

UPC CFI, Central Division Paris, 13 November 2023,
Meril Italy v Edwards Lifesciences

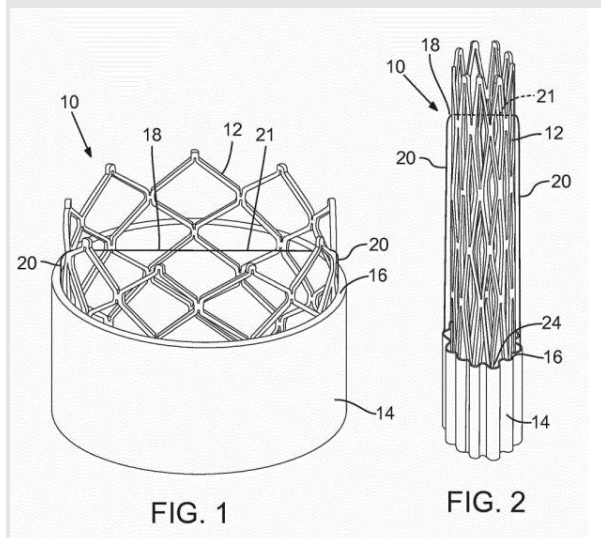


FIG. 1
A system comprising a prosthetic valve
and a delivery catheter

PATENT LAW – PROCEDURAL LAW

Preliminary objection concerning the competence of the Central Division because of a pending action before the Munich Local Division rejected: Meril Italy is not the same party a Meril India or Meril Germany ([article 33\(4\)UPCA](#), [Rule 20 RoP](#))

- [the Unified Patent Court framework does not exclude that a patent may be attacked by different subjects, even if linked by organizational ties or commercial relationships, and by the means of different claims, even if structured in the same grounds of invalidity.](#)

- [No per se abuse of the Unified Patent Court Framework](#)

- [Italian law to determine whether Meril Italy is a different party from Meril India and/or Meril Germany.](#)

- [The primary role of the central division as the judge of the revocation actions is confirmed by the provision that allows the local or regional division before which a counterclaim for revocation has been brought in an infringement action to refer the counterclaim or, with the agreement of the parties, the whole case to the central division \(\[Article 33 UPCA\]\(#\)\).](#)

- [Article 33 UPCA contains an autonomous set of rules that regulates the situations of parallel proceedings, and is not regulated by article 29 Brussels I-bis recast](#)

- [no sufficient evidence that the Respondent is a straw company for Meril India](#)

68. It may be added that the conclusion reached on this point seems to be consistent with the case-law of the Enlarged Board of Appeal of the European Patent Office, according to which an opposition is not purely inadmissible if the opponent is a straw man acting for

some other person, unless the involvement of the opponent is to be regarded as circumventing the law by abuse of process and the evidence of that has to be given by the person alleging that the opposition is inadmissible (see: [EBOA EPO 21 January 1999, G-3/97](#) and [G-4/97](#)).

- [Risk that two divisions of the Court would decide on the same issue and that competitors would have two \(or more\) ‘shots’ at the same patent limited because local division discretionary power to refer the counterclaim for revocation for decision to the central division and suspend or proceed with the action for infringement or with the agreement of the parties \(\[article 33\\(3\\) UPCA\]\(#\)\)](#)

79. Moreover, the general tool offered by [Rule 295 \(m\)](#) may come at hand also in such a situation, pushing one of the Divisions to wait for the decision of the other Division and then decide accordingly on the validity issue.

- [Revocation action has no ‘blocking’ effect on infringement and no ‘bifurcation by default’ effect](#)

Preliminary requests to postpone the hearing on Preliminary objection and to exclude exhibits rejected ([Rule 20 RoP](#))

- [One exhibit is not a new document but a more complete version concerning an irrelevant fact for the present case. Other exhibits concern three judicial decisions issued by national judges, which cannot be deemed as introducing \(new\) ‘facts’ – whose filing, as previously said, is, in principle, not admissible after the lodging of the Preliminary objection – since they do not relate to historical facts, but to arguments used to support an opinion.](#)

11. The purpose of allowing the parties to file written submissions until the day before the hearing set for discussing the Preliminary objection is to anticipate to the opponent and to the judge the main points that would be addressed at the hearing.

- [No leave for appeal granted, because the Respondent has no actual and concrete interest in it. \(\[Rule 220 RoP\]\(#\)\)](#)

This decision is not capable of causing any harm to the Respondent, since a prejudice to its position may arise only by the decision that allows the Preliminary objection.

Source: [Unified Patent Court](#)

UPC Court of First Instance,
Central Division Paris, 13 November 2023
(Catalozzi)

ORDER

of the Court of First Instance of the Unified Patent Court
Central division (Paris seat)

issued on 13 November 2023

concerning the Preliminary objection No.
App_572915/2023

lodged in the revocation action No. ACT_551308/2023
UPC_CFI_255/2023

HEADNOTES: Preliminary objection; competence of the Central division

KEYWORDS: competence of the division of the Court of First Instance; [Article 33\(2\) UPCA](#); same parties

REFERENCE CODE ECLI:

APPLICANT:

Edwards Lifesciences Corporation - 1 Edwards Way, Irvine, 92614 California, USA, represented by Boris Kreye, Bird & Bird LLP co-represented by Siddharth Kusumakar and Tessa Waldron, Powell Gilbert (Europe) LLP

RESPONDENT:

Meril Italy srl - Piazza Tre Torri 2 20145 Milano Italy represented by Emmanuel Larere, Cabinet Gide Loyrette Nouel AARPI assisted by Raphaëlle Dequiré-Porter, Cabinet Gide Loyrette Nouel AARPI

PATENT AT ISSUE:

European patent n° [EP3646825](#)

PANEL: Panel 2 of the Central Division - Paris Seat

DECIDING JUDGE: This order is issued by the presiding judge and judge-rapporteur Paolo Catalozzi
STATEMENT OF THE FORMS OF ORDER SOUGHT BY THE PARTIES

The Applicant is requesting that:

I. the Preliminary objection is allowed;

II. the decision on the Preliminary objection is issued according to [Rule 20 \(1\) of the Rules of Procedure \('RoP'\)](#);

III. the revocation action is rejected as inadmissible;

IV. the proceedings are stayed until a final decision on the Preliminary objection is issued;

V. in the event that the revocation action is not rejected as inadmissible with the final decision on the Preliminary objection, the proceedings are stayed until Defendants in the proceedings No. ACT_459987/2023 UPC_CFI_15/2023 pending before the Munich Local Division of the Unified Patent Court file their defence (and any counterclaim);

VI. in the event that the proceedings are not stayed as requested under IV. and V., the deadline to lodge a defence to the revocation is extended by one month;

VII. in the event that the revocation action is not rejected as inadmissible, the Respondent is ordered to provide – within a period of time to be fixed by the Paris Central Division – adequate security for the legal costs and other expenses incurred and/or to be incurred by the Applicant;

VIII. a decision by default is issued against the Respondent in case the Respondent fails to provide adequate security within the specific time limit

The Respondent is requesting that the judge-rapporteur:
- orders the postponement of the oral hearing on the Preliminary objection scheduled on 26 October 2023, 9:30 am CET, to allow to respond to the additional submission from the Applicant dated 25 October 2023, under [Rule 9 \(3\) RoP](#), and sets a deadline to respond to this additional submission; in alternative, orders to exclude from consideration and to reject from the debates, either written or oral, the submissions, arguments and exhibits filed by the Applicant on 25 October 2023;

- if the requests to postpone the oral hearing or to exclude from consideration and to reject from the debates, either written or oral, the submissions, arguments and exhibits filed by the Applicant on 25 October 2023 are denied, grant the leave to appeal such decision;

- rules that the Paris Central Division is competent to hear the revocation action No. ACT_551308/2023 UPC_CFI_255/2023 and therefore rejects the Preliminary objection;

- rules that the exception of [Article 33\(4\) of the Agreement on a Unified Patent Court \('UPCA'\)](#) is not applicable as Meril Italy S.r.l, Meril Life Sciences Ltd and Meril GmbH are not the 'same parties', and therefore rejects the Preliminary objection; - as an auxiliary request, refer the revocation action No. ACT_551308/2023 to the Munich Local Division of the Unified Patent Court should the judge-rapporteur rule that the Paris Central Division lacks of jurisdiction; and, in any event, further requests that:

- the Applicant's requests for a stay are rejected as unfounded;

- the Applicant's request for a deadline extension to file its statement of defence on the merits is rejected because it is purely artificial and dilatory;

- the Applicant's request for a security for legal costs is rejected as inadmissible or unfounded.

SUMMARY OF FACTS

1. On 4 August 2023, the Respondent has brought a revocation action against patent at issue (EP '825) before this Central Division of the Court of First Instance of the Unified Patent Court, registered as No. ACT_551308/2023 UPC_CFI_255/2023.

2. On 14 September 2023, the Applicant, defendant in the revocation action, has lodged a Preliminary objection pursuant to [Rules 19 \(1\) \(b\)](#) and [48 RoP](#) (registered as No. App_572915/2023), questioning the competence of this Division Seat on the ground of [Article 33 \(2\) UPCA](#) as an infringement action between the same parties on the same patent was already pending before the Munich Local Division of the Court of First Instance of the Unified Patent Court.

3. The Respondent has submitted written comments within 14 days of service of notification of the Preliminary objection, pursuant to [Rule 19 \(5\) RoP](#).

4. Then, by the order issued on 5 October 2023 the judge rapporteur has decided to give the parties the opportunity to be heard, allowing them to make any further written submission prior to the oral hearing. The hearing, originally scheduled on 19 October 2023, has been postponed to next 26 October, upon request by the Applicant whose representative was not available to attend it due to previous professional commitments, and the parties were allowed to make written submission prior to the oral hearing before 25 October 2023, 10.00 am CET.

5. The Applicant has lodged written submissions in respect of the set deadline (registered as No. App_582932/2023).

6. The respondent, who had not objected to the postponement of the hearing, has lodged three

applications on 25 October 2023 (registered as No. App_582947/2023, No. App_583003/2023 and No. App_583309/2023) requesting the postponement of the oral hearing in order to have an appropriate time to respond to the additional submission lodged by the Applicant on the same date and, in alternative, the exclusion from consideration of the new arguments put forward and of the exhibits filed through this additional submission, and, in case of the rejection of these requests, the granting of the leave to appeal such a decision.

GROUND FOR THE ORDER

Request for the postponement of the hearing and for the exclusion of exhibits

7. At the hearing the Respondent has insisted in requesting the postponement of the oral hearing, the setting of a deadline to respond to the additional submission from the Applicant dated 25 October 2023 and, in alternative, the exclusion from consideration and the rejection from the debates, either written or oral, of the submissions, arguments and exhibits filed by the Applicant on that date, and, in case of denial of these requests, the granting of the leave to appeal such decision.

8. The Respondent argues that granting of the requested reasonable period of time to respond to additional written submissions made by the Applicant would derive from the general principle of fairness and equity and from the right to a fair trial [Article 6 of the European Convention on Human Rights ('ECHR')] which governs proceedings before the Unified Patent Court ([recital 13 UPCA](#) and [Rule 101 RoP](#)).

9. Having heard the parties on these requests, the judge-rapporteur has decided to reject them and has invited the parties to discuss the relevant issues of the Preliminary objection.

10. This decision has to be confirmed for the following reasons.

11. The purpose of allowing the parties to file written submissions until the day before the hearing set for discussing the Preliminary objection is to anticipate to the opponent and to the judge the main points that would be addressed at the hearing.

12. In other terms, it is a way to contribute to a more efficient hearing, allowing the other parties to know in advance the content of the arguments that the opponent is going to address at the hearing and to focus on those, and helping the judge to follow the discussion and to hold the hearing with more ease.

13. It can be added that the scope of the decision on the Preliminary objection is set in the initial submission and no other grounds of objection can be added later, nor in a written way, nor in an oral one.

14. For the same reason no other fact or evidence can be taken into consideration, unless it is occurred after the filing of the Preliminary objection.

15. In the case at hand, the disputed submission lodged by the Applicant on 25 October does not contain any new ground of objection.

16. As for the filed exhibits, one concerns a screenshot of [XXX] LinkedIn profile of (Exhibit B&B 9), that was

already submitted by the Respondent (Gide Exhibit 4) and has been filed, together with the screenshot of the page reachable by activating the hypertextual link, to support the argument of the absence of a conclusive evidence from the document submitted by the Respondent, as it did not give any precise indication of the allegation that [XXX] was one of its employer.

17. So, it appears that the exhibit regards to the same document filed by the Respondent, and not a new one, but it is displayed in a more complete way to counter the opponent argument and underlines that no evidence can be drawn from it.

18. Moreover, the disputed fact – if [XXX] is an employer of the Respondent's or not – is not relevant in the present case for the reasons that will be illustrated later on.

19. The other documents filed by the Applicant with the submission dated 25 October concern three judicial decisions issued by national judges (Exhibit B&B 10-11-12). These documents cannot be deemed as introducing (new) 'facts' – whose filing, as previously said, is, in principle, not admissible after the lodging of the Preliminary objection – since they do not relate to historical facts, but to arguments used to support an opinion.

20. The way that the activities before the hearing have been organised does not appear in contrast with Article 6 ECHR, because the Respondent had the opportunity to inspect and comment the grounds of objection and the evidences submitted to the Court and in order to carrying out this work a reasonable period of time, that is the 14 days period set in [Rule 19 \(5\) RoP](#), has been allowed.

21. It follows that the preliminary requests to postpone the hearing and to exclude the exhibit filed by the Applicant with the submission of 25 October have to be rejected.

22. The same must be said for the request for granting the leave for appeal to such decision, because the Respondent has no actual and concrete interest in it. Actually, this decision is not capable of causing any harm to the party, since a prejudice to its position may arise only by the decision that allows the Preliminary objection.

Request for staying of the proceeding and for extension of the deadline for statement of defence

23. The applicant has requested that the main proceeding shall be stayed until the final decision on the Preliminary objection is issued or until the defendants in the infringement action brought before Munich Local Division on the basis of the same patent in issue here have lodged their statements of defence and, as a less favourable alternative, an extension of the deadline to lodge a defence in the main proceeding by one month.

24. The requested orders to stay the main proceeding and to extend the deadline to lodge a defence in the main proceeding by one month have not been issued at the date of the hearing.

25. It is well known that the Court may, pursuant to [Rule 295 RoP](#), stay the proceeding, among other conditions, where the proper administration of justice so requires and, pursuant to [Rule 9 RoP](#), extend a time period

referred to in the Rules, such as the two-month period for lodging a defence to revocation.

26. With particular regard to the effect of lodging a Preliminary objection, [Rule 19 \(6\) RoP](#) – applicable mutatis mutandis in the revocation actions pursuant to [Rule 48 RoP](#) – establishes that the period for lodging a statement of defence is not affected by the lodging of a Preliminary objection, unless the judge rapporteur decides otherwise.

27. In the light of the above mentioned provisions, the Court has a discretionary power to stay the proceeding or to extend the time period for lodging a statement of defence as a consequence of the lodging of a Preliminary objection and that neither the judge-rapporteur, nor the panel has decided to exercise such a power before the date of the hearing.

28. At the hearing, the Applicant, who, in the meanwhile has lodged the statement of defence to revocation on 16 October 2023, has declared that it has no more interest in these requests; the latter, therefore, have to be considered as abandoned.

Scope of Article 33 (4) UPCA: ‘same parties’. The literal interpretation

29. The Applicant has stated that on 1 June 2023 it has filed an infringement action under the patent in suit before the Munich Local Division of the Unified Patent Court (registered as APP_459987/2023 UPC_CFI_15/2023) against the parent company of the Respondent, Meril Life Sciences Pvt. Ltd. (referred to as Meril India) and its subsidiary Meril GmbH (referred to as Meril Germany, together referred to as Meril), while a separate revocation action has been filed before this Seat by the Respondent on 4 August 2023.

30. It has pointed out that according to [Article 33 \(4\) UPCA](#) this revocation action may only be brought before the Munich Local Division since an infringement action between the same parties relating to the same patent was pending before that local division.

31. It has argued that the Respondent and Meril are effectively the same party and that their actions constitute an abuse of the Unified Patent Court framework aiming to interfering with the proper administration of the proceeding already pending before the Munich Local Division and are able to ‘block’ the progress of the pending infringement case.

32. It has to be remembered that, according to [Article 33 \(4\) UPCA](#), actions for declarations of non-infringement of patents and supplementary protection certificates and actions for revocation of patents and for declaration of invalidity of supplementary protection certificates shall be brought before the central division; if, however, an action for infringement between the same parties relating to the same patent has been brought before a local or a regional division, these actions may only be brought before the same local or regional division.

33. It is evident and not disputed between the parties that an infringement action has been lodged by the Applicant under the same patent in suit before the Munich Local Division and that has happened before the lodging of the revocation action by the Respondent before this Seat.

34. Therefore, the issue at hand is if the Respondent and Meril India (or Meril Germany) are the same parties.

35. The UPCA does not offer a straight definition of the term ‘party’, but [Article 46](#), dedicated to legal capacity, establishes that ‘Any natural or legal person, or any body equivalent to a legal person entitled to initiate proceedings in accordance with its national law, shall have the capacity to be a party to the proceedings before the Court’.

36. The following article, dedicated to ‘Parties’, adds that ‘Any other natural or legal person, or any body entitled to bring actions in accordance with its national law, who is concerned by a patent, may bring actions in accordance with the Rules of Procedure’ [[Article 47 \(6\)](#)].

37. While these provisions are aimed at indicating who has legal capacity to be a party and who can file an action, nonetheless they enable to assume that a party is any legal or natural person or any body and the related assessment has to be carried out in accordance with its national law.

38. This conclusion is not affected by the fact that [Article 47 \(6\) UPCA](#) requires that in order to bring actions a natural or legal person or a body has to be concerned by a patent, because this requirement is not a constitutive element of the concept ‘party’, rather a condition that a party has to possess in order to have its action decided on the merits.

39. It follows that in order to assess whether the Respondent is entitled to be a party in the meaning of UPCA – and, consequently, whether it is a different party from Meril India and/or Meril Germany – Italian national law has to apply.

40. In that regard, according to the Italian law, the capacity to be a party requires the general aptitude to be recipient of the legal effects of the judicial proceeding and that capacity is accorded to each human being, legal persons and, in general, entities to which the law attributes the ability to act as autonomous centres of the attribution of legal relations (see Cass. 26 January 2022, n. 2332; Cass. 27 November 2018, n. 30606).

41. The phenomenon of corporate connection, despite having been taken into consideration by the legislator for specific and determined purposes, as the cause of one unitary configuration of a corporate group, is not suitable to determine the existence of a new legal entity or of a centre of attribution of relations other than the one of the connected companies, which maintain their distinct legal personality (see Cass. 3 March 2021, n. 5795).

42. The fact that in the specific legal context of competition law the Court of Justice of the European Union has stated that the concept of an undertaking must be understood as designating an economic unit even if in law that economic unit consists of several persons, natural or legal, and that the illicit conduct of a subsidiary may be imputed to the parent company in particular where that subsidiary does not decide independently upon its own conduct on the market, but carries out, in all material respects, the instructions given to it by the parent company (see, [CJEU 10 September](#)

2009, C-97/08 P - Akzo Nobel and Others v Commission) does not imply that the two companies don't have a separate legal personality, but only regards the consequences of the illicit conduct in terms of exposition of the parent company to a joint liability.

43. It derives, therefore, that the Respondent cannot be considered as the same party as Meril India and/or Meril Germany from a literal point of view.

Scope of Article 33 (4) UPCA: 'same parties'. The argument based on Article 29 Brussels Recast I

44. The Applicant has stated that the expression 'same parties' mentioned in **Article 33 (4) UPCA** has to be interpreted broadly and relates to the judgement delivered by the **Court of Justice of the European Union on 19 May 1998, case C-351/96 - Drouot assurances v Consolidated metallurgical industries and others**, on the interpretation of Article 21 of the Convention of 27 September 1968 on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters ('Brussels Convention').

45. It must be observed that in the framework of the UPCA the general principle governing the allocation of proceedings between the different kind of divisions is that actions for actual or threatened infringements of patents and supplementary protection certificates and related defences, actions for provisional and protective measures and injunctions, actions for damages or compensation derived from the provisional protection conferred by a published European patent application, actions relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the invention and actions for compensation for licences on the basis of **Article 8 of Regulation (EU) No. 1257/2012** shall be brought before the local or the regional divisions, while actions for declarations of non-infringement of patents and supplementary protection certificates and actions for revocation of patents and for declaration of invalidity of supplementary protection certificates, as well as actions concerning decisions of the European Patent Office in carrying out the tasks referred to in **Article 9 of Regulation (EU) No. 1257/2012**, shall be brought before the central divisions.

46. The rule that allocates the later actions to the local or regional divisions before which an infringement action is pending between the same parties and concerning the same patent constitutes an exception to a general principle that, as such, does not permit a broad interpretation of the same rule.

47. The primary role of the central division as the judge of the revocation actions is confirmed by the provision that allows the local or regional division before which a counterclaim for revocation has been brought in an infringement action to refer the counterclaim or, with the agreement of the parties, the whole case to the central division (**Article 33 UPCA**).

48. The principles set in in the aforementioned ruling **Drouot assurances v Consolidated metallurgical industries and others** – according to which the expression 'same parties' has to be interpreted in a way that includes also a situation in which it is established that the interests of two different parties are 'identical

and indissociable' – cannot apply in the present case as they have been set to address a different legal issue.

49. In fact, in that case the point at issue was to determine which national judge has jurisdiction in case of different actions are filed in different Contracting States and, to address this issue, to interpret Article 21 Brussels Convention [substantially reproduced in the **Article 29 of the 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)] according to which 'Where proceedings involving the same cause of action and between the same parties are brought in the courts of different Contracting States, any court other than the court first seised shall of its own motion decline jurisdiction in favour of that court'.

50. Article 21 Brussels Convention, together with the following Article 22 on related actions, is intended, in the interests of the proper administration of justice within the Community (now, the European Union), to prevent parallel proceedings before the courts of different Contracting States and to avoid conflicts between decisions which might result therefrom (see **CJEU 14 October 2014, C-39/02 - Mærsk Oilie & Gas; CJEU 9 December 2003, C-116/02 - Gasser**).

51. While the purpose of Article 22 is to avoid the risk of conflicting judgments, the aim of Article 21 is to prevent irreconcilable judgements, that is judgements that cannot be separately enforced and whose legal consequences are not mutually exclusive (see, also, **CJEU 6 December 1994, C406/92 - Tatra v Maciej Rataj**).

52. The framework of the statutory provisions of Brussels Convention (and Brussels I Regulation recast) on lis pendens and related actions is to preclude, so far as possible and from the outset, the possibility of a situation of non-recognition of a judgment on account of its irreconcilability with a judgment given in proceedings between the same parties in the State in which recognition is sought and that regulates situations on possible parallel proceedings.

53. The solution set out by those provisions is to have a criterion ('the first judge seised') that allows the identification of the national judge who has jurisdiction in the case of parallel proceedings pending before courts of different Member States.

54. The situation at hand is different and not comparable to it because no jurisdiction issue is disputed and, moreover, UPCA provides for an autonomous set of rules that regulates the situations of parallel proceedings, as displayed, in particular, by Articles **33 (2)(4)(5)(6) UPCA** and **Rules 295, 302, 303 and 340 RoP**.

55. It follows that the present particular case is outside the specific scope of Article 21 (and Article 22) of Brussels Convention and, therefore, it shall not be regulated by these provisions.

Scope of Article 33 (4) UPCA: 'same parties'. The argument based on the 'straw company' theory

56. The Applicant has also brought up a different argument based, apparently, on the fact that the

Respondent is a straw company and, as such, it could not be considered as an independent legal entity and its actions should be attributed to the parent company.

57. The Applicant has pointed out that: the Respondent is a fully-owned subsidiary of Meril India; its directors have worked or have been working (also) for Meril India; its only officers/employees are also Meril India's employees; it does not have an independent office in Italy and that the registered address corresponds to the registered address of an accounting firm; it does not run any sort of business; it has been registered in March 2023.

58. Having understood the argument in the reported way, it must be pointed out that the described scheme relates to a situation in which properties are fictitiously registered in name of a person or, in general, a contract is fictitiously concluded by a person with the agreement that the property will be acquired by a different person or that the legal effects of the contract will be produced with regard to that different person.

59. The assessment that a company is acting as a straw company requires a legal activity that appears as related to it and the agreement that the relative effects will be produced in respect of a different entity.

60. In the present case, there is no sufficient evidence that the Respondent is a straw company for Meril India and, in particular, that such an agreement has been reached between those two legal entities.

61. With this regard, it must be observed that a direct evidence of the conclusion of such an agreement – that would be extremely difficult for a third party – is not required, but it is sufficient that serious and concordant indications of the existence of this agreement are offered.

62. This Court deems that the fact that the Respondent has identical economic interests of its parent company in the outcome of the revocation action, it is a fully-owned subsidiary of Meril India, its directors worked or have been working (also) for Meril India and its only officers/employees are also Meril India's employees do not constitute serious and concordant indications of the existence of the agreement.

63. Actually, these indications are revealing, without any doubt, that there is a connection between the Respondent and the parent company Meril India and that the latter carries out an activity of organization, direction, conditioning and conformity to the strategic plan of the corporate group former through a plurality of policy actions capable of influencing management decisions of the Respondent.

64. However, that situation does not necessarily lead to the conclusion that the Respondent is a straw company and that the legal activity that carries out is intended to produce effect in favour of the parent company.

65. The same can be said regarding the fact that the Respondent has been registered last March 2023, that, according to the Applicant, would raise strong suspicions as to whether it was created with sole intention of attacking the Applicant's patents and attempting to bypass the provisions of the UPCA.

66. This fact does not offer sufficient evidence of the alleged abusive intent, because, firstly, there is no proof that, at the date of March 2023, the Applicant's patents would not be opted out and, secondly, there is no element that leads to the exclusion that the registration of a new subsidiary in Italy was part of an effective business plan.

67. As for the allegation that the Respondent does not have an independent office in Italy and does not run any sort of business, those indications – more serious and concordant of a fictitious legal entity than the previous ones – may be justified by the fact that the company has been incorporated recently (March 2023) and, for this reason, the organization of its activity is still in a preparatory phase.

68. It may be added that the conclusion reached on this point seems to be consistent with the case-law of the Enlarged Board of Appeal of the European Patent Office, according to which an opposition is not purely inadmissible if the opponent is a straw man acting for some other person, unless the involvement of the opponent is to be regarded as circumventing the law by abuse of process and the evidence of that has to be given by the person alleging that the opposition is inadmissible (see, [EBOA EPO 21 January 1999, G-3/97 and G-4/97](#)).

69. Moreover, in the present case the opinion of this Court is that there is no sufficient evidence of an abuse of process by the Respondent for the reasons that will be explained later on.

Scope of Article 33 (4) UPCA: 'same parties'. The argument based on the uniform administration of justice

70. The Applicant has argued that a broad interpretation of the term 'same parties' is also in line with the intention of the UPCA and, in particular, with the purpose to achieve uniform administration of justice and to avoid irreconcilable judgements within its divisions.

71. The Applicant has underlined that if the Preliminary objection were rejected the Meril group would be awarded 'two shots' in attacking the validity of the patent in suit before different divisions, assuming that Meril India and Meril Germany would reasonably file a counterclaim for revocation in the infringement action pending before the Munich Local Division, and that would constitute an inadmissible way to circumvent and undermine the provision of [Article 33 UPCA](#).

72. According to its opinion, it would also lead to have two divisions of the same court dealing with the same validity arguments and that would be detrimental to the procedural economy and efficiency of the Unified Patent Court, as well as constitute an abuse of the Unified Patent Court and of its judges.

73. In the opinion of this Seat the illustrated argument is not persuasive.

74. As previously mentioned (see para. 54), UPCA and RoP provide for a set of tools to handle the feared situation of parallel proceedings before different divisions of the Unified Patent Court.

75. With particular regard to the case of parallel proceedings concerning an infringement action and a

revocation action that relate to the same patent but have different parties, it must be considered that the Court before which the infringement action has been lodged may stay the proceeding, pursuant to [Rule 295 \(m\) RoP](#), that allows the Court to stay the proceeding ‘where the proper administration of justice require so’.

76. Indeed, since [Article 68 CBE](#) states that the revocation of a European patent has retroactive effect, the Court hearing the infringement action could deem appropriate to order the stay of the proceeding in order to avoid the risk of a procedural inefficiency where the patent enforced were to be declared invalid.

77. As for the dreaded situation of the Applicant being targeted by two revocation actions against the same patent by the Meril group – one before this Seat and another before the Munich Local Division by the way of a counterclaim – it must be noted that [Article 33 \(3\) UPCA](#) establishes that in such a situation the local division, in alternative to proceed with both the action for infringement and with the counterclaim for revocation, may refer the counterclaim for revocation for decision to the central division and suspend or proceed with the action for infringement or with the agreement of the parties, refer the case for decision to the central division.

78. The use of this discretionary power by the local division may avoid that two divisions of the Court would decide on the same issue and that competitors would have two (or more) ‘shots’ at the same patent and would exploit the possibility of different assessments on the same issue by UPC judges.

79. Moreover, the general tool offered by [Rule 295 \(m\)](#) may come at hand also in such a situation, pushing one of the Division to wait for the decision of the other Division and then decide accordingly on the validity issue.

80. It may be added that while using these discretionary powers the Unified Patent Court judges have to observe the principles of proportionality, flexibility, fairness and equity, mentioned in the [preamble 2 and 4 of the RoP](#).

81. These being the relevant provisions, this Seat cannot completely agree with the Applicant that the revocation action lodged by the Respondent has a ‘blocking’ effect of the infringement action, since that ‘blocking’ effect is merely possible and it depends on whether the judge in charge of the infringement action deems that the stay of the proceeding is more in accordance to the mentioned principles.

82. The same can be said about the ‘bifurcation by default’ effect, assumed by the Applicant during the hearing.

83. It follows that the Unified Patent Court framework does not exclude that a patent may be attacked by different subjects, even if linked by organizational ties or commercial relationships, and by the means of different claims, even if structured in the same grounds of invalidity.

84. Actually, the lodging of similar, if not identical, revocation actions by those subjects, as well as the lodging of a revocation action by a subject that has not be sued for infringing the attacked patent but is linked

with the alleged infringers, do not constitute per se an abuse of the Unified Patent Court framework because the system of the regulatory provisions that govern the judicial proceedings before the Unified Patent Court allows it and gives the judges the tools for handling such a situation without disregarding neither the right to take legal actions, nor the right to an efficient management of those proceedings.

Security for the legal costs

85. The Applicant has requested, as a less favourable alternative, that the Respondent shall be ordered to provide for an adequate security for costs pursuant to [Article 69 \(4\)](#) and [Rule 158 RoP](#) assuming that it will not reasonably be able to enforce its claim for reimbursement of costs against the Respondent.

86. The mentioned [Rule 158 RoP](#) states that ‘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...’

87. The Respondent debates that such a request may not be put forward within a Preliminary objection and, anyway, that the judge rapporteur does not have the power to issue such an order or, anyway, to address this request, since it is a panel’s prerogative.

88. Lacking, for obvious reasons, a consistent interpretation of the relevant provision, it may seem more appropriate to consider that the request may be lodged within a Preliminary objection, having regard to the principle of flexibility that the management of proceedings has to comply with.

89. As for the second issue, it must be considered that, according to [Rule 331 RoP](#), the written procedure case management is under the responsibility of the judge-rapporteur who can perform any act that is not exclusively reserved for the panel, including addressing the request for security for the legal costs.

90. Having said that, the Court deems that the mere circumstance that the Respondent is, at the moment, not active in the market and that it has a share capital of only euro 10,000.00 is not a sufficient reason to believe that it will not be able to enforce its claim for reimbursement of costs.

91. Indeed, the fact that the Respondent does not run any business at the moment can be justified by its recent establishment and by the need to carry out a preparatory activity, while the low amount of share capital is not necessarily a sign of a lack of financial availability, taking also in account that the company is included in a corporate group and that there is no allegation that the group is in financial difficulties.

ORDER

For these grounds, having heard the parties on all aspects of relevance for the following order, the judge-rapporteur

- rejects the Preliminary objection;
- rejects the request for security for the legal costs.

Issued on 13 November 2023.

NAMES AND SIGNATURES

Judge-rapporteur

[[Article 8 UPCA](#), [Article 35\(5\) UPCS](#)]

Judge-rapporteur

Paolo Catalozzi
