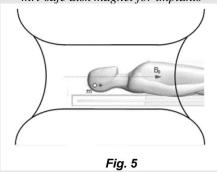
# UPC CFI, President, 15 April, Advanced Bionics v MED-EL

mri-safe disk magnet for implants



### PATENT LAW - PROCEDURAL LAW

Request to change language of proceedings can be filed within the time-limit to lodge the Statement of Defence (Article 49 UPCA, Rule 323 RoP)

• The obligation for the defendant to apply for a language change at the occasion of the Statement of Defence would indeed be unnecessarily restrictive and likely to slow down the course of the proceedings.

The decision whether or not to change the language of the proceedings into the language in which the patent was granted (Article 49 UPCA, Rule 323 RoP)

- shall be determined with regard to the respective interests at stake that has to be weighted, without it being necessary to constitute a disproportionate disadvantage.
- As a result, it may be sufficient that amongst all relevant circumstances also to be considered the language initially chosen is significantly detrimental to the Applicant (UPC CFI 225/2023 LD The Hague, order of 18 October 2023, UPC CFI 373/2023 LD Düsseldorf, order of 16 January 2024).
- A fairness issue can occur if one party compared to the other(s), is remarkably disadvantaged by the conditions in which it has to organize its defence due to the language of the proceedings.
- Factors resulting from strategic choices made by the Applicants and the existence of multiple related proceedings pending before national courts is not obviously affecting the conditions under which the defence is exercised in the present action

In support of the Application, Advanced Bionics AG puts forward two main sets of arguments first relating to several parallel proceedings in course – including the revocation action conducted in English, with the need to get a common understanding of the patent in suit – that shall all be followed and coordinated centrally, and next, regarding the involvement of an English patent attorney as member of their team.

These factors however, result from strategical choices made by the Applicants and the existence of multiple related proceedings pending before national courts, although influencing the general management of these cases and the internal framework on the legal issues, is not obviously affecting the conditions under which the defence is exercised in the present action.

**Source: Unified Patent Court** 

## UPC Court of First Instance, President, 15 April 2024

(Butin)

No. ACT\_12139/2024 UPC CFI 410/2023

#### **ORDER**

of the President of the Court of First Instance

in the proceedings before the Local Division MANNHEIM

pursuant to **R. 323 RoP** (language of the proceedings) issued on 15/04/2024

# APPLICANTS (DEFENDANTS IN MAIN PROCEEDINGS):

1. Advanced Bionics AG

Laubisrütistrasse 28 8712 Stäfa Switzerland

### 2. Advanced Bionics GmbH

Max-Eyth Strasse 20 70736 Fellbach-Oeffingen Germany

#### 3. Advanced Bionics Sarl

9 rue Maryse Bastié, CS 90606 69675 Bron Cedex France

Represented by: Miriam Kiefer (Kather Augenstein)

RESPONDENT (CLAIMANT IN MAIN PROCEEDINGS):

# MED-EL Elektromedizinische Geräte Gesellschaft m.b.H.

Fürstenweg 77a 6020 Innsbruck Austria

Represented by: Michael Rüberg (Boehmert&Boehmert)

#### PATENT AT ISSUE:

Patent n° **EP4074373** 

# SUMMARY OF FACTS - SUBJECT - MATTER OF THE PROCEEDINGS:

By Statement of Claim filed on 2 November 2023, MED-EL Elektromedizinische Geräte Gesellschaft m.b.H. has brought an infringement action against Advanced Bionics AG, Advanced Bionics GmbH and Advanced Bionics Sarl – here the Applicants – based on EP4074373 entitled "MRI-safe disk magnet for implants".

By application dated 5 March 2024, the defendants in the main proceedings – referring to **R. 323 RoP** (Rules of Procedure of the Unified Patent Court) – requested for a change of the language from German into English.

The request has been forwarded by the Judge-rapporteur to the President of the Court of First Instance of the UPC pursuant to **R. 323.1. RoP**.

By order dated 12 March 2024, the Claimant in the main action (585052/2023 – CFI\_410/2023) was therefore invited in accordance with **R. 323.2 RoP** to state within 10 days its position on the admissibility of the Application and on the use of the language in which the patent was granted (namely English) as language of the proceedings.

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The Respondents submitted written comments on the Application on 21 March 2024.

The panel of the LD Mannheim has been consulted in compliance with **R. 323.3 RoP**.

#### **INDICATION OF THE PARTIES' REQUESTS:**

Advanced Bionics AG, Advanced Bionics GmbH and Advanced Bionics Sarl (hereinafter collectively referred to as "Advanced Bionics") request the court to designate English as the language of the proceedings pursuant to **Art. 49(5) UPCA**.

MED-EL Elektromedizinische Geräte Gesellschaft m.b.H. (hereinafter "MED-EL") requests the Court:

I. To state that he defendant's application to designate English as the language of the proceedings pursuant to **Article 49(5) UPCA** is rejected as inadmissible or, in the alternative, dismissed as unfounded.

II. In the alternative to I., to state that the appeal is allowed.

III. To order the defendants to pay the costs associated with their application.

### **POINTS AT ISSUE:**

In support of the Application, Advanced Bionics argues that the use of English as language of the proceedings is justified pursuant to <u>art. 49(5) UPCA</u> for the following reasons:

- The Applicants had previously filed a revocation action against MED-EL before the Central Division Paris section, which is conducted in English as being the language of the patent;
- Advanced Bionics AG, Advanced Bionics GmbH and Advanced Bionics Sarl belong to the Sonova Group which operates worldwide and uses English in conducting their business internally and with external partners, the patent attorney involved on their side is English and has been working on the patent family in proceedings before the EPO, in addition with playing an important role in the revocation action;
- Other legal disputes are or have been pending between the parties worldwide, relating to several titles of the same patent family, these proceedings are coordinated centrally within the defendant's group where all of the most important written submissions and court decisions are translated into English, the respective law firms involved provide support and advice in the UPC proceedings;
- Adopting English would not be disadvantageous for MED-EL, also operating internationally and conducting related proceedings before the EPO and other courts;
- As the Local Division refused to combine infringement and nullity proceedings in its order dated 22 February 2024, the requested change would avoid contradictions in the understanding of individual terms and of the patent in suit.

MED-EL first states that the Application is inadmissible as:

- The way this provision is formulated means that a request pursuant to **R. 323.1 RoP** shall be filed together with the Statement of Defence and if individual decisions don't consider this mandatory character with regard to **Art. 49 (5) UPCA**, these orders have not yet been confirmed by the Court of Appeal;

- The Rules of Procedure regulates additional details and thus can set requirements that are not contained in the UPCA according to Art. 41.1 thereof;
- It is actually foreseen by the whole set of <u>rules 321</u> to <u>323 RoP</u> that the Defendant shall first seek an amicable solution, before the decision to be made by the President of the CFI upon application lodged together with the Statement of Defence.

MED-EL further contends that irrespective of its premature filing, the Application is unfounded for the following reasons:

- The decision to change the language of the proceedings is not at the discretion of the Court but subject to factual requirements, among which "reasons of fairness" that are not substantiated in the present case by the Applicants;
- The defendants' position shall not be given more weight in principle, as such approach would be counter to the **Preamble of the RoP** (point 5), moreover the list of "relevant circumstances" is not exhaustive;
- The alleged circumstances shall be significant from an objective perspective, it is instead not clear in the present case that the context described would make the defence more difficult to handle in German language, and it remains the responsibility of each party to meet the time limits regardless the language skills and roles of the attorneys involved;
- The situation and interest of the Court itself cannot constitute a significant circumstance as foreseen by the UPCA;
- The course of parallel national proceedings mentioned and relating coordination – should it be needed – are obviously not affected by the translation requirements;
- R. 271.7 RoP and Art. 12 of Regulation (EU) 2020/1784 indicate under which conditions a service of documents can be refused, that shall be considered in the assessment of the circumstances allowing the requested change; -

The English version of the claims and the English description of the patent will remain decisive in any event for the understanding of the patent;

- The interest of the Claimant shall also be taken into account.

Further facts and arguments as raised by the parties will be addressed below if relevant for the outcome of this decision.

## **GROUNDS FOR THE DECISION:**

## 1- Admissibility of the Application:

According to MED-EL, the Application to use the language in which the patent was granted shall be filed together with the Statement of Defence as foreseen by R. 323 RoP pursuant to which "1. If a party wishes to use the language in which the patent was granted as language of the proceedings, in accordance with Article 49(5) of the Agreement, the party shall include such Application in the Statement of Claim, in the case of a claimant, or in the Statement of Defence, in the case of a defendant (...)"

This provision refers to <u>Art. 49 (5) UPCA</u> which – as if the initiative is coming from either parties or the

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competent panel, according to Art. 49 (3) and (4) <u>UPCA</u> respectively – does not specify any timeframe for such request possibly made "at any time during the written procedure" pursuant to R. 321.1 RoP, and also during the interim procedure according to **R. 322 RoP**. R. 323 RoP instead, provides that an application lodged by the Defendant(s) to use of the language in which the patent was granted shall only be included in the Statement of defence. This requirement has so far not been interpreted by this Court as precluding that an application pursuant to the above-mentioned provision is filed before the Statement of Defense is lodged but rather, considered as a time-limit for the Applicant subsequently being requested to ask for such change of the language of the proceedings at the latest, when lodging the Statement of Defense in accordance with **R**. 23 RoP (UPC CFI 225/2023 LD The Hague, order dated 18 October 2023, UPC CFI 373/2023 LD Düsseldorf, order dated 16 January 2024).

MED-EL is of the opinion that the three abovementioned options are offered by the RoP with the aim to reach an agreement on the language to be used before forwarding the request to the President of the CFI which however, is not in contradiction with the disputed interpretation.

Within the time-limit laid down in the RoP to lodge the Statement of Defence, it is indeed possible to file a procedural application pursuant <u>R. 321</u> or <u>322 RoP</u> and at a later stage, finally refer to <u>R. 323</u>.

Furthermore, the interpretation suggested by MED-EL would be counter to the general aims as mentioned in the Preamble of the RoP, which provides in particular (Point 4) that "Flexibility shall be ensured by applying all procedural rules in a flexible and balanced manner with the required level of discretion for the judges to organise the proceedings". The obligation for the defendant to apply for a language change at the occasion of the Statement of Defence would indeed be unnecessarily restrictive and likely to slow down the course of the proceedings. This aim of efficiency is moreover, also highlighted in the commentary mentioned by the Respondent itself, which reads as follows "the purpose of this provision is, in the case of a unilateral application to change the language of the proceedings, to bring about a decision at the earliest possible stage of the proceedings with a view in particular of sparing the other parties the additional costs associated with a later change, ie for translations" (Plassman-Tilmann "A Commentary" - p. 2327 A. Para 1 II "Timing of application").

The Application shall consequently be declared admissible.

### 2- Merits of the Application:

According to <u>Art. 49 (1) UPCA</u>, the language of the proceedings before a local division shall be an official language of its hosting Member State or alternately the other language designated pursuant to <u>Art. 49 (2)</u>. It is further provided by <u>R. 323 RoP</u> that "If a party wishes to use the language in which the patent was granted as language of the proceedings, in accordance with Article 49(5) of the Agreement (...) The President, having consulted [the other parties and] the panel of the

division, may order that the language in which the patent was granted shall be the language of the proceedings and may make the order conditional on specific translation or interpretation arrangements".

Regarding the criteria that can be considered to decide on the Application, Art. 49 (5) UPCA specifies that "(...) the President of the Court of First Instance may, on grounds of fairness and taking into account all relevant circumstances, including the position of parties, in particular the position of the defendant, decide on the use of the language in which the patent was granted as language of proceedings".

The Rules of procedure of the UPC are accordingly governed by the principles of "proportionality, flexibility, fairness and equity", the latter being ensured by "having regard to the legitimate interests of all parties" (Preamble of the RoP – points 2 and 5).

It follows from these general principles and from art. 49 (5) abovementioned that the decision whether or not to change the language of the proceedings into the language in which the patent was granted shall be determined with regard to the respective interests at stake that has to be weighted, without it being necessary to constitute a disproportionate disadvantage. As a result, it may be sufficient that – amongst all relevant circumstances also to be considered – the language initially chosen is significantly detrimental to the Applicant (UPC CFI 225/2023 LD The Hague, order of 18 October 2023, UPC CFI 373/2023 LD Düsseldorf, order of 16 January 2024).

A fairness issue can occur if one party compared to the other(s), is remarkably disadvantaged by the conditions in which it has to organize its defence due to the language of the proceedings.

In support of the Application, Advanced Bionics AG puts forward two main sets of arguments first relating to several parallel proceedings in course – including the revocation action conducted in English, with the need to get a common understanding of the patent in suit – that shall all be followed and coordinated centrally, and next, regarding the involvement of an English patent attorney as member of their team.

These factors however, result from strategical choices made by the Applicants and the existence of multiple related proceedings pending before national courts, although influencing the general management of these cases and the internal framework on the legal issues, is not obviously affecting the conditions under which the defence is exercised in the present action.

It is furthermore to be noted that two of the defendants have their seat located in Germany and Switzerland respectively, where German is an official language, while the third one is an affiliated entity so that the access to the content of the file and subsequent exchanges are eased.

Lastly none of the Applicants has invoked an imbalance of financial resources or any particular circumstance of the case likely to create a significant disadvantage to their detriment. They instead substantiate the inconvenience and costs incurred in the event of parallel related proceedings in different languages, which is not

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sufficient to allow the requested change pursuant to  $\underline{\mathbf{R}}$ . 323 RoP.

It follows from the above that the Application shall be rejected and that the present order shall not at this stage be conditional on specific translation or interpretation arrangements which are not required.

#### 3- Costs:

MED-EL doesn't provide the Court with particular reasons to deviate from the general principle according to which the costs decision relating to the present Application shall be taken at the last stage of the main proceedings.

## FOR THESE GROUNDS

- 1- The Application shall not be granted.
- 2- The present order shall not be conditional on specific translation or interpretation arrangements.
- 3- The costs incurred by MED-EL Elektromedizinische Geräte Gesellschaft m.b.H. shall be dealt with in the main proceedings.
- 4- An appeal may be brought against the present order within 15 calendar days of its notification to the applicant pursuant <u>Art. 73. 2 (a) UPCA</u> and <u>R.220 (c)</u> RoP.

# INSTRUCTIONS TO THE PARTIES AND TO THE REGISTRY:

The next step shall be the lodging of a Reply to the Statement of Defense by the Claimants in the main Proceedings within the time period as defined by the Judge-rapporteur.

## **ORDER**

Issued on 15 April 2024

## NAME AND SIGNATURE

Florence Butin

President of the UPC Court of First Instance

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