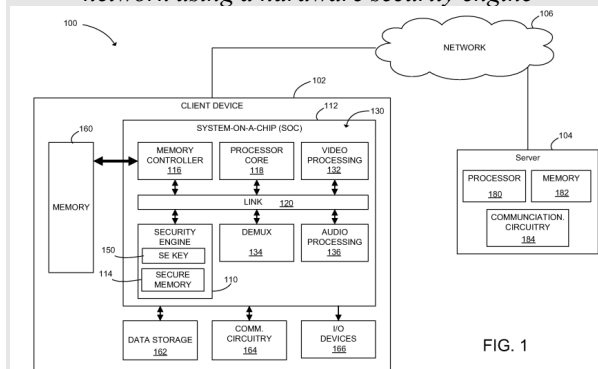


UPC CFI, Local Division Hamburg, 16 January 2025, Daedalus v Xiaomi

method and device for secure communications over a network using a hardware security engine



PATENT LAW – PROCEDURAL LAW

Bifurcation: parties agree and most practical solution (Article 33(3) UPCA)

- As the oral hearing is already scheduled by the Central Division – and its date is approaching within the next two to three months – a referral of the counterclaim to the Central Division appears to be the most practical solution to avoid inconsistent decisions and duplication of work on validity (comp. LD Munich, 02.02.2024 – UPC-CFI 14/2023 – ACT 459916/2023).

No stay of infringement action (R. 296.3 RoP)

- A stay of proceedings would lead to the consequence that all time-limits are automatically suspended and shall begin to run afresh from the date the stay comes to an end, R. 296.3 RoP. As a Statement of defence is still due for Defendant 1) and Defendant 5), it is for the time being favourable to proceed with the infringement action as a whole. Furthermore, a decision on the Defendant 5)'s preliminary objection dated 16 December 2024 under R. 19.1(a) is still pending. For the sake of efficiency of the proceedings the panel takes, as indicated by the judge-rapporteur in his preliminary order 10 December 2024, the expected time line for the issuing of a final decision of the Central Division into consideration. It will continue with the infringement action by scheduling the oral hearing not before early summer. However, the panel reserves to right to reconsider the possibility of suspending the proceeding and any separation of the infringement action at a later stage.

Source: [Unified Patent Court](#)

UPC Court of First Instance,
Local Division Hamburg, 16 January 2025
(Klepsch, Schilling, Rinkinen)
UPC_CFI_169/2024 and 436/2024

Procedural Order

of the Court of First Instance of the Unified Patent Court delivered on 16/01/2025

APPLICANT

1) Daedalus Prime LLC

(Claimant) - 75 South Riverside, unit B/C, Croton-on-Hudson - 10520 - New York - US

Represented by Marc Grunwald

DEFENDANTS 1) Xiaomi Communications Co., No Ltd.

(Defendant) - # 019, 9th Floor, Building 6, Yard 33 Xierqi Middle Road, Haidian District - 100085 – Beijing (Peking) - China

Represented by Prof. Dr. Tilman Müller-Stoy

Statement of claim served on 09/09/2024

2) Xiaomi Inc.

(Defendant) - No.006, floor 6, Building 6, Yard 33, Middle Xierqi Road, Haidian District, Beijing (Peking) 100085, China

Represented by Jan Boesing

Statement of claim served on 13/08/2024

3) Xiaomi Technology Netherlands B.V.

(Defendant) - Prinses Beatrixlaan 582 - 2595BM – The Hague (Den Haag) - DE

Represented by Prof. Dr. Tilman Müller-Stoy

Statement of claim served on 26/04/2024

4) Xiaomi Technology Germany GmbH

(Defendant) - Niederkasseler Lohweg 175 - 40547 - Düsseldorf - DE

Represented by Prof. Dr. Tilman Müller-Stoy

Statement of claim served on 26/04/2024

5) MediaTek Inc. (Headquarters)

(Defendant) - No.1, Dusing Rd. 1, Hsinchu Science Park – 30078 - Hsinchu - TW

Represented by Dr. Moritz Meckel Statement of claim served on 15/11/2024

PATENT AT ISSUE

Patent no. Proprietor/s

[EP2792100](#) Daedalus Prime LLC

DECIDING JUDGE

Judge-rapporteur Dr. Schilling

THE PARTIES' SUBMISSIONS

With submission on 7 December 2024 Claimant requested, that the counterclaim for revocation (proceeding no. CC_43278/2024) shall be referred to the Central Division Paris while the pending infringement action (case no. 19012/2024) proceeds with the Local Division Hamburg. It argued that Claimant is currently facing two UPC revocation actions against the patent in suit, namely a counterclaim for revocation pending with the Local Division Hamburg (proceeding no. CC_43278/2024) and a central revocation action pending with the Central Division Paris (No. ACT_31389/2023 – UPC_CFI_288/2024). Since the central revocation action is the more extensive nullity action and the CD's revocation action will likely be decided earlier than the counterclaim for revocation, Claimant considers a referral reasonable for reasons of procedural economy.

Claimant requests to continue with the infringement action as it would ensure efficient proceedings both in

terms of a timely resolution of the infringement issues as well as the quick handling of procedural issues. The present infringement proceedings (at least against Defendants 3) and 4)) involve urgent commercial matters and delaying the infringement decision until the revocation matter is resolved would harm Claimant, particularly since Defendants continue to exploit the patent in suit and Claimant is continually deprived of the license income to which it is entitled.

Initially, the Defendants 3) and 4) requested in their counterclaim for revocation, dated 26 July 2024, that the Local Division stays the infringement proceedings, or – if not – that the Local Division refers the revocation counterclaim to the Paris Central Division and subsequently stays the present infringement proceedings until a final decision is rendered in the parallel revocation proceedings.

With order of 10 December 2024 the judge-rapporteur invited the Defendants to formulate their final position on bifurcation. Before that, the judge-rapporteur invited the parties with order 19 November 2024 (ORD_61686/2024) to comment on the possibility of separating the infringement action into two or three proceedings due to deviating and partly missing service of the Statement of claim to several Defendants.

Defendants 2), 3) and 4) responded that given the risk that the oral hearing by the CD Paris, which is currently scheduled for 25 March 2025, would have to be significantly postponed, they formally request to reject the Claimant's request. But they propose to refer the counterclaim for revocation to the CD Paris and to await a decision by the CD Paris on the standalone revocation action and counterclaim for revocation before continuing the infringement proceedings without separation uniformly for all Defendants. The decision by the CD Paris could be either awaited by staying the infringement proceedings or by scheduling the oral hearing in the infringement proceedings to a date at which the decision of the CD Paris has been rendered and can be used by this Local Division.

Regarding the handling of the remaining infringement action they additionally argue that the written procedure with regard to Defendant 5) was expected to be concluded between June and August 2025. Therefore, the scheduling of a joint oral hearing for all Defendants in autumn 2025 could be realistic and making it unnecessary to split the infringement action as this would only result in a marginal delay compared to the judge-rapporteur's contemplated timing that a hearing would in any event not be scheduled before early summer 2025.

GROUND FOR THE ORDER

The panel uses its discretion according to [Art. 33 \(3\) UPCA](#) to refer the counterclaim to the Central Division.

1. According to [Art. 33 \(3\) UPCA](#), the local or regional division concerned may, after hearing the parties, either (a) proceed with both the action for infringement and the counterclaim for revocation and request the President of the Court of First Instance to designate from the pool of judges referred in [Article 18\(3\)](#) a technically qualified

judge with qualifications and experience in the field of technology concerned; or

(b) refer the counterclaim for revocation to the central division for decision and stay or proceed with the action for infringement; or

(c) with the agreement of the parties, refer the case to the Central Division for decision.

Pursuant to [Rule 37.1 of the Rules of Procedure](#), the panel shall, as soon as practicable after the conclusion of the written procedure, decide by way of order how to proceed with respect to the application of [Art. 33 \(3\) UPCA](#). The parties shall be given an opportunity to be heard, [Rule 264 RoP](#). The Central Division decided on 15 November 2024 not to stay its proceedings with respect to the counterclaim for revocation filed by the Defendant(s) in the infringement action (UPC_CFI_288/2024 – ACT_31389/2023, App_52335/2024).

In the present infringement action the Claimant initiated the process to decide on bifurcation by its application of 7 December 2024. The Defendants 2), 3) and 4) were given the possibility to comment and to finalize their position on bifurcation with order of the judge-rapporteur dated 10 December 2024.

2.

The panel uses its discretion according to [Art. 33 UPCA](#) to refer the counterclaim to the Central Division. The parties, namely the Claimant and the Defendants 2), 3) and 4), unanimously favour a referral of the counterclaim to the Central Division as a matter of efficiency. Based on the situation that the stand-alone revocation action and the counterclaim for revocation are both based in large part on the same prior art documents and based on the fact, that the revocation action is set for an oral hearing on 25 March 2025, the decision towards bifurcation has to be seen as an efficient use of resources. While in general there are usually advantages in having the infringement action and the counterclaim for revocation being heard together by the same panel, the circumstances of this case require a different decision. As the oral hearing is already scheduled by the Central Division – and its date is approaching within the next two to three months – a referral of the counterclaim to the Central Division appears to be the most practical solution to avoid inconsistent decisions and duplication of work on validity (comp. [LD Munich, 02.02.2024 – UPC-CFI 14/2023 – ACT 459916/2023](#)).

3.

The parties disagree, however, on the question of whether or not to proceed with the (remaining) infringement action. It has to be said that deviating from the facts known at the time of the judge-rapporteur's order 19 November 2024 (ORD_61686/2024) regarding a possible separation of proceedings it is now certain that not only service had been effected on Defendant 1) on 09 September 2024 but also that service has recently been effected on Defendant 5) on 15 November 2024. As this situation is different from the one known in the referred order, the panel refrains from suspending and/or separating the infringement action at this point in time.

A stay of proceedings would lead to the consequence that all time-limits are automatically suspended and shall begin to run afresh from the date the stay comes to an end, [R. 296.3 RoP](#). As a Statement of defence is still due for Defendant 1) and Defendant 5), it is for the time being favourable to proceed with the infringement action as a whole. Furthermore, a decision on the Defendant 5)'s preliminary objection dated 16 December 2024 under [R. 19.1\(a\)](#) is still pending. For the sake of efficiency of the proceedings the panel takes, as indicated by the judge-rapporteur in his preliminary order 10 December 2024, the expected time line for the issuing of a final decision of the Central Division into consideration. It will continue with the infringement action by scheduling the oral hearing not before early summer. However, the panel reserves to right to reconsider the possibility of suspending the proceeding and any separation of the infringement action at a later stage.

ORDER

1. The Local Division refers the counterclaim for revocation (UPC_CFI_436/2024 – CC_43278/2024) to the Central Division Paris (UPC_CFI_288/2024 – ACT_31389/2023) while proceeding with the pending infringement action (UPC_CFI_169/2024 – ACT_19012/2024).

2. The Local Division reserves the right to reconsider the possibility of suspending and/or separating the infringement action pursuant to [Art. 33 \(3\) c UPCA](#).

ORDER DETAILS

Order no. ORD_65257/2024 in ACTION NUMBER: ACT_19012/2024

UPC number: UPC_CFI_436/2024

Action type: Infringement Action

Related proceeding no. Application No.: 64836/2024
