

EIP

UPC grants provisional injunction ex parte on motorbike helmet intercoms system

Cardo Systems, Ltd. v Shenzhen Asmax Infinite Technology Co., Ltd. and Hong Kong Yiheng International Technology Co. Limited (UPC_CFI_643/2024 relating to EP4240194)

Order of 5 November 2024 (ORD 59913/2024 [1])

This Decision from the Local Division of the Unified Patent Court in Milan relates to EP4240194. The Applicant, Cardo Systems, Ltd. (“Cardo”), requested a provisional injunction against Shenzhen Asmax Infinite Technology Co., Ltd. and Hong Kong Yiheng International Technology Co. Limited (“ASMAX”), to prevent the showcasing and sale of ASMAX’s allegedly infringing products at the “International Motorcycle Exhibition” (“EICMA”) between 5 and 10 November 2024.

The Court granted the requested provisional injunction, ordering ASMAX to refrain from any further acts of infringement according to Art. 62 (1) UPCA and R. 211(1)(a) RoP.

Ex parte process

On 29 October 2024, Cardo purchased and analysed two of ASMAX’s products: Z1-ASMAX and F1-ASMAX. Based on the analysis, Cardo filed a request for a provisional injunction on 4 November 2024 and argued that the aforementioned ASMAX’s products infringed one of Cardo’s recently granted patents for a motorcycle helmet intercoms system: EP4240194.

Cardo argued that Z1-ASMAX and F1-ASMAX were direct competitive products, and they

were sold at a significantly lower price compared to Cardo's product, resulting in an unreasonable gain and unfair competitive advantage for ASMAX. The relatively long life cycle of the products between 3 and 5 years, resulting in infrequent user purchases, was also presented to the Court to justify potential harm to Cardo and the time-sensitivity of the matter at hand: ASMAX was set to attend EICMA 2024, described by Cardo as one of the most relevant trade fairs in the world for the motorcycle industry, between 5 and 10 November 2024.

Referring to the Decision 15 October 2024 (Ericsson v. Asustek, UPC_CFI_317/2024 [2]), the Court required Cardo to:

- provide the Court with sufficient evidence to establish:
 - entitlement to initiate proceedings under Art. 47 UPCA;
 - validity of the patent (EP4240194);
 - existence of the alleged infringement, or imminence of such infringement (R. 211.2 RoP);
- indicate the urgency of the case and provide the balance of interest to be considered by the Court.

The Court granted Cardo's request to treat the case as "extremely urgent", given that the Application for Provisional Measures was filed on 4 November 2024, with EICMA 2024 being held between 5 and 10 November 2024, and accordingly the action was decided by a single judge, without hearing the defendant (ex parte), and without holding an oral hearing.

The Court found it reasonable to apply R. 206 (3) RoP and R. 208 (2) RoP for the provisional measures to be ordered without hearing ASMAX based on the time-sensitive nature of the case, and the associated delays caused by inter partes proceedings. The location of the registered offices of ASMAX in China and Hong Kong and the consequent time that would be required for service were taken into consideration for this Decision.

Validity

The Court found EP4240194 likely to be valid in light of:

1. a review of the EPO prosecution history, as the combined use of magnets, snap-lock elements and a securing element, was found novel and inventive over the cited prior art documents US 2014/173811 A1, US 2015286 117 A1 and US 2006/133068 A1.
2. a comparable patent that had been granted in the United States with the same claim language.

While validity of the patent was sufficiently met to grant provisional measures, the Court noted that subsequent validity decisions might be uncertain, as the patent had not been through any oppositions or revocation proceedings at the time of the Court Decision. This justified requiring Cardo to provide a security deposit for the enforcement of the order.

Infringement

Cardo submitted pictures of Z1-ASMAX and F1-ASMAX (purchased from Amazon.de and Amazon.it) as exhibits to prove infringement of independent claim 1 and dependent claims 2,3,5-7 and 11-15 of EP4240194.

The Court agreed with Cardo regarding allegedly infringing features of Z1-ASMAX and F1-ASMAX, such as: a combination of a functional unit, a receiving and a fastening device, magnet pairs in the functional and receiving units and a communication device.

The infringement as such of dependent claim 12 of EP4240194 was only sufficiently proven for one of the two products sold by ASMAX.

Decision

The Court granted the provisional injunction and permitted the service by alternative method and at an alternative place in application of R. 275 RoP: the order was to be served to ASMAX at EICMA 2024 in Milan by the bailiff.

The Court also granted a "delivery up" order: Cardo could enforce the Decision pursuant to Art. 62 (3) UPCA and R. 211(1)(b) RoP requiring ASMAX to deliver to a bailiff of the infringing products and any form of promotional and advertising material regarding the infringing products in the possession or control of ASMAX (direct or indirect), at the EICMA 2024.

In application of Art. 82 (1) UPCA and Rule 354 (1) RoP the Court ordered was effective immediately, but Cardo was ordered the payment of a security deposit of € 100,000. A penalty in the case of non-compliance of € 1,000 per infringement in application of Art. 82 (4) UPCA and Rule 354 (3) RoP was also set.

[1] <https://www.unified-patent-court.org/en/node/1307>

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[2] <https://www.unified-patent-court.org/en/node/1191>