UPC CFI, Local Division Milan, 25 September 2023, PMA v AWM and Schnell

- **IPPT20231201, UPC CFI, LD Milan, PMA v AWM** on access to the application for the order (**Rule 262 RoP**)
- **Provisional measures revoked: IPPT20240408, UPC CFI, LD Milan, PMA v AWM**

PATENT LAW – PROCEDURAL LAW

Ex parte order to inspect premises and to preserve evidence; confidentiality (articles 58 and 60 UPCA, Rules 196, 197 and 199 RoP)

- **Urgency:**

two Girderflex apparatus have allegedly already been sold; at the end of July, another machinery has been offered for sale; AWM will be also present as a confirmed exhibitor at the BIBM Congress in Amsterdam and the commercial offer is still ongoing on AWM's website.

- **Reasons for ex parte**

Data capture is Claimant's main target and it is generally accepted that digital data can be easily hidden or erased if defendants are given previous notice of this kind of application.

- **Experts**

experts are included in the list of patent experts who are used to cooperate with the national Courts, so that the choice guarantees expertise, independence and impartiality, as required by rule 196.5 RoP.

- **Confidentiality**

In accordance with art. 58 UPCA, rule 196.1 (d) and rule 199.1 RoP, the Court orders that the access to any information and document gathered by the experts in charge of carrying out the measure is prohibited, so to ensure effective protection of confidential information.

Whether the Defendants should lodge a request for the review of this order according to **rule 197.3 RoP**, they are expressly invited to comment on any confidentiality interests that they might have after the written expert Report has been submitted by the experts appointed to carry out this order.

- **Security**

Pursuant to rule 196.3 and 196.6 RoP, the Court orders PMA to provide adequate security - also as a condition to the enforceability of this order - for the legal costs and other expenses and compensation for any injury incurred or likely to be incurred by the Defendants, by deposit of the amount of Euro 50.000, equal to 2,5% of the value of the case of Euro 2.000.000.

Source: **Unified Patent Court**

UPC Court of First Instance,
Local Division Milan, 25 September 2023
(Perrotti, Garros Lignieres, Zana)
ACT. N. 565446/2023 - N. 565453/2023
UPC CFI N. 286/2023 - N. 287/2023
ORDER TO INSPECT PREMISES AND TO PRESERVE EVIDENCE

CLAIMANT
PROGRESS MASCHINEN & AUTOMATION AG
- Julius-Durst-Strasse 100, 39042, Brixen, Italy,
represented by Florian Robl, PhD, European Patent Litigators, Patentanwälte Torggler & Hofmann GmbH & Co KG, Wilhelm-Greil-Straße 16, 6020 Innsbruck, Austria

DEFENDANT 1
AWM S.R.L. - SS. 13 Pontebbana, Km. 146 33010 Magnano in Riviera (UD), Italy

DEFENDANT 2
SCHNELL S.P.A. - via Sandro Rupoli, 2, zona Ind. San Liberio 61036 Colli al Metauro (PU), Italy

PATENT AT ISSUE
EP 2726230 (hereafter referred to as EP230) entitled "Method and device for continuously producing a mesh type"; date filing 22.6.2012 / EP230 was granted / Proprietor
PROGRESS MASCHINEN & AUTOMATION AG.

DIVISION
Local Division in Milan

DECIDING JUDGES
This order has been issued by the Court in the following panel:
- Pierluigi PERROTTI presiding judge and judge rapporteur
- Camille GARROS LIGNIERES legally qualified judge
- Alima ZANA legally qualified judge

LANGUAGE OF PROCEEDING
English

SUMMARY OF FACTS AND PROCEDURE
On the 23rd of August 2023 Progress Maschinen & Automation AG (below PMA) has filed two applications for preserving evidence and inspection against AWM s.r.l. and Schnell s.p.a, asking for an ex-parte order. These applications are completely identical and therefore can be here joined and concurrently ruled.
PMA is the proprietor of EP230, that protects a method and an apparatus of continuously producing a lattice girder.
The Claimant has gathered information about the ongoing production, promotion and commercial offer of an apparatus named Girderflex / Girderflex VSX, carried on by AWM, a member company of the Schnell Group since 2022. The applicant claims that the features of these machineries, as described and partially visible in AWM's website, are assumed to replicate all the claims' teachings of his patent. The claimant considers that the proof of the alleged infringement can be obtained only by means of an order for inspection of premises and for preserving evidence granted by the Court, particularly considering that the average price of such a machinery is about 2.000.000 Euro.

ORDER SOUGHT BY THE APPLICANT

In summary, the Applicant seeks:
- detailed description of the allegedly infringing machinery and / or process;
- the preservation and disclosure of digital media and data related to the aforementioned product, material, implement or process and the disclosure of any passwords necessary to access them;
- the inspection of premises or local situations, products, devices, or methods in situ;
all without hearing the Defendants.

POINTS AT ISSUE

1. Jurisdiction and competence
2. Fulfilment of the provisions of rule 192.2 RoP
2.1. Content of the application
2.2. Concise description of the future proceeding in the merits
3. Burden of proof for the applicant under art. 60 UPCA - Reasonably available evidence given by the Claimant
3.1. Rights on a valid patent
3.2. Alleged infringement
4. Requirements under rule 194.2 RoP
4.1. Urgency
4.2. Reasons to grant an order without hearing the defendant - risk of destruction of evidence
5. Payment of court fees
6. Balance of interests and execution of the measures

GROUNDS FOR THE ORDER

1. Jurisdiction and competence

The Unified Patent Court has jurisdiction with respect to the present request, **under artt. 32.1 (c)** and **60.1 UPCA**.

The patent at issue is a European Patent whose proprietor has withdrawn an Opt-Out, in accordance with **art. 83.4 UPCA** and **rule 5.7 RoP**. The patent is in force, inter alia, in Italy, as evidenced by the European Patent Register (Enclosure A).

The Local Division in Milan has competence pursuant to **artt. 32.1 (c)** and **33.1 (b) UPCA**, for the following reasons.

AWM s.r.l. and Schnell s.p.a. both have their registered offices and main places of business in Italy, respectively in Magnano in Riviera (UD) and Colli al Metauro (PU). Extracts from the commercial register for the defendants have been enclosed by PMA as Enclosure F and H. Applications have been filed before the Milan Local Division where the Claimant intends to start proceedings on the merits based on **art. 33.1 (b) UPCA**, in conformance with **rule 192.1 RoP**.

2. Fulfilment of the provisions of rule 192.2 RoP

2.1. Content of the application

The applications for preserving evidence and for inspection contain:
(a) particulars in accordance with **rule 13.1 (a) to (i) RoP**;
(b) a clear indication of the measures requested, including the exact location of the evidence to be preserved where it is known or suspected with good reason (domiciles of the Defendants);
(c) the reasons why the proposed measures are needed to preserve relevant evidence;
(d) the facts and evidence relied on in support of the application.

2.2. Concise description of the future proceeding in the merits

PMA explains that they intend to start proceedings on the merits with respect to the patent infringement committed by AWM s.r.l. and/or Schnell s.p.a., relying on the evidence obtained by the present proceedings, in order to assert their rights according to art. 25. They intend notably to ask for:
- an injunction against the Defendants aimed at prohibiting the continuation of infringement related to EP230;
- appropriate measures with regard to apparatus' infringing the patent at issue;
- damages appropriate to the harm suffered by the Claimant as a result of the infringement;
- legal costs and other expenses incurred by the Claimant;
- information concerning the Court's decision disseminated at the expense of the Defendants.

Consequently, conditions as provided by rule 192.2 RoP are fully met.

3. Burden of proof for the applicant under art. 60 UPCA - Reasonably available evidence given by the Claimant

3.1. Rights on a valid patent

The Claimant sufficiently proved that he is entitled as proprietor of the patent EP230 (see Enclosure A).

Concerning the validity of the patent at issue, it implies from the EPO Board of Appeal decision (see Enclosure B) that:
- opposition proceedings at the European Patent Office related to EP230 have been rejected;
- the Defendants were not parties of the opposition proceedings;
- the patent at issue has been maintained as granted.

Therefore, the validity of the patent at issue - at this early stage - is proved.

3.2. Alleged infringement

EP230 protects a method (see claim 1) and an apparatus (see claim 8) for continuously producing a lattice girder. Structure of claim 1 is presented by the Claimant as follows:

M1 Method of continuously producing a lattice girder (1)
M2 by welding
M2.1 a lower chord arrangement which includes at least one lower chord (2)
M2.2 and an upper chord (3), which is arranged at a specific height (H) in relation to the lower chord arrangement
M2.3 to at least one diagonal member (4) which extends back and forth between the at least one lower chord (2) and the upper chord (3)
M3 wherein welding of the at least one lower chord (2) and the upper chord (3) to the at least one diagonal member (4) is effected by means of a lower chord welding device (5) and an upper chord welding device (6)

M4 wherein the height (H) of the upper chord (3) relative to the lower chord arrangement is changed during the continuous production of the lattice girder (1)
M5 wherein the upper chord (3) is cut prior to a change in its height (H) relative to the lower chord arrangement.
Structure of claim 8 is presented by the Claimant as follows:
A1 Apparatus for continuously producing a lattice girder (1)
A2 the lattice girder (1)] comprising
A2.1 a lower chord arrangement which includes at least one lower chord (2)
A2.2 an upper chord (3) arranged at a specific height (H) relative to the lower chord arrangement
A2.3 at least one diagonal member (4) which extends back and forth between the at least one lower chord (2) and the upper chord (3)
A2.4 wherein the at least one lower chord (2) and the upper chord (3) are welded to the at least one diagonal member (4)
A3 the apparatus for that welding operation includes
A3.1 a lower chord welding device (5) and an upper chord welding device (6)
A3.3 a cutting device (14) for cutting the upper chord (3)
A3.4 a device (10) for height adjustment of the upper chord (3) during the continuous production of the lattice girder (1).
The Claimant has explained that the patent at issue EP 230 allows the continuous production of the lattice girder by changing the height of the upper chord related to the lower cord arrangement.
The Statement of claim indicates that on the website of AWM s.r.l. there are marketed two apparatus for producing a lattice girder called Girderflex and Girderflex Vsx. It is stated that Girderflex is a "*just-in-time lattice girder welding machine featuring automatic height and top wire change of the final produc*t". The Claimant shows a picture of the website and a screen shot of a YouTube video showing a height adjustment of the upper cord.
Therefore, the applicant has sufficiently provided at this stage reasonable evidence to support the claim that its patent has been infringed.
Nevertheless, the Claimant indicates that a cutting device for cutting the upper chord and a device for height adjustment of the upper chord during the continuous production of the lattice girder and the corresponding operations are not visible in this video. This is the reason why the applicant needs an order for gathering more evidence to be able to prove the alleged infringement.

4. Requirements under rule 194.2 RoP

According to **rule 194.2 RoP**, the Court shall take into account the urgency and the reasons to grant an ex-parte order.

4.1. Urgency

The applicant has alleged that two Girderflex apparatus have already been sold by AWM s.r.l. and/or Schnell s.p.a., one to a customer in The Netherlands and another one to a customer in Belgium.
More recently, at the end of July, another machinery has been offered for sale by AWM to an Italian customer (see written witness statement, Enclosure C); AWM will be also present as a confirmed exhibitor at the BIBM Congress in Amsterdam - an important trade fair in this field - which will take place from 27 to 29 September 2023. However, the commercial offer is still ongoing on AWM's website.

4.2. Reasons to grant an order without hearing the defendants - risk of destruction of evidence

Data capture is Claimant's main target and it is generally accepted that digital data can be easily hidden or erased if defendants are given previous notice of this kind of application.
Therefore, it is justified that evidence could be easily removed in case Defendants are informed or heard before the measure.
Consequently, this order needs to be granted without the defendants having been heard since there is a demonstrable risk of evidence being destroyed or otherwise ceasing to be available (**art. 60.5 UPCA**).

5. Payment of court fees

The Court fees have been properly paid, therefore conditions under **rule 192.5 RoP** are fulfilled.

6. Balance of interests and modalities of execution.

6.1. Preliminary remark regarding the presence of two Defendants.

AWM has recently joined the Schnell Group (since June 2022) and therefore it is highly and reasonably probable that the Defendants operate with a centralised archive for electronic data and documents. It implies an inspection at the premises of each of the two defendants.

6.2. The weighting up of the interest of all parties implies granting the measure, considering the potential risk of harm for each of the parties, in the case of granting - for the Defendants - or denial of the measure - borne by the Claimant. Taking into consideration the principle of proportionality, the threat of definitive destruction of the evidence borne by the Claimant is deemed to be prevalent over the Defendants' exposure to the enforcement of the required measures.
In this case, applications seeking an ex-parte orders for inspection of premises and preserving evidence shall be considered as reasoned request in accordance with **rule 199 RoP** and shall be granted as requested by the Claimant.

6.3. Pursuant to rule 196.4 RoP, the authorised measures will be carried out in accordance with the national law of the place where the measures are executed - i.e. Italian law - by two experts, appointed by the Court and namely mentioned in the operative part, in order to proceed simultaneously at the premises of each Defendant. These experts are included in the list of patent experts who are used to cooperate with the national Courts, so that the choice guarantees expertise, independence and impartiality, as required by **rule 196.5 RoP.**
The appointed experts will proceed assisted by the competent bailiff.
Only two representatives of the Claimant, i.e. one of its attorneys one of its experts for each location to be inspected, may be present at the execution of these measures. No other representative, nor any employee of

the Claimant is therefore allowed to be present at the execution of these measures.
The appointed experts shall lodge a written report, together with a full copy of all the documents and data acquired as a result of the execution of the measures, immediately and no later than the day after the execution of the measures.
6.4. Confidentiality
In accordance with **art. 58 UPCA**, **rule 196.1 (d)** and **rule 199.1 RoP**, the Court orders that the access to any information and document gathered by the experts in charge of carrying out the measure is prohibited, so to ensure effective protection of confidential information. The representatives of the Claimant, allowed to be present at the execution of the measures, are obliged to keep confidential any information which comes to their knowledge in the course of the execution of this order and which concerns the commercial activities of the Defendants, also from the Claimant itself and its employees.
Whether the Defendants should lodge a request for the review of this order according to **rule 197.3 RoP**, they are expressly invited to comment on any confidentiality interests that they might have after the written expert Report has been submitted by the experts appointed to carry out this order. Representatives of the Claimant that were allowed to be present at the execution of the measures for inspection of Defendant's premises must be heard. The Court will only then decide whether and to what extent the experts written Report and its enclosed documents are brought to the attention of the Claimant and whether the secrecy order obliging PMA's representatives is lifted. It will be then settled a confidentiality club, in order to identify the relevant information for the case as well as the information considered to be "trade secret" (as defined by EU Directive n. 943/2016 on protection of trade secrets) to be kept confidential so that access will be restricted to specific persons.
In the event that the Defendants should omit, for any reasons, to file the request for review ex rule 197.2 RoP, it will imply a tacit approval for full disclosure of the contents of the experts' report and annex, without limitations or any other condition. In this case too, the access of the Claimant shall be nonetheless subject to a previous express authorisation of the Court. Pursuant to **art. 60.8 UPCA** and **rule 198 RoP**, the measures to preserve evidence and inspect premises shall be revoked or otherwise cease to have effect, at the Defendants' request, if the Applicant does not bring action leading to a decision on the merits of the case before the Court within a period not exceeding 31 calendar days or 20 working days, whichever is the longer, after, as alternatives:
(i) the final decision of the Court on a request for review lodged under rule 197 RoP, that modifies or confirms the order ex parte;
(i) the expiry of the thirty days term provided by rule 197.3 RoP, without a request for review lodged by the Defendants.

6.5. The written Report and any other outcome of the measures to the inspection of premises and to preserve evidence may only be used in the proceedings on the merits of the case, in accordance with **rules 196.2** and **199 RoP**.
6.6. Service. Taking into account the need to ensure the surprise effect, service of the application, together with this order, shall be carried out by the Claimant at the premises of the Defendants, immediately at the time of the execution of this order, in accordance with **rule 197.2** RoP,
6.7. Security. Pursuant to **rule 196.3 and 196.6 RoP**, the Court orders PMA to provide adequate security - also as a condition to the enforceability of this order - for the legal costs and other expenses and compensation for any injury incurred or likely to be incurred by the Defendants, by deposit of the amount of Euro 50.000, equal to 2,5% of the value of the case of Euro 2.000.000. This order shall become effective only after security by deposit has been provided by the Applicant.
6.8. Review. Defendants may request for the review of this order according to **art. 60.6 UPCA** and **rule 197.3** RoP.
6.9. Appeal. An appeal may be lodged by the parties within fifteen days of the notification of this order in accordance with **art. 73.2 (a) UPCA** and **rule 220.1 RoP**.
FOR ALL THESE REASONS
THE COURT OF FIRST INSTANCE – MILAN LOCAL DIVISION
orders that the Claimant is allowed to;
- simultaneously inspect AWM s.r.l. and Schnell s.p.a. premises, respectively, in Magnano in Riviera (UD) - Strada statale 13 Pontebbana km 146 snc and in Colli al Metauro (PU)
- via Sandro Rupoli n. 2, in order to
(i) obtain, gather and preserve all the technical, promotional and commercial documentation regarding only and strictly the apparatus identified as Girderflex and / or Girderflex Vsx, in whatever format, previous disclosure also of all related digital media and data available on any kind of device used by the Defendants, including external and cloud storage units / systems;
(ii) preserve evidence at AWM s.r.l. premises by detailed description of the apparatus identified as Girderflex and / or Girderflex Vsx, accompanied by photos and / or videos of these machines, if present at the premises, also in order to establish whether the machineries are suitable for carrying out the process protected in claims 1 - 7 of European patent EP 2726230;
- AWM s.r.l. and Schnell s.p.a. are ordered to allow the persons appointed to carry out this order (i) to enter the aforementioned premises, to inspect the premises as previously determined and to preserve evidence; (ii) to take photographs or films for documentary purposes relevant to the ordered preservation of evidence and to the inspection ordered; (iii) to have full access to all the documents, in whatever format, regarding only and strictly the apparatus identified as Girderflex and / or Girderflex Vsx and therefore related to the ordered

inspection and preservation of evidence, also by login to any device or storage unit / system in their use;
- this order shall be carried out, with the bailiff territorial competent, by ing. Carlo Maria Faggioni, via _____ tel. _____, e-mail _____ and ing. Michele Fattori, via _____ - tel. _____, e-mail _____, each of them assisted - if necessary - by an expert in computer forensics;
- as representatives of the Applicant, only dr. Markus Gangl and dr. Florian Robl as well as dr. Heiko Segger and dr. Stefano Manconi are allowed to be present during the execution of this order, excluding any other representative, employee or servant; the authorised representatives shall keep confidential any information which come to their knowledge in the course of the execution of this order and which concerns the commercial activity of the Defendants, including form the Claimant itself and its employees;
- it is ordered to the appointed experts to present to the Sub-Registry of the Local Division in Milan of the Unified Patent Court a written Report on the findings of the inspection of premises and the measures to preserve evidence with regard to the suspected infringement of EP 2726230, enclosing all the collected documents, once the required activities will have been completed and, in any case, no later than the day after all operations will have been finalised;
- the written Report and any other outcome of the measures to preserve evidence and the inspection of premises may only be used in the proceedings on the merits of the case;
- the access to the written experts' Report and its attachments is prohibited and it will be available for the parties only after a specific order of the Court, as better clarified in the grounds for the decision;
- the measures to preserve evidence and to inspect premises shall be revoked or otherwise cease to have effect, at the Defendants' request, if the Applicant does not bring action leading to a decision on the merits of the case before the Court within a period not exceeding 31 calendar days or 20 working days, whichever is the longer, after (i) a final decision of the Court on a request for review lodged under rule 197 RoP, that modifies or confirms this order or, as an alternative, (ii) the expiry of the thirty days term provided by rule 197.3 RoP, without a request for review lodged by the Defendants;
- this order, together with a copy of the application and its exhibits as well as the instructions for access to the proceedings by the CMS, shall be served by the Claimant at the premises of the Defendants immediately at the time of the execution of this order, complying with the Italian law in regard to service of judicial documents;
- this order is enforceable under condition of recorded payment by the Claimant of a security by deposit of 50.000 Euro;
- the Defendants may request a review of this order within thirty days after the execution of the measures, pursuant to rule 197.3 RoP;
- an appeal may be lodged by the parties within fifteen days of the notification of this order in accordance with art. 73.2 (a) UPCA and rule 220.1 (c), 224.2 (b) RoP.

Milan, 25 September 2023.
Pierluigi Perrotti presiding judge and judge rapporteur
Camille Garros Lignieres legally qualified judge
Alima Zana legally qualified judge
Keywords: preservation of evidence; inspect premises; order issued ex parte; application lodged before proceedings on the merits have commenced.
