

UPC Court of Appeal, 21 November 2024, Meril v Edwards

low profile delivery system for transcatheter heart valve

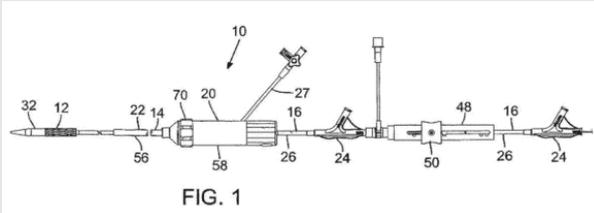


FIG. 1

PATENT LAW – PROCEDURAL LAW

Court of First Instance erred in refusing to grant the requested stay solely on the basis of its finding that a final decision in the opposition proceedings could not be expected rapidly.

New legal argument may be submitted in appeal

- [The discretion of the Court of Appeal to disregard new “requests, facts and evidence” does not apply to legal arguments \(R. 222.2 RoP\)](#). A party may submit a new legal argument on appeal, provided that the argument is based on the facts and evidence submitted to the Court of First Instance.

Stays on the ground of parallel EPO opposition proceedings

- [are governed by the more specific provisions of Art. 33\(10\) UPCA, R. 295\(a\), R. 295\(g\) and 118.2\(b\) RoP](#). This case therefore does not qualify as an “*other case*” within the meaning of [R. 295\(m\) RoP](#).

17. [...] [R. 118 RoP](#) contains provisions regarding the decisions on the merits. [R. 118.2\(b\) RoP](#) and [R. 295\(g\) RoP](#) are therefore applicable when the case is ready for a decision. Prior to that stage, orders regarding a stay of proceedings pending opposition proceedings are governed by [R. 295\(a\) RoP](#).

18. It follows that the Court of First Instance was correct to hold that [R. 295\(g\)](#) and [R. 118.2\(b\) RoP](#) are not applicable during the written procedure. Nor are they applicable at the present stage of the first instance proceedings, i.e. the interim procedure. Meril’s request must be decided on the basis of [R. 295\(a\) RoP](#) in conjunction with [Art. 33\(10\) UPCA](#).

- [Purpose is to prevent conflicts between decisions in infringement proceedings and the decisions issued by the EPO in opposition proceedings.](#)

Unlike decisions in parallel revocation proceedings and opposition proceedings, which are not irreconcilable ([Court of Appeal 28 May 20204, APL 3507/2024, UPC CoA 22/2024, Carrier/BITZER](#), paragraph 25), decisions in parallel infringement and opposition proceedings may conflict. Such conflicts may arise in particular if the EPO revokes a patent during opposition proceedings that formed the basis for an order of the Court in infringement proceedings. These conflicts should, in principle, be avoided, even if the EPO’s

decision is appealable and its effects are suspended pending appeal. A stay of infringement proceedings pursuant to [Art. 33\(10\) UPCA](#) and [R. 295\(a\) RoP](#) can be used to achieve this purpose.

Discretion to stay infringement proceedings in case of parallel EPO opposition proceedings

- [Only required that it can be expected that a decision of the EPO may be expected rapidly, not a final decision \(Art. 33\(10\) UPCA, R. 295\(a\) RoP\)](#)

- [The Court has a discretionary power to stay, depending on the balance of interests of the parties and the specific circumstances of the case, such as the stage of the opposition proceedings, the stage of the infringement proceedings and the likelihood that the patent will be revoked in the opposition proceedings.](#)

In this context, the fact that the expected EPO decision is not a final decision and is likely to be appealed is just one of several factors that may be taken into account.

Source: [Unified Patent Court](#)

UPC Court of Appeal, 21 November 2024

(Grabinski, Blok, Gougé)

UPC Court of Appeal

Reference numbers:

APL_50205/2024

UPC_CoA_511/2024

ORDER

of the Court of Appeal of the Unified Patent Court issued on 21 November 2024

concerning a request for a stay of proceedings

HEADNOTE

1. Pursuant to [R. 222.2 RoP](#), the Court of Appeal may disregard “*requests, facts and evidence*” which were not submitted by a party during the proceedings before the Court of First Instance. This wording makes it clear that the rule does not apply to legal arguments. [R. 222.2 RoP](#) therefore does not prevent a party from submitting a new legal argument on appeal, provided that the argument is based on the facts and evidence submitted to the Court of First Instance.

2. [Art. 33\(10\) UPCA](#) provides that the Court may stay its proceedings if a rapid decision may be expected from the EPO. This provision has been implemented in both [R. 295\(g\) RoP](#), which refers to [R. 118 RoP](#), and [R. 295\(a\) RoP](#). [R. 118 RoP](#) contains provisions regarding decisions on the merits. [R. 118.2\(b\) RoP](#) and [R. 295\(g\) RoP](#) are therefore applicable when the case is ready for a decision. Prior to that stage, orders regarding a stay of proceedings pending opposition proceedings are governed by [R. 295\(a\) RoP](#).

3. Pursuant to [Art. 33\(10\) UPCA](#) and [R. 295\(a\) RoP](#), the Court may stay proceedings relating to a patent which is also the subject of opposition proceedings before the EPO when a rapid decision may be expected from the EPO. These provisions do not require that a final decision of the EPO may be expected rapidly. The Court may stay proceedings under [Art. 33\(10\) UPCA](#) and [R. 295\(a\) RoP](#) where it can be expected that the

Opposition Division of the EPO will give its decision rapidly, even if it is likely that such a decision will be appealed.

4. A stay pursuant to [Art. 33\(10\) UPCA](#) and [R. 295\(a\) RoP](#) is one of the mechanisms available to the Court to deal with parallel infringement and opposition proceedings. In particular, it serves to prevent conflicts between its decisions in infringement proceedings and the decisions issued by the EPO in opposition proceedings. Unlike decisions in parallel revocation proceedings and opposition proceedings, which are not irreconcilable ([Court of Appeal 28 May 20204, APL 3507/2024, UPC CoA 22/2024, Carrier/BITZER](#), paragraph 25), decisions in parallel infringement and opposition proceedings may conflict. Such conflicts may arise in particular if the EPO revokes a patent during opposition proceedings that formed the basis for an order of the Court in infringement proceedings. Such conflicts should, in principle, be avoided, even if the EPO's decision is appealable and its effects are suspended pending appeal. A stay of infringement proceedings pursuant to [Art. 33\(10\) UPCA](#) and [R. 295\(a\) RoP](#) can be used to achieve that purpose.

5. The Court is not required to stay proceedings if a final or non-final rapid decision may be expected from the EPO. [Art. 33\(10\) UPCA](#) and [R. 295\(a\) RoP](#) provide that the Court “may” do so. The word “may” means that the Court has a discretionary power. Whether or not a stay is granted depends on the balance of interests of the parties and the specific circumstances of the case, such as the stage of the opposition proceedings, the stage of the infringement proceedings and the likelihood that the patent will be revoked in the opposition proceedings. In this context, the fact that the expected EPO decision is not a final decision and is likely to be appealed is just one of several factors that may be taken into account.

KEYWORDS

Appeal; new legal arguments on appeal; stay of infringement proceedings pending opposition

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RESPONDENT (CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE)

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PATENT AT ISSUE

[EP 3 769 722](#)

PANEL AND DECIDING JUDGES

Panel 1a:

Klaus Grabinski, president of the Court of Appeal

Peter Blok, legally qualified judge and judge-rapporteur

Emmanuel Gougé, legally qualified judge

LANGUAGE OF THE PROCEEDINGS

English

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

□ [Order of the Court of First Instance of the Unified Patent Court, Nordic-Baltic Regional Division, dated 20 August 2024](#)

□ Reference numbers attributed by the Court of First Instance:

UPC_CFI_380/2023

ACT_582093/2023

App_14299/2024 ORD_16663/2024

FACTS AND REQUESTS OF THE PARTIES

1. Edwards is the proprietor of European patent 3 769 722 relating to a low profile delivery system for transcatheter heart valve (hereinafter: the patent at issue).

2. On 27 October 2023, Edwards brought an infringement action against Meril before the Nordic-Baltic Regional Division of the Court of First Instance, requesting inter alia an order prohibiting – in summary – the alleged infringement of the patent at issue by Meril (hereinafter: the infringement proceedings).

3. On 7 March 2024, the firm of JA Kemp (hereinafter: the opponent) filed an opposition against the grant of the patent at issue with the European Patent Office (hereinafter: EPO) (hereinafter: the opposition proceedings). On 18 July 2024, the EPO issued a preliminary non-binding opinion stating that the grounds for opposition prejudice the maintenance of the patent at issue in its granted form. The EPO accelerated the opposition proceedings. The oral hearing is scheduled for 17 January 2025.

4. On 18 March 2024, Meril filed counterclaims for revocation of the patent at issue in the infringement proceedings (CC_14226/2024; CC_14317/2024; CC_14320/2024; CC_14323/2024; CC_14325/2024; CC_14326/2024, hereinafter: the counterclaims for revocation). In response, Edwards filed applications to amend the patent at issue. The oral hearing in the

infringement proceedings and revocation proceedings is scheduled for 16 January 2025.

5. On 18 March 2024, Meril also filed an application in the infringement proceedings requesting, to the extent relevant on appeal, that the Court stay the infringement proceedings pending a decision by the Opposition Division of the EPO on the validity of the patent at issue.

6. Edwards requested that the Court dismiss the application to stay the proceedings.

7. In the order of 20 August 2024, the Court of First Instance rejected Meril's request to stay the proceedings (hereinafter: the impugned order). The grounds of the impugned order can be summarized as follows:

- **R. 118 of the Rules of Procedure of the Unified Patent Court** (hereinafter: RoP) only applies during the oral procedure. Therefore, it cannot be used as the legal basis for staying proceedings during the written procedure;

- Instead, it is primarily **Art. 33(10) of the Agreement on a Unified Patent Court** (hereinafter: UPCA) and **R. 295(a) RoP** that govern the possibility to stay proceedings when an opposition is pending at the EPO;

- In this case, the notice of opposition was filed on 7 March 2024 and it can reasonably be assumed that a future decision by the Opposition Division will be subject to an appeal. Therefore, it is obvious that a final decision cannot be expected rapidly;

- In their final submission, the Defendants also made reference to **R. 295(m) RoP**. When considering whether to apply this very general provision, the Court must take into account the existence of the more specific provisions in **Art. 33(10) UPCA** and **R. 295(a) RoP**. The Court must also respect the fundamental right to an effective legal remedy and a fair and public hearing within a reasonable time, and must ensure that the final oral hearing normally takes place within one year. For these reasons, the Court will generally not stay proceedings if a final decision by the EPO is not expected to be given rapidly. This principle applies even if there is a high likelihood that the relevant claims of the patent will be held to be invalid;

- In this case, it shall also be taken into account that Meril submitted counterclaims for revocation. Therefore, the UPC can be expected to have decided whether and/or to what extent the patent at issue is valid before the opposition proceedings are finalized;

- Against this background, the Court finds that the infringement proceedings shall not be stayed pursuant to **Rule 295(m) RoP**.

8. Meril filed an appeal against the impugned order, requesting that the Court of Appeal

i. set aside the impugned order, and

ii. stay the infringement proceedings pending a decision by the Opposition Division of the EPO in the opposition proceedings.

9. Edwards responded to the appeal, requesting that the Court of Appeal

i. dismiss the appeal,

ii. uphold the impugned order, and

iii. order that the costs of the appeal be borne by Meril.

SUBMISSIONS OF THE PARTIES

10. Meril's grounds of appeal can be summarized as follows:

- It is now clear that a decision of the Opposition Division will be available in the near future (e.g. at the conclusion of the oral hearing on 17 January 2025) and that it is highly likely that the patent at issue will not be upheld in its granted form;

- In the interests of procedural economy, the outcome of the oral hearings in the opposition proceedings should be awaited. This is the sole means to ensure that the Court and the EPO decide on the same set of claims;

- The EPO has accelerated the opposition proceedings; - On the basis of these facts, a stay is justified pursuant to **R. 295(g) RoP** and **R. 118.2(b) RoP**. These provisions do not require a rapid decision by the EPO. It is irrelevant that **R. 118.2 RoP** is contained in Chapter 3 RoP and is entitled "*decision on the merits*";

- A stay is also justified on the basis of **R. 295(a) RoP**. It is sufficient that the decision of the EPO is to be expected rapidly. A final decision by the Technical Board of Appeal is not required;

- An oral hearing before the Court on 16 January 2025 would not guarantee a timely arrival of Meril's representatives for the EPO hearing.

11. Edwards' response can be summarized as follows: -

The preliminary opinion of the EPO confirms that the patent at issue is novel and involves inventive step, rejecting all insufficiency and added matter concerns except for one issue. This issue is addressed by auxiliary request 1, which has already been filed in the UPC proceedings and will also be filed at the EPO. It is therefore evident that the Opposition Division is likely to uphold the patent at issue in this amended form; - As pointed out by the **Court of Appeal in the Carrier/BITZER case**, the general principle is that the Court will not stay proceedings;

- As correctly determined by the Court of First Instance, **R. 295(g)** and **R. 118.2(b) RoP** only apply during the oral procedure. Even if they were applicable, they would not justify a stay of proceedings;

- Under the first part of **R. 118.2(b) RoP**, the Court may stay proceedings pending a decision of the EPO. The principles underlying the UPCA and RoP require that the Court should not stay proceedings unless a non-appealable decision of the EPO is expected imminently;

- Under the second part of **R. 118.2(b) RoP**, the Court must stay proceedings when there is a high likelihood that that patent will be held invalid by a final decision of the EPO and where such a decision may be expected to be given rapidly. Neither condition is met in this case; - The Court of Appeal should not allow Meril to rely on **Art. 33(10) UPCA** and **R. 295(a) RoP**, as Meril did not submit this argument during the first instance proceedings;

- The Court of Appeal should not order a stay on the basis of **Art. 33(10) UPCA** and **R. 295(a) RoP**, as a final decision of the TBA cannot be expected rapidly and all potential issues raised in the preliminary opinion of the EPO are resolved by Edwards' auxiliary request;

- The fact that the EPO hearing is scheduled for the day after the UPC hearing is not problematic. The opposition

proceedings are handled by other representatives and the EPO hearing will be conducted by videoconference.

GROUNDINGS FOR THE ORDER

Reference to new legal provisions allowed

12. Pursuant to R. 222.2 RoP, the Court of Appeal may disregard “*requests, facts and evidence*” which were not submitted by a party during the proceedings before the Court of First Instance. This wording makes it clear that the rule does not apply to legal arguments. R. 222.2 RoP therefore does not prevent a party from submitting a new legal argument on appeal, provided that the argument is based on the facts and evidence submitted to the Court of First Instance.

13. This interpretation of R. 222.2 RoP is confirmed by Art. 73.4 UPCA. Pursuant to Art. 73.4 UPCA, “*new facts and new evidence*” may only be introduced if their submission could not reasonably have been expected during the proceedings before the Court of First Instance. The wording of this provision makes it clear that Art. 73.4 UPCA applies to new facts and new evidence, but not to new arguments on points of law based on facts and evidence available in the proceedings before the Court of First Instance. R. 222.2 RoP must be interpreted in accordance with this provision.

14. It follows that R. 222.2 RoP does not preclude Meril from relying on Art. 33(10) UPCA and R. 295(a) RoP as an alternative legal basis for its requests, even though these provisions were not addressed by Meril in the first instance proceedings.

15. Edwards’ argument that Meril’s reliance on Art. 33(10) UPCA and R. 295(a) RoP constitutes a new request must be rejected. Meril’s request was, and remains, that the Court stay the infringement proceedings. The reference to these provisions merely introduces a new legal basis for the existing request.

Correct legal basis

16. Under R. 295(m) RoP, the Court may stay proceedings “*in any other case where the proper administration of justice so requires*”. However, this general ground for a stay is not applicable in the present case, as stays on the ground of parallel opposition proceedings are governed by the more specific provisions of Art. 33(10) UPCA, R. 295(a), R. 295(g) and 118.2(b) RoP. This case therefore does not qualify as an “*other case*” within the meaning of R. 295(m) RoP.

17. Art. 33(10) UPCA provides that the Court may stay its proceedings if a rapid decision may be expected from the EPO. This provision has been implemented in both R. 295(g) RoP, which refers to R. 118 RoP, and R. 295(a) RoP. R. 118 RoP contains provisions regarding the decisions on the merits. R. 118.2(b) RoP and R. 295(g) RoP are therefore applicable when the case is ready for a decision. Prior to that stage, orders regarding a stay of proceedings pending opposition proceedings are governed by R. 295(a) RoP.

18. It follows that the Court of First Instance was correct to hold that R. 295(g) and R. 118.2(b) RoP are not applicable during the written procedure. Nor are they applicable at the present stage of the first instance proceedings, i.e. the interim procedure. Meril’s request

must be decided on the basis of R. 295(a) RoP in conjunction with Art. 33(10) UPCA.

Interpretation of Art. 33(10) UPCA and R. 295(a) RoP in the context of infringement proceedings

19. Pursuant to Art. 33(10) UPCA and R. 295(a) RoP, the Court may stay proceedings relating to a patent which is also the subject of opposition proceedings before the EPO when a rapid decision may be expected from the EPO. The Appellant rightly argues that these provisions do not require that a final decision of the EPO may be expected rapidly. For the following reasons, the Court may stay proceedings under Art. 33(10) UPCA and R. 295(a) RoP where it can be expected that the Opposition Division of the EPO will give its decision rapidly, even if it is likely that such a decision will be appealed.

20. It is evident from the wording of Art. 33(10) UPCA and R. 295(a) RoP that a final decision is not required. In contrast to R. 118.2(b), second sentence, RoP, which provides that the Court shall stay infringement proceedings if it is of the view that there is a high likelihood that the patent will be held invalid by the final decision of the EPO, Art. 33(10) UPCA and R. 295(a) RoP only require that a rapid decision by the EPO be expected.

21. This interpretation is confirmed by the purpose of the provisions. A stay pursuant to Art. 33(10) UPCA and R. 295(a) RoP is one of the mechanisms available to the Court to deal with parallel infringement and opposition proceedings. In particular, it serves to prevent conflicts between its decisions in infringement proceedings and the decisions issued by the EPO in opposition proceedings. Unlike decisions in parallel revocation proceedings and opposition proceedings, which are not irreconcilable (Court of Appeal 28 May 20204, APL 3507/2024, UPC CoA 22/2024, Carrier/BITZER, paragraph 25), decisions in parallel infringement and opposition proceedings may conflict. Such conflicts may arise in particular if the EPO revokes a patent during opposition proceedings that formed the basis for an order of the Court in infringement proceedings. These conflicts should, in principle, be avoided, even if the EPO’s decision is appealable and its effects are suspended pending appeal. A stay of infringement proceedings pursuant to Art. 33(10) UPCA and R. 295(a) RoP can be used to achieve this purpose.

22. The Court is not required to stay proceedings if a final or non-final rapid decision may be expected from the EPO. Art. 33(10) UPCA and R. 295(a) RoP provide that the Court “*may*” do so. The word “*may*” means that the Court has a discretionary power. Whether or not a stay is granted depends on the balance of interests of the parties and the specific circumstances of the case, such as the stage of the opposition proceedings, the stage of the infringement proceedings and the likelihood that the patent will be revoked in the opposition proceedings. In this context, the fact that the expected EPO decision is not a final decision and is likely to be appealed is just one of several factors that may be taken into account.

Rapid decision by the opposition division expected

23. It follows that the Court of First Instance erred in refusing to grant the requested stay solely on the basis of its finding that a final decision in the opposition proceedings could not be expected rapidly. The Court of First Instance should have considered whether a rapid decision of the Opposition Division could be expected and, if so, whether the relevant circumstances of the case and the balance of the interests of the parties justified a stay of the infringement proceedings. The Court of Appeal will therefore set aside the impugned order.

24. It is evident that the requirement for a rapid decision by the EPO is met in this case. It is common ground that the EPO Opposition Division will deliver its decision orally at the conclusion of the oral hearing, one day after the oral hearing in the infringement proceedings.

25. The remaining question is whether the Court should exercise its discretion to order a stay of the infringement proceedings in this case, taking into account the interests of the parties and the relevant circumstances of the case. In this context, it is important to emphasize that there are alternative ways to prevent conflicting decisions without ordering a stay at this stage of the infringement proceedings. For instance, the Court may proceed with the infringement proceedings, including preparations for the oral hearing, and reschedule the oral hearing to take place after the EPO's decision or even after the issuance of the grounds for that decision. Alternatively, the Court could hold the oral hearing as scheduled, request the parties to inform the Court of the outcome of the opposition proceedings, and then decide on the basis of such information whether further procedural steps are required. A further option is for the Court to proceed with the infringement proceedings and to exercise the powers granted under [R. 118.2\(b\) RoP](#) when issuing its decision on the merits.

26. The Court of First Instance has a degree of discretion in this respect. Moreover, the Court of First Instance is at this stage better informed than the Court of Appeal in respect of the relevant aspects of the infringement proceedings and the counterclaims for revocation. The Court of Appeal will therefore refer the case back to the panel of the Court of First Instance that issued the impugned order for further consideration of the request for a stay.

Costs

27. The Court of Appeal will not decide on the costs of the proceedings in this order, as it is not a final order or decision concluding the infringement action.

ORDER

- The impugned order is set aside;
- The case is referred back to the panel of the Court of First Instance that issued the impugned order for further consideration of Meril's request for a stay.

This order was issued on 21 November 2024.
