

UPC CFI, Central Division Munich, 23 July 2024,
Astellas v Healios



PROCEDURAL LAW

Three ways to terminate proceedings

- Parties may at any time conclude their action by way of settlement, which may be confirmed by the Court (Rule 11 RoP, Rule 365 RoP), by way of agreement to withdraw the action (Rule 265 RoP) or by application to dispose of the action for having become devoid of purpose (Rule 360 RoP)
- The parties to proceedings may at any time conclude their action by way of settlement, which shall be confirmed by a decision of the Court (Article 79 of the Agreement on a Unified Patent Court (“UPCA”)). Rule 365 RoP clarifies that the Court shall confirm the settlement by decision if requested by the parties. This is in line with the principle of party disposition enshrined in Article 76(1) (and Article 43) UPCA according to which the Court shall not award more than is requested. It follows that the parties may at any time conclude their action by settlement, also without seeking a confirmatory Court decision as meant in Rule 365 RoP.
- Another way of concluding an action could be for parties to agree that the Claimant shall apply to withdraw the action (with the consent of the Defendant(s)) in accordance with Rule 265 RoP. The Court can then, in principle, declare the proceedings closed (Rule 265.2(b) RoP). See for example the orders from the LD Munich ORD_41109/2024 and ORD_598303/2023 dated 11 July 2024, KraussMaffei /TROESTER. No such application has, however, been made by the Claimant in this case.
- In the present case, the parties have requested the Court to dispose of the Actions as they have become devoid of purpose and there is no longer any need to adjudicate thereon (Rule 360 RoP). As the parties have made unanimous applications under Rule 360 RoP declaring that they concluded their actions by way of settlement and wish to dispose of the actions because they have become devoid of purpose and that there is no longer any need to adjudicate thereon, the Court finds accordingly.

Source: [Unified Patent Court](#)

UPC Court of First Instance,

Central Division (Section Munich), 23 July 2024

(Voß, Kupecz, Gerli)

Actions n°: UPC 75/2023 and UPC
80/2023

Revocation actions

Order

of the Court of First Instance of the Unified Patent Court
Central division (Section Munich)

issued on 23 July 2024

concerning [EP 3 056 563](#), [EP 3 056 564](#)

HEADNOTES

1. The parties to proceedings may at any time conclude their action by way of settlement, also without seeking a confirmatory Court decision as meant in [Rule 365 RoP](#).
2. Actions are disposed of by way of order as the parties have made a unanimous application under [Rule 360 RoP](#) declaring that they concluded their actions by way of settlement and wish to dispose of the actions because they have become devoid of purpose and that there is no longer any need to adjudicate thereon.

3. Reimbursement of Court fees pursuant to [Rule 370.9 sub c RoP](#) is not limited to concluding a case by way of settlement within the meaning of [Rule 365 RoP](#).

KEYWORDS

Settlement, reimbursement of court fees, disposal of action, devoid of purpose, unanimous application

IN CASE 464985/2023 (UPC_75/2023)

CLAIMANT

1) **ASTELLAS INSTITUTE FOR REGENERATIVE MEDICINE**, 9 Technology Drive - MA 01581 -

Westborough - USA

represented by Mark Didmon of Potter Clarkson.

DEFENDANTS

1) **Healios K.K.**, 7-1, Yuraku-cho 1-chome Chiyoda-ku - 100-0006 - Tokyo - JP

2) **Riken**, 2-1, Hirosawa Wako-shi - 351-0198 - Saitama - JP

3) **Osaka University**, 1-1 Yamadaoka Suita-shi - 565-0871 - Osaka - JP

(also collectively referred to as “the Defendants”) represented by James Nicholls and Pamela Tuxworth of JA Kemp.

PATENT AT ISSUE

Patent no. Proprietors

[EP3056563](#) Healios K.K, Riken, Osaka University

AND

IN CASE 465342/2023 (80/2023)

CLAIMANT

1) **ASTELLAS INSTITUTE FOR REGENERATIVE MEDICINE**, 9 Technology Drive - MA 01581 -

Westborough - USA

represented by Mark Didmon of Potter Clarkson.

DEFENDANTS

1) **Healios K.K.**, 7-1, Yuraku-cho 1-chome Chiyoda-ku - 100-0006 - Tokyo - JP

2) **Osaka University**, 1-1 Yamadaoka Suita-shi - 565-0871 - Osaka - JP

(also collectively referred to as “the Defendants”)

represented by James Nicholls and Pamela Tuxworth of JA Kemp

PATENT AT ISSUE

Patent no. Proprietor/s
[EP3056564](#) Healios K.K, Osaka University

PANEL/DIVISION

Panel 1 of the Central Division (Section Munich).

DECIDING JUDGES

This Order is issued by Ulrike Voß (presiding judge), András Kupecz (judge-rapporteur) and Paolo Gerli (technically qualified judge). This Order is taken by the panel upon recommendation of the judge-rapporteur ([Rule 363 RoP](#)).

LANGUAGE OF THE PROCEEDINGS

English.

SUBJECT-MATTER OF THE PROCEEDINGS

Revocation action. Settlement. Disposal of action. [Rule 360 Rules of Procedure](#) (“RoP”).

BACKGROUND AND REQUEST

The Court has taken note of the procedural applications with numbers 36628/2024 (in case 75/2023) and 36621/2024 (in case 80/2023) lodged by the Claimant on 19 June 2024 informing the Court that the respective actions (herein collectively referred to as “the Actions”) had been concluded by way of settlement. The parties were informed by the Court that the oral hearings in the Actions, scheduled for 25-27 June 2024, were cancelled. The Actions are both revocation actions in relation to the above-mentioned patents. By way of the procedural applications, the parties requested the Court to confirm that the proceedings have been concluded by settlement and (to the extent necessary) issues a decision pursuant to [Rule 365.1 RoP](#); details of the parties’ settlement are kept confidential on the basis of [Rule 365.2 RoP](#); any decision recording settlement of the action, and conclusion of the same, is entered into the register in line with [Rule 365.3 RoP](#); and that no decision under [Rule 365.4 RoP](#) is made. In addition, the Claimant requests reimbursement of 20% of the EUR 20,000 court fee in each action. By letters dated 20 June 2024, all Defendants in the Actions confirmed that the parties have concluded the Actions by way of settlement, also confirming the requests above with reference to the Claimant’s letters.

By way of preliminary order dated 27 June 2024, the Judge-rapporteur expressed the opinion that based on the RoP there are different possibilities to proceed when an action is concluded by way of settlement. One of the options is for the settlement to be confirmed by decision of the Court pursuant to [Rule 365 RoP](#). If this is requested by the parties, the decision may be enforced as a final decision of the Court ([Rule 365.1 RoP](#)). [Rule 11.2 RoP](#) states that the Court shall confirm the terms of the settlement (underline CD). Thus, in order to comply with the requirements of [Rule 365.1](#) in conjunction with [Rule 11.2 RoP](#), the Court would need information regarding the actual terms of the settlement that parties seek to have confirmed by the Court in a decision.

However, in order to dispose of the action, it is not necessary for the Court to render a decision pursuant to [Rule 365.1 RoP](#). Alternatively, the parties’ applications

could be interpreted as an application under [Rule 360 RoP](#) to dispose of the action as it has become devoid of purpose and there is no longer any need to adjudicate on it, the reason being that parties have concluded the action by way of settlement. Following this possibility, the Court can dispose of the action by way of order (after hearing the parties). In this case, there would be no need for the terms of the settlement to be shared with the Court and there will be no decision in the meaning of [Rule 365 RoP](#).

The Judge-rapporteur asked clarification from the parties on what their requests are and how they wish to proceed. The parties were given the opportunity to be heard under [Rule 360 RoP](#).

The Judge-rapporteur furthermore informed the parties that, for the sake of convenience and in order to avoid a multitude of CMS workflows and submissions, the Court would like to use only one application workflow (36628/2024 in [case 75/2023](#)) on the assumption that all submissions made by the parties will apply equally to case 80/2023 and that the parties themselves will deal with any confidentiality issues in relation to Defendant 2 in [case 75/2023](#) (Riken, which is not a party to [case 80/2023](#)). Parties have confirmed their agreement to proceeding in this way in their submissions pursuant to this preliminary order.

In the submissions dated 2 July 2024, the parties have confirmed that they request the Court to dispose of the Actions pursuant to [Rule 360 RoP](#).

The Court understands that the Claimant maintains its requests for reimbursement of 20% of the Court fee in the Actions.

GROUNDINGS

The applications to dispose of the Actions are admissible and allowable. The requests to reimburse 20% of the court fees are also admissible and allowable.

The parties to proceedings may at any time conclude their action by way of settlement, which shall be confirmed by a decision of the Court ([Article 79 of the Agreement on a Unified Patent Court](#) (“UPCA”)). [Rule 365 RoP](#) clarifies that the Court shall confirm the settlement by decision if requested by the parties. This is in line with the principle of party disposition enshrined in [Article 76\(1\) \(and Article 43\)](#) UPCA according to which the Court shall not award more than is requested. It follows that the parties may at any time conclude their action by settlement, also without seeking a confirmatory Court decision as meant in [Rule 365 RoP](#). Another way of concluding an action could be for parties to agree that the Claimant shall apply to withdraw the action (with the consent of the Defendant(s)) in accordance with [Rule 265 RoP](#). The Court can then, in principle, declare the proceedings closed ([Rule 265.2\(b\) RoP](#)). See for example the orders from the LD Munich ORD_41109/2024 and ORD_598303/2023 dated [11 July 2024, KraussMaffei /TROESTER](#). No such application has, however, been made by the Claimant in this case.

In the present case, the parties have requested the Court to dispose of the Actions as they have become devoid of purpose and there is no longer any need to adjudicate

thereon (Rule 360 RoP). As the parties have made unanimous applications under Rule 360 RoP declaring that they concluded their actions by way of settlement and wish to dispose of the actions because they have become devoid of purpose and that there is no longer any need to adjudicate thereon, the Court finds accordingly. The Actions are therefore disposed of by way of this Order.

The Claimant requested reimbursement of 20% of the (fixed) Court fees paid for the Actions on the ground that the Actions had been concluded by way of settlement before closure of the oral procedure. Based on Rule 370.9 sub c RoP, 20% of the Court fees may be reimbursed if the action is settled before closure of the oral procedure (which is the case here). The Court notes that Rule 370.9 sub c RoP is not limited to concluding an action by way of settlement within the meaning of Rule 365 RoP (in other words: a “Court confirmed settlement”). This follows from the wording of Rule 370.9 sub c RoP, which speaks generally of “settlement”, and is confirmed by the fact that no specific reference is made to Rule 365 RoP (different from the reimbursement under Rule 370.9 RoP in case of a single judge in (“sub a”) or withdrawal (“sub b”) which do specifically refer to Rule 345.6 and 265 RoP, respectively). In addition, the fee reimbursement system is intended to encourage the parties to settle an action in an early stage of the proceedings. This consideration applies regardless of whether the settlement is confirmed by the Court or not. The requested fee reimbursement is therefore justified under the circumstances of the present case.

In conclusion, the applications are allowed. The Actions are disposed of because they have become devoid of purpose and there is no longer any need to adjudicate thereon. The Claimant shall be reimbursed for Court fees as per the below order.

ORDER

Having heard the parties on all relevant aspects, the Central Division:

- Disposes of revocation action 464985/2023 (UPC number 75/2023).
- Disposes of revocation action 465342/2023 (UPC number 80/2023).
- Directs the Registrar to refund the Claimant, as soon as practicable, 20 % of the Court fees paid, making a total of 4.000,- EUR for action 464985/2023.
- Directs the Registrar to refund the Claimant, as soon as practicable, 20 % of the Court fees paid, making a total of 4.000,- EUR for action 465342/2023.

NAMES AND SIGNATURES

Judges

Presiding judge: Ulrike Voß

Legally qualified judge and judge-rapporteur: Andrés Kupecz

Technically qualified judge: Paolo Gerli

Information about appeal

Pursuant to Rule 363.2 RoP this Order is a final decision within the meaning of Rule 220.1(a). An appeal against

the present Order may accordingly be lodged at the Court of Appeal, by any party which has been unsuccessful, in whole or in part, in its submissions, within two months of the date of its notification (Art. 73(1) UPCA, R. 220.1(a), 224.1(a) RoP).
