

EIP

Provisional Injunction granted by the Unified Patent Court

myStromer AG v Revolt Zycling AG, Order of 22 June 2023 and Order of 30 June 2023 [1]

The UPC - Düsseldorf Local Division - has issued its first ex parte provisional injunction only recently published on the UPC's website. The order sheds light on how the Düsseldorf Local Division applies the provisions of the UPCA and the Rules of Procedure. While to some extent the German judges tend to continue essentially tried and tested legal traditions, there are several UPC specific aspects that arise from the order. Here are some key takeaways:

In the myStromer decision the Court considered a **protective letter**, which is essentially a pre-emptive statement of defence by a person who considers it likely that an application for provisional measures may be lodged against him, R. 207 of the Rules of Procedure ("RoP"). While the use of protective letters is well known in the UPC member states in the context of unfair competition, it is less well known in patent law. However, in some Member States, including Germany, an established practice of protective letters in patent cases has developed, e.g. in the pharmaceutical generic sector. Protective letters aim to avoid ex parte decisions. However, they sometimes fail to do so. This is what happened in the myStromer case. Here, the UPC nevertheless granted an ex parte provisional injunction finding that the two arguments put forward in the protective letter (non-infringement and exhaustion) were not convincing. The example of the myStromer order shows that protective letters do not necessarily avert ex parte injunctions. In fact, in some cases, e.g. where there is no substantial line of defence, a protective letter could even be detrimental because without a protective letter on file the court may be more inclined to hear the defendant before granting a provisional injunction. A potential

defendant should therefore carefully consider in each case whether to file a protective letter.

Further, the myStromer decision gives insight on the extent to which judges **exercise their discretion when issuing a provisional injunction**. Some are of the opinion that the UPCA - in deviation from the common national practice in many member states - provides that judges must weigh the interests of the parties involved on a case-by-case basis in a detailed manner as a prerequisite for granting injunctions, cf. Art. 62(2) of the UPCA. The myStromer decision does not include such a detailed weighing of interests. Instead, the Court held that “[o]n this basis, the Court, exercising its discretion (R. 209.2 of the Code of Procedure), considers that the issuance of an injunction is appropriate and justified as shown in the operative part (Art. 62 para. justified (Articles 62(1), 25 UPCA).” This degree of reasoning is in line with the decision-making practice of German courts.

The order also sheds light on how an **interim award of costs** for provisional measures according to R.211.1 (d) is dealt with: myStromer had requested an amount of €16,000.00 as an interim award. The UPC did not grant the full amount, but only an award amounting to the actual court fees of €11,000.00. It found that the applicant had not substantiated the rest of the sum sought. Two takeaway points from this are that (i) the court fees practically constitute a bottom amount for an interim award and that (ii) the award may well be higher if incurred higher costs are substantiated.

In addition to that, the UPC has ordered the **seizure of infringing** products, Art. 62(3) UPCA, R. 211.1 (b) RoP and a **recurring penalty payment** of up to 250,000.00 € for each case of infringement, Art. 62(1) UPCA, R. 354.3. The amount of the penalty ordered complies with the ceiling according to German procedural law. [2] However, due to the generic wording of Art. 62(1) UPCA [3] and R. 354.3 RoP [4], penalty payments are likely not limited to a certain amount or even type as long as the value of a penalty payment has “regard to the importance of the order in question”, R. 354.3 RoP. While the limit according to German procedural law is clearly not exhaustive it may act as an orientation (at least in UPC proceedings before a German Local Division). Regarding the type of penalty payment, it is probably also possible to deviate from a maximum penalty for “each case of infringement” as in the present order by instead setting a concrete penalty for each product sold (e.g. 2,000.00 € per product [5]). This could potentially be beneficial having a higher deterrent effect.

Finally, the myStromer decision also provides an interesting example of how an **application for rectification of an order** is treated. The applicant had originally requested an injunction for “the contracting member states of the UPC, provided that the patent is in force in these states”, which would theoretically cover Austria, Germany, France, Italy,

and the Netherlands. However, the injunction was ordered for “Germany, the Netherlands, France and/or Italy” only, i.e. without covering Austria. The applicant requested that the operative part of the order be rectified to include Austria arguing that the omission of Austria was an “obvious slip” within the meaning of R. 353 RoP. The UPC, however, rejected this application for rectification. According to the judges, an obvious slip required that a “declaration of the judicial intention in the decision or order must deviate from the intention present when the decision was made”. However, the judges did not find any such a deviation in the present order. It stated that the auxiliary request which was granted by the Court only mentioned “an order for provisional measures in respect of Germany, the Netherlands, France and Italy.” Therefore, the Court found that there was “obviously no deviation from the order and the intention present when the order was made.” According to the UPC, the fact that the main request did refer to “the contracting member states of the UPC, provided that the patent is in force in these states” did not lead to a different result as myStromer had also not referred to Austria in the justification of an act of infringement. This allowed “no other conclusion than that the lack of mention of Austria in the auxiliary request underlying the order is not a clerical error, but that the request expressed in the application refers exclusively to Germany, the Netherlands, Italy and France, despite the more generally worded main request.”

This further decision shows (i) that the procedure for rectification of an order has only a very limited scope and (ii) that the applicants/claimants must take care to make the desired territorial scope of an injunction clear not only in the requests but also in the justification of the infringement.

[1] https://www.unified-patent-court.org/sites/default/files/upc_documents/23-06-22-ld-dusseldorf-order-rop212-upc_cfi-177-2023-anonymized-1.pdf and https://www.unified-patent-court.org/sites/default/files/upc_documents/23-06-30-ld-dusseldorf-order-rop353-upc_cfi-177-2023-anonymized-1.pdf

[2] Sec. 890(1) of the German Code of Civil Procedure [Zivilprozessordnung, ZPO].

[3] “The Court may, by way of order, grant injunctions against an alleged infringer ... to prohibit, on a provisional basis and subject, where appropriate, to a recurring penalty payment, the continuation of the alleged infringement”

[4] “The Court’s decisions and orders may provide for periodic penalty payments payable to the Court in the event that a party fails to comply with the terms of the order or an earlier order. The value of such payments shall be set by the Court having regard to the importance of the order in question.”

[5] Cf. BeckOK PatR/Augenstein, 28. Ed. 15.4.2023, EPGÜ Art. 76, para. 53 (German source).