

UPC CFI, Local Division Helsinki, 20 October 2023,
AIM Sport Vision v Supponor



PATENT LAW – PROCEDURAL LAW

UPC lacks competence because withdrawal of opt-out on 5 July 2023 is ineffective

- [due to national infringement and invalidity proceedings brought before German national courts, which were pending on 1 June 2023.](#)

Based on the above, in application of Article 83(4) UPCA, the withdrawal of the opt-out on 5 July 2023 with regard to the European patent no EP 3 295 663, following the opt-out lodged on 12 May 2023 and entered in the register on 1 June 2023, is ineffective due to the national infringement and invalidity proceedings brought before the German national courts. Hence, the opt-out for the patent in suit is effective and the UPC lacks competence over EP663 for all matters falling within the ambit of [Article 32\(1\) UPCA](#), in particular letters (a) and (c) thereof. Consequently, the Court lacks jurisdiction to hear cases nos 551054/2023 and 545571/2023.

The reading of [Article 83\(4\) UPCA](#) used by the Court is in line with [Rule 5.8 RoP](#), because based on the Rule 5.8 RoP the application to withdraw shall be ineffective in respect of the patent in question, irrespective of whether the national action is pending or has been concluded, and the German national actions were pending on the date of the withdrawal of the opt-out on 5 July 2023.

The interpretation argued by the Claimant/ Applicant that the date of 1 June 2023, when the UPCA came into full force and the opt-out was entered in the register, would be the first relevant date to be taken into account for the commencement of national proceedings cannot be approved based on the wording of Article 83(4) UPCA and Rule 5.8 RoP, as described above in section 1.5.1.

- [Irrelevant whether same parties are involved in the national actions](#)

The Court finds that the Article 83(4) UPCA and Rule 5.8 RoP do not mention anything about the parties but only the patent in suit. Hence, there are no grounds to interpret these provisions in a way that the national actions would have to involve the same parties. Furthermore, the Court finds that Article 71c(2) Brussels I Regulation (recast) only concerns a situation of parallel jurisdiction and is not applicable where the competence of the UPC has been opted out.

- [The reading used by the Court of Article 83\(4\) UPCA is also in line with the principle of non-retroactivity of treaties as stipulated under Article 28 VCLT, as described above in section 1.5.2.](#)

No security for costs ([Rule 158 RoP](#))

- [No sufficient evidence of risk of insolvency and evidence indicates that the Applicant will have the financial means to cover any potential legal costs](#)
- [Not appropriate for the Court of First Instance to order security for the costs of potential future proceedings in the Court of Appeal](#)

It is clear based on the relevant provisions that the Court has discretion in deciding when to order the security for costs. The Court finds that as it is possible to decide on the security for costs at any stage of the proceedings, it is not appropriate in the Court of First Instance to order the costs concerning potential future proceedings in the Court of Appeal.

The Court finds that the evidence brought forward by the Defendants does not sufficiently prove the risk of insolvency of the Applicant, and vice versa the evidence provided by the Applicant indicates that the Applicant will have the financial means to cover any potential legal costs that it may be ordered to cover. Hence, the request for a security for costs is considered unfounded.

Source: [Unified Patent Court](#)

**UPC Court of First Instance,
Local Division Helsinki, 20 October 2023**

(Rinkinen, Granata, Bessaud, Augarde)

UPC_CFI_214/2023

DECISION

of the Court of First Instance of the Unified Patent Court
Local Division Helsinki

delivered on 20 October 2023

concerning EP 3 295 663

Date of receipt of Statement of claim on action CMS no 545571/2023, Infringement Action: 5 July 2023

Date of receipt of Application for Provisional Measures on action CMS no 551054/2023: 14 July 2023

CLAIMANT/ APPLICANT

1) AIM Sport Vision AG

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DEFENDANTS

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PATENT AT ISSUE

Patent no Proprietor

EP3295663 AIM SPORT VISION AG

DECIDING JUDGES

COMPOSITION OF PANEL- FULL PANEL

Presiding judge, judge-rapporteur: Petri Rinkinen

Legally qualified judge: Samuel Granata

Legally qualified judge: Melanie Bessaud

Technically qualified judge: Eric Augarde

LANGUAGE OF PROCEEDINGS: English

RELEVANT PROCEDURAL HISTORY

The Claimant/Applicant has argued in the Statement of Claim and in the Application for Provisional Measures that a decision on Provisional Measures Application no 551054/2023 would be required before 22 September 2023. Based on this, the Unified Patent Court (UPC), Local Division Helsinki (the Court) decided by way of order to hold an oral hearing on 21 September 2023 in Helsinki, Finland.

As the preliminary objection lodged by the Defendants in Infringement Action no 545571/2023 had exactly the same grounds as the objections presented by the Defendants in Provisional Measures Application no 551054/2023 and the Defendants requested in the latter action a hearing before a full panel, including a technically qualified judge, the Court decided to hear both cases together, while limiting the discussion to said preliminary objection in the Infringement Action.

As the provisional measures action would have to be heard before the whole panel, the judge-rapporteur further ordered that also the preliminary objection shall be referred to the whole panel based on [Rule 102.1 of the Rules of Procedure \(RoP\)](#) (related proceedings order no 567421/2023 and 567559/2023). Reference in this regard is made also to Rules 331.2, 332(i), 333, 334(i) and 336 RoP.

A technically qualified judge was allocated to case nos 545571/2023 and 551054/2023 by the President of the Court of First Instance.

During the oral hearing, it was still emphasized by the Claimant/ Applicant that decisions concerning the acquisition by UEFA (the Union of European Football Associations) of the systems provided by the Parties would take place in the days immediately following the oral hearing.

Based on this urgent request, and in application of [Rules 118.7](#) and [210.4 RoP](#), the Court exceptionally handed

down its decision orally immediately after the closure of the oral hearing, while indicating that the reasons will be provided later in writing, as stated hereinafter. The following decision was given:

In application of [Art. 83\(4\) of Agreement on a Unified Patent Court \(UPCA\)](#), the withdrawal of the opt-out on 5 July 2023 with regard to European Patent no 3 295 663, following the opt-out of 12 May 2023 of the patent in suit, is ineffective due to national infringement and invalidity proceedings brought before German national courts, which were pending on 1 June 2023. As such, the opt-out dated 12 May 2023 for the patent in suit is effective and the UPC lacks competence to hear the cases having CMS nos 545571/2023 and 551054/2023. The reading of Article 83(4) UPCA used by the Court is in line with Rule 5.8 RoP and with the principle of non-retroactivity of treaties as stipulated under Article 28 of the Vienna Convention on the Law of Treaties. Hence, the cases are dismissed.

REQUESTS OF THE PARTIES

In Provisional Measures Application no 551054/2023, the Applicant seeks the following preliminary injunction (as modified during the oral hearing):

Until the written decision on the merits of the Unified Patent Court Helsinki Local Division in these proceedings is issued in accordance with Rule 118.6 RoP:

1) The Defendants shall not make available for operation, or operate, the artificial intelligence digital content replacement system (known as the AIR System) in France, Italy, Germany and/or Spain for overlay of a football stadium display device configured to display a moving image, where the football stadium is in France, Italy, Germany and/or Spain.

2) The prohibition in paragraph 1) above does not apply in relation to any remaining unexpected terms of contracts with third parties, concluded prior to date of initiation of these proceedings, under which the AIR System has already been made available.

The Defendants seek in action no 545571/2023 the dismissal of the Infringement Action and in action no 551054/2023 the dismissal of the Provisional Measures Application:

- based on the non-competence of the court due to ineffective withdrawal of the opt-out of the European patent no EP 3 295 663,

- based on the lack of jurisdiction of the Court concerning Spain and

- based on the non-competence of the Helsinki Local Division concerning Defendants 2-5.

Should the Court find itself competent, the Defendants seek in action no 551054/2023 the dismissal of the request for a preliminary injunction.

Furthermore the Defendants have requested that in action no 551054/2023 the Court order the Applicant to provide security for legal costs based on Article 69(4) UPCA and Rule

158.1 RoP for the application for provisional measures for the amount of EUR 1.600.000 to cover the

proceedings in the Court of First Instance and in the Court of Appeal of the Unified Patent Court combined. The Applicant has requested that the Court reject the request for providing the security for legal costs.

In addition, the Defendants objected during the oral hearing that the changes made to the preliminary injunction order request during the oral hearing should be refused and also that the additional exhibits provided by the Claimant/Applicant after the deadline 4 September 2023 should not be accepted.

SUMMARY OF FACTS CONCERNING THE COMPETENCE OF THE COURT

The infringement action and provisional measures application are based on the Claimant/Applicant's European patent no EP 3 295 663 (also referred to as EP663), which has been opted-out, pursuant to [Article 83\(3\) UPCA](#), from the competence of the UPC by the Claimant/Applicant on 12 May 2023.

The opt-out for EP663 was withdrawn by the Claimant/Applicant on 5 July 2023 and on the same date the Claimant/Applicant lodged the Statement of Claim on action no 545571/2023, including also the preliminary injunction application. Due to technical reasons in the Case Management System (CMS) of the UPC, the preliminary injunction application was filed again on 14 July 2023 as provisional measures application no 551054/2023.

The following national proceedings in Germany concerning EP663 (listed at the German Patent and Trade Mark Office under file reference DE 60 2016 014 578) were pending on the dates of the opt-out 12 May 2023 and of the withdrawal of the opt-out on 5 July 2023, and hence also on the date of coming into force of the UPCA on 1 June 2023:

- appeal from the decision of Munich I Regional Court (Landgericht MOnchen I) issued on 4 April 2022 concerning the infringement action based on EP663 between claimant AIM Sport Vision AG and defendant Supponor Holding Limited and

- appeal against the decision of the German Federal Patent Court (Bundespatentgericht) issued on 10 November 2022 considering the revocation action against EP663 between the claimant Supponor Oy and the defendant AIM Sport Vision AG.

The infringement appeal hearing was planned for 12 October 2023 before the Munich Higher Regional Court (Oberlandesgericht). The revocation appeal was planned for 5 December 2024 before the German Federal Court of Justice (Bundesgerichtshof).

GROUND FOR THE DECISION

1. The competence and jurisdiction of the Unified Patent Court

1.1 The issue

The issue at hand is whether the Court has competence in relation to actions listed under Article 32(1) UPCA in respect of EP663, and hence jurisdiction to hear the cases in actions no 545571/2023 (Infringement Action) and no 551054/2023 (Provisional Measures Application), due to the opt-out for EP663 on 12 May

2023 followed by the withdrawal of this opt-out on 5 July 2023 while there were national proceedings pending in Germany.

In other words the legal question raised in this case is to determine the temporal scope of [Article 83\(4\) UPCA](#) and corresponding [Rule 5.8 RoP](#) in respect of national proceedings.

1.2 Position of the parties

The Defendants have argued that the withdrawal of the opt-out of EP663 is ineffective based on their reading of Article 83(4) UPCA and Rule 5.8 RoP and hence the cases should be dismissed.

The Claimant/ Applicant has argued that Article 83(4) UPCA cannot apply to national actions filed before the entry into force of the UPCA on 1 June 2023. According to the Claimant/ Applicant, any other interpretation would be in violation of the Vienna Convention on the Law of Treaties done at Vienna on 23 May 1969 (VCLT), in particular the principle of non-retroactivity of international treaties, and the UPCA; would be against the general principles of EU law, fairness and equity; would be against legitimate expectations and interests of the patentees; and would discriminate against all those patentees whose European patents have ever been subject to a former national action. In addition, the Claimant/Applicant has argued that as there are different parties in the national actions compared to the UPC actions, Article 83(4) UPCA is not applicable. Furthermore, the Claimant/Applicant has argued that in Rule 5.8 ROP the expression "a matter over which the Court also has jurisdiction pursuant to Article 32 of the Agreement" has to mean an action initiated after 1 June 2023.

1.3 Relevant provisions

[Article 83 UPCA](#) is entitled "Transitional regime", with the following relevant sub-articles: Article 83(1)

During a transitional period of seven years after the date of entry into force of this Agreement, an action for infringement or for revocation of a European patent or an action for infringement or for declaration of invalidity of a supplementary protection certificate issued for a product protected by a European patent may still be brought before national courts or other competent national authorities.

Article 83(3)

Unless an action has already been brought before the Court, a proprietor of or an applicant for a European patent granted or applied for prior to the end of the transitional period under paragraph 1 and, where applicable, paragraph 5, as well as a holder of a supplementary protection certificate issued for a product protected by a European patent, shall have the possibility to opt out from the exclusive competence of the Court. To this end they shall notify their opt-out to the Registry by the latest one month before expiry of the transitional period. The opt-out shall take effect upon its entry into the register.

Article 83(4)

Unless an action has already been brought before a national court, proprietors of or applicants for European patents or holders of supplementary protection certificates issued for a product protected by a European patent who made use of the opt-out in accordance with paragraph 3 shall be entitled to withdraw their opt-out at any moment. In this event they shall notify the Registry accordingly. The withdrawal of the opt-out shall take effect upon its entry into the register.

Rule 5 RoP is entitled "Lodging of an Application to opt out and withdrawal of an opt-out" with the relevant sub-rules:

Rule 5.5

The Registrar shall as soon as practicable enter the Application to opt out in the register. Subject to paragraph 6, the opt-out which meets the requirements laid down in this Rule shall be regarded as effective from the date of entry in the register. If the requirements recorded in the register are missing or incorrect, a correction may be lodged with the Registry. The date of entry of the correction shall be noted in the register. The opt-out shall be effective from the date of correction.

Rule 5.8

In the event that an action has been commenced before a court of a Contracting Member State in a matter over which the Court also has jurisdiction pursuant to Article 32 of the Agreement in respect of a patent or application contained in an Application to withdraw, prior to the entry of the Application to withdraw in the register or any time before the date pursuant to paragraph 5, the Application to withdraw shall be ineffective in respect of the patent or application in question, irrespective of whether the action is pending or has been concluded.

Rule 5.12

Applications accepted by the Registry before the entry into force of the Agreement shall be treated as entered on the register on the date of entry into force of the Agreement.

Vienna Convention on the Law of Treaties, done at Vienna on 23 May 1969 (VCLT), Section

2. Application of Treaties with the following relevant articles states:

Article 28

Non-retroactivity of treaties

Unless a different intention appears from the treaty or is otherwise established, its provisions do not bind a party in relation to any act or fact which took place or any situation which ceased to exist before the date of the entry into force of the treaty with respect to that party.

Article 31

General rule of interpretation

1. A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.

2. The context for the purpose of the interpretation of a treaty shall comprise, in addition to the text, including its preamble and annexes:

(a) any agreement relating to the treaty which was made between all the parties in connection with the conclusion of the treaty;

(b) any instrument which was made by one or more parties in connection with the conclusion of the treaty and accepted by the other parties as an instrument related to the treaty.

3. There shall be taken into account, together with the context:

(a) any subsequent agreement between the parties regarding the interpretation of the treaty or the application of its provisions;

(b) any subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation;

(c) any relevant rules of international law applicable in the relations between the parties.

4. A special meaning shall be given to a term if it is established that the parties so intended.

Article 32

Supplementary means of interpretation

Recourse may be had to supplementary means of interpretation, including the preparatory work of the treaty and the circumstances of its conclusion, in order to confirm the meaning resulting from the application of article 31, or to determine the meaning when the interpretation according to article 31:

(a) leaves the meaning ambiguous or obscure; or

(b) leads to a result which is manifestly absurd or unreasonable.

1.5 The grounds

1.5.1 As to the interpretation of Article 83{4} UPCA and Rule 5.8 RoP

During the transitional regime, as described in Article **83(5) UPCA**, the default position is that parallel jurisdiction exists between national courts of the Contracting Member States and the UPC. The proprietors of European patents have the right to opt out their patents from the competence of the UPC according to Article 83(3) UPCA unless an action has been brought before the UPC. According to Article 83(4), the proprietors of European patents have the right to withdraw that opt-out according to the restrictions laid down in the article.

In application of Article 31.1 VCLT, taking into account the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose, the wording of Article 83(4) UPCA is clear and unambiguous as it states that the withdrawal is possible "unless an action has already been brought before a national court(...)". As the interpretation is unambiguous there is no need to further interpretation based on Article 32(a) VCLT. The wording does not provide any limitation or restriction to the effect that it would only apply to previous national proceedings that have been initiated during the transitional regime after 1 June 2023, as the Claimant/Applicant argues.

This is further clarified in **Rule 5.8 RoP**: "In the event that an action has been commenced before a court of a

Contracting Member State (...) prior to the entry of the Application to withdraw in the register or any time before the date pursuant to paragraph 5 (...). The paragraph 5 referred to in the rule is Rule 5.5 RoP, which defines the dates when an opt-out is entered into the register and shall be effective. According to Rule 5.12 RoP, opt-outs lodged during the Sunrise Period are considered to have been entered in the register on 1 June 2023. As Rule 5.8 RoP contains a reference to an action commenced before a court of a Contracting Member State prior to the date pursuant to Rule 5.5 RoP, which date for the opt-outs lodged during the Sunrise Period is 1 June 2023 according to Rule 5.12 RoP, the mentioned rule 5.8 RoP reference has to refer also to actions which were commenced before 1 June 2023.

Additionally, the wording of Rule 5.8 RoP states that "the Application to withdraw shall be ineffective in respect of the patent or application in question, irrespective whether the action is pending or has been concluded" without any further restrictions about the date of commencement of the national action.

In the present case, the first national action concerning EP663 had been commenced in Germany in 2020 and the two national actions referred to were pending in Germany when the UPCA came into force and the opt-out was entered in the register on 1 June 2023, as well as on the date of the withdrawal of the opt-out on 5 July 2023. The Claimant/Applicant argues that all actions that were commenced before 1 June 2023 would fall outside the application of Article 83(4) UPCA and Rule 5.8 RoP. The Court finds that such actions that had already been commenced before 1 June 2023, including actions that were pending on 1 June 2023 in national courts like in the case at hand, fall within the definition of Article 83(4) UPCA, because these actions had been brought before a national court, as well as Rule 5.8 RoP, because these actions had been commenced before a court of a Contracting Member State, and there is no reference in these provisions that those dates should be after 1 June 2023. Hence the argument presented by the Claimant/ Applicant that only actions commenced after 1 June 2023 would prevent the withdrawal of the opt-out cannot be accepted.

Furthermore, when the Claimant/Applicant used its right to opt-out based on Article 83(3) UPCA, it did not only make a strategic decision to opt-out from the jurisdiction of the UPC but also made this decision aware of the consequences such an opt-out would have for the further proceedings taking into account the earlier initiated actions before the national courts of a Contracting Member State. Upon the opt-out only the national courts were competent to hear actions concerning EP663, based on Article 83(1) UPCA and, as actions had already been commenced before a national court, the Claimant/Applicant blocked itself from withdrawing the opt-out. Should the Claimant/ Applicant have wished to make use of the parallel jurisdiction during the transitional regime, it could have made the decision to remain passive and not to opt out. However, the Claimant/

Applicant actively lodged an application for opt-out bringing itself under the specific regime of the opt-out but also the conditions of effectiveness of a later withdrawal of the opt-out.

This blockage of effectively withdrawing the opt-out is clear from the wording of Article 83(4) UPCA, but even more clear when reading this article in conjunction with Rule 5.8 RoP. The Court notes that the Claimant/Applicant in no way argues that the Rules of Procedure would be in contradiction with the UPCA and therefore the Rules of Procedure can be used to clarify the wording of Article 83(4) UPCA. Hence, based on Article 83(4) UPCA and Rule

5.8 RoP the withdrawal of the opt-out concerning EP663 by the Claimant/Applicant is not possible and is in principle ineffective.

1.5.2 As to the principle of non-retroactivity of the UPCA

According to the Claimant/ Applicant especially the requirement of non-retroactivity according to Article 28 VCLT means that Article 83(4) UPCA is to be interpreted as relating only to national actions filed after the entry into force of the UPCA on 1 June 2023.

Before the full entry into force of the UPCA on 1 June 2023, certain articles of the UPCA came into force on 19 January 2022 by virtue of the Protocol on Provisional Application of the UPC Agreement. Those articles included Articles 10-19 concerning The Registry and various Committees of the Unified Patent Court and Article 41 concerning the Rules of Procedure. Based on these provisions the Sunrise Period was established beginning on 1 March 2023. Hence, even though the full entry into force of the UPCA took place on 1 June 2023, parts of it were already in force earlier. The Sunrise Period included the possibility to opt-out a European patent from the competence of the UPC according to Article 83(3) UPCA prior to the final coming into force of the UPCA on 1 June 2023.

The rule of non-retroactivity of international treaties, as stipulated in the Article 28 VCLT, is intended for the protection of parties from such provisions, in those international treaties that are adopted in the future, that were not foreseen as certain acts or facts took place or certain situations ceased to exist before the international treaty came into force. In the current situation, the proprietors of European patents who chose to use the opt-out system must have been perfectly aware that the UPCA had partly come into force based on the Protocol on Provisional Application of the UPC Agreement. The Claimant/ Applicant must have been aware of this as it made the opt-out for EP663 on 12 May 2023. Hence, none of the provisions in the UPCA or RoP were unknown to or not foreseen by it. There is no basis to interpret the non-retroactivity rule of the Article 28 VCLT in a way that would make the applicability of Article 83(4) UPCA or Rule 5.8 RoP inadmissible in this situation.

Furthermore, the Court points out that according to Article 28 VCLT it only applies "unless a different

intention appears from the treaty or is otherwise established". The Court finds that the intention to limit the right to withdraw the opt-out appears clearly from the UPCA and hence, even if the effects of the UPCA were to be considered retroactive, Article 28 VCLT is not applicable.

In addition to the above, Article 28 VCLT limits the non-retroactivity to "to any act or fact which took place or any situation which ceased to exist before the date of the entry into force of the treaty with respect to that party". The commencement of the national proceedings in Germany may be considered as an "act or fact" but also gives rise to a "situation", this being the national proceedings pending on 1 June 2023, which did not "cease to exist" on that date. Such an interpretation seems in line with the aims of the transitional provisions regulating the parallel jurisdiction regarding the actions mentioned in Article 83(1) UPCA and, additionally, giving the patent holder the possibility to opt out and withdraw its opt-out. This parallel jurisdiction may indeed give rise to concurrent proceedings ("situations" which did not cease to exist) for which Article 83(4) UPCA and Rule 5.8 RoP clearly state that in such a case (respectively "an action already been brought before a national court" and "an action has been commenced before a court of a Contracting Member State") the withdrawal of the opt-out is ineffective. Also as such Article 83(4) UPCA is not contrary to the principle of non-retroactivity resulting from Article 28 VCLT.

1.5.3 As to the difference between the parties in the national actions and the action introduced before the UPC

The Claimant/ Applicant argues on the basis of Article 71c(2) Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (Brussels I Regulation (recast)) that the German national litigations cannot have effect in the present case as the parties in the German litigations are not exactly the same as in the actions at hand. The Defendants have argued that the application of Article 83(4) UPCA and Rule 5.8 RoP is not subject to the parties involved in the national actions but the only decisive issue is the patent in suit.

The Court finds that the Article 83(4) UPCA and Rule 5.8 RoP do not mention anything about the parties but only the patent in suit. Hence, there are no grounds to interpret these provisions in a way that the national actions would have to involve the same parties. Furthermore, the Court finds that Article 71c(2) Brussels I Regulation (recast) only concerns a situation of parallel jurisdiction and is not applicable where the competence of the UPC has been opted out.

1.5.4. As to the other arguments by the Claimant/Applicant

The Claimant/ Applicant also suggests that the interpretation according to which actions other than those commenced after 1 June 2023 would fall within the interpretation of Article 83(4) UPCA would be

against the general principles of EU law, fairness and equity; would be against legitimate expectations and interests of the patentees; and would discriminate against all those patentees whose European patents have ever been subject to a former national action.

The Court finds that Article 83(4) UPCA and Rule 5.8 RoP include clear and precise language which stipulates the limitations to the withdrawal of an opt-out of a European patent. The UPCA has been drafted by a group of esteemed experts in the field of patents and the UPCA has been accepted by the governments of the Contracting Member States. The same applies to drafting of the Rules of Procedure which were adopted by the Administrative Committee of the UPC, which Committee included representatives from the Contracting Member States. The Court considers that the fundamental rights of the various parties have been taken into account when drafting those provisions. The literal interpretation of Article 83(4) UPCA cannot be and is not in conflict with such fundamental rights as suggested by the Claimant/ Applicant.

The Claimant/Applicant argues that any interpretation of Article 83(4) UPCA other than its own would discriminate against patentees with former national actions. In this case, the actions in Contracting Member States were pending on 1 June 2023 and are still pending. Hence, this decision of the Court does not concern situations of national actions that were introduced before 1 June 2023 but were not pending anymore at that date i.e. "former national actions". For that reason, the conclusion that the Claimant/Applicant is suggesting cannot be drawn from this decision of the Court and it is therefore not necessary to further elaborate on that issue.

It has been argued by the Claimant/Applicant that the expression "in a matter over which the Court also has jurisdiction pursuant to Article 32 of the Agreement in respect of a patent or application contained in an Application to withdraw" in Rule 5.8 RoP would mean that only actions brought after 1 June 2023 would fall under this definition. The Defendants have argued that "the matter" is a general term describing all matters which are defined in the mentioned Article 32(1) UPCA. The Defendants have also argued that if a European patent has been opted-out during the Sunrise Period and "matter" would mean that exact opted-out European patent, then there would be no case where the UPC would have jurisdiction, as it has no competence over opted-out European patents based on Article 83(3) UPCA. Hence, according to the Defendants, if the logic of the Claimant/Applicant were to be followed, there would be no possibility to withdraw the opt-out in any situation. According to the Defendants, the interpretation provided by the Claimant/ Applicant is clearly incorrect.

The Court finds that the Defendants' reasoning is more compelling and that there is no reason to interpret the above expression in a way that would lead to the

conclusion that only actions initiated after 1 June 2023 would block the possibility of withdrawing the opt-out. Furthermore, the Court finds that the situation where the withdrawal of the opt-out is not allowed when national proceedings were pending does not lead to a result which is manifestly absurd or unreasonable, and hence Article 32(b) VCLT is not applicable either.

1.6 Conclusion

Based on the above, in application of Article 83(4) UPCA, the withdrawal of the opt-out on 5 July 2023 with regard to the European patent no EP 3 295 663, following the opt-out lodged on 12 May 2023 and entered in the register on 1 June 2023, is ineffective due to the national infringement and invalidity proceedings brought before the German national courts. Hence, the opt-out for the patent in suit is effective and the UPC lacks competence over EP663 for all matters falling within the ambit of Article 32(1) UPCA, in particular letters (a) and (c) thereof. Consequently, the Court lacks jurisdiction to hear cases nos 551054/2023 and 545571/2023.

The reading of Article 83(4) UPCA used by the Court is in line with Rule 5.8 RoP, because based on the Rule 5.8 RoP the application to withdraw shall be ineffective in respect of the patent in question, irrespective of whether the national action is pending or has been concluded, and the German national actions were pending on the date of the withdrawal of the opt-out on 5 July 2023. The interpretation argued by the Claimant/ Applicant that the date of 1 June 2023, when the UPCA came into full force and the opt-out was entered in the register, would be the first relevant date to be taken into account for the commencement of national proceedings cannot be approved based on the wording of Article 83(4) UPCA and Rule 5.8 RoP, as described above in section 1.5.1. The reading used by the Court of Article 83(4) UPCA is also in line with the principle of non-retroactivity of treaties as stipulated under Article 28 VCLT, as described above in section 1.5.2.

As the UPC does not have competence over EP663 and hence lacks jurisdiction in the matter, the application concerning the Provisional Measures Application (CMS no 551054/2023) shall be dismissed and there is no need to address the additional requests and objections by the Defendants, except the request for the security for costs. For the same reason, the preliminary objection lodged by the Defendants in the Infringement Action (CMS no 545571/2023) shall be accepted and the Infringement Action shall be dismissed.

2. The security for costs

2.1 The issue and the position of the Parties

The Defendants have requested that the Court order security for the legal costs of the Defendants in provisional measures action no 551054/2023. The amount requested is EUR

1.600.000 and relates to both the Court of First Instance and the Court of Appeal.

The Defendants have argued the importance of ordering the security for costs especially based on the potential insolvency of the Applicant.

The Applicant has asserted that there is no reason for ordering security for costs. It has informed that the Applicant has a sound financial situation and taxable capital of over 63 million Swiss Francs. According to the Applicant there is no reason to order the security for both instances of the Court during the proceedings of the First Instance.

2.2 The relevant provisions

Article 69(4) UPCA

Legal costs

4. At the request of the defendant, the Court may order the applicant to provide adequate security for the legal costs and other expenses incurred by the defendant which the applicant may be liable to bear, in particular in the cases referred to in Articles 59 to 62.

Rule 158.1 RoP

Security for costs of a party

1. At any time during proceedings, following a reasoned request by one party, the Court may order the other party to provide, within a specified time period, adequate security for the legal costs and other expenses incurred and/or to be incurred by the requesting party, which the other party may be liable to bear. Where the Court decides to order such security, it shall decide whether it is appropriate to order the security by deposit or bank guarantee.

2.3 The grounds

The UPCA or the RoP do not provide further guidance as to the situations in which the Court should order the security for costs. It is mentioned in Article 69(4) UPCA that this is in particular possible in the cases referred to in Articles 59 to 62 UPCA, which include provisional measures.

It is clear based on the relevant provisions that the Court has discretion in deciding when to order the security for costs. The Court finds that as it is possible to decide on the security for costs at any stage of the proceedings, it is not appropriate in the Court of First Instance to order the costs concerning potential future proceedings in the Court of Appeal.

The Court finds that the evidence brought forward by the Defendants does not sufficiently prove the risk of insolvency of the Applicant, and vice versa the evidence provided by the Applicant indicates that the Applicant will have the financial means to cover any potential legal costs that it may be ordered to cover. Hence, the request for a security for costs is considered unfounded.

The Defendants' request for the Court to order the Applicant to provide security for costs is hence dismissed.

DECISION

For these grounds, having heard the parties on all aspects of relevance for the following decision, the actions CMS no 545571/2023 and 551054/2023 are dismissed since the Unified Patent Court does not have competence over

European no EP 3 295 663 owing to its opt-out on 12 May 2023.

The Court also dismisses in action CMS no 551054/2023 the Defendants's request that the Applicant be ordered to provide security for costs.

Done and delivered on 20 October 2023

INFORMATION ABOUT APPEAL

The present decision dismissing the actions constitutes a final decision of the Court of First Instance and may be appealed by the unsuccessful party within two months of the date of the notification of the decision (Article 73(1) UPCA, Rules 220.1(a) and 224.1(a) RoP).
