

EIP



Steps needed following evidence preservation order

**Progress Maschinen & Automation AG v AWM Srl and Schnell S.p.A
(UPC_CFI_286/2023 and 287/2023; UPC_COA_177/2024)**

Court of Appeal Order dated 23 July 2024 (ORD_36778/2024) [1]

Progress Maschinen & Automation AG (“PMA”) was granted orders for preserving evidence^[2] against each defendant which were executed on 17 October 2023. The experts appointed by the court lodged their reports on 18 October 2023. Some four months later, on 16 February 2024, PMA filed a request for access to the expert reports. By order of 8 April 2024^[3] the panel of the CFI ruled that the request was made out of time and the evidence gathered was to be returned.

PMA appealed and applied for suspensive effect which was granted by the Court of Appeal by order dated 2 May 2024^[4].

Decision

The Court of Appeal overturned the panel’s decision and referred the action back to the CFI to deal with PMA’s request for access.

The Court first noted the confidentiality provisions included in the orders of 17 October 2023. These provided in essence that the defendants should be given an opportunity to comment on confidentiality after the written report has been provided. If the defendants did not make a request for review this would imply tacit approval for full disclosure. Even in that case access was to be subject to express authorisation by the CFI.

The Court took the view an application for preservation of evidence or inspection of

premises within the meaning of Article 60 and Rules 192 et seq. implies a request to disclose to the applicant the outcome of the measures, including the written report. The legitimate purpose of the measures is the use of the evidence in proceedings on the merits of the case (Rules 196.2 and 199.2 RoP) and disclosure of the evidence to the applicant is indispensable for that purpose. Further, Rules 196.1 and 199.1 RoP provide that the Court may impose restrictions on disclosure which confirms that the procedure is aimed not only at the preservation of evidence / inspection of premises, but also at the disclosure of the evidence to the applicant.

The order to disclose must be subject to protection of confidential information. The Court must hear the defendant before deciding whether and to what extent to disclose the evidence. If the defendant requests confidentiality the applicant must itself be given an opportunity to respond. A failure by the defendant to apply for a review of the order cannot be considered as a tacit approval of the disclosure of evidence.

The Court concluded that a request for disclosure was inherent in the applications which PMA made. PMA expressly requested the CFI to make a report "such that the Court can release that information to [PMA] which [PMA] needs to prepare the action on the merits". The CFI should have decided on that request without requiring a further request from PMA.

~~Time period for bringing an action~~

Rules 198.1 and 199.2 RoP specify that the time period for bringing an action on the merits runs from the date specified in the order, taking into account the date when the report referred to in Rule 196.4 RoP is to be presented. These rules must be interpreted in light of the purpose of using the outcome of the measures in proceedings on the merits (Rules 196.2 and 199.2 RoP). The order must specify a time period that starts to run from the date of disclosure of the evidence to the applicant (or from the date of a final decision not to disclose).

The CFI's order required express authorisation of the Court before disclosure of the report. The mere expiry of time was not sufficient to start the period for commencing proceedings. That would start when PMA gains access to the evidence. No order granting or refusing PMA access had yet been made and so time had not started to run. Accordingly the subsequent action on the merits that PMA lodged was made in time.

It seems that the CFI failed to grasp how the procedure following an evidence preservation order was supposed to work, resulting in the claimant waiting for the court to take action, while the court wrongly thought that the onus was on the claimant to make a further request for access to the report. This has resulted in a rather messy procedural

situation which the Court of Appeal has made a valiant effort to resolve, while explaining the procedure to prevent such a scenario from arising again.

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[1] <https://www.unified-patent-court.org/en/node/936>

[2] <https://www.unified-patent-court.org/en/node/460>, reported <https://eip.com//knowledge-hub/article/milan-local-division-grants-inspection-order/>

[3] <https://www.unified-patent-court.org/en/node/654>, reported <https://eipamar.com/en/knowledge-hub/article/bringing-an-action-following-preservation-of-evidence/>

[4] <https://www.unified-patent-court.org/en/node/693>