated that these steps cannot be waived before alternative service can be authorised. It does not seem likely that the Court of Appeal will suddenly change its view and allow defendants in China or Hong Kong to automatically be served by other means while the current Rules of Procedure are in force. Amending the Rules of Procedure seems unlikely, since the Court of Appeal notes ([3] at 26-29) that the Hague Service Convention affects relations between its contracting parties and thus has broader significance than any individual litigation case. It does not appear open to a court to simply disapply its provisions. This leaves claimants in the position of having to jump through futile hoops just to get to the stage

that a court can lawfully dispense with service as prescribed by the Hague Service Convention.

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[1] <https://www.unified-patent-court.org/en/node/971>, <https://www.unified-patent-court.org/en/node/970> and <https://www.unified-patent-court.org/en/node/972>

[2] <https://www.unified-patent-court.org/en/node/519> , reported <https://eip.com//knowledge hub/article/service on defendants outside the jurisdiction/>

[3] <https://www.unified patent court.org/en/node/988>

[4] <https://www.unified patent court.org/en/node/989>
<https://www.unified patent court.org/en/node/991>

[5] <https://www.unified patent court.org/en/node/960>
<https://www.unified patent court.org/en/node/959>

[6] <https://www.unified patent court.org/en/node/696>,
<https://www.unified patent court.org/en/node/697> and
<https://www.unified patent court.org/en/node/698>, reported
<https://eipamar.com/en/knowledge hub/article/splitting proceedings in respect of multiple defendants>