UPC CFI, Local Division Paris, 24 January 2025, Photon Wave v Seoul Viosys

PATENT LAW – PROCEDURAL LAW

Standalone action for revocation by intervener is inadmissible before the present Division in the case at hand (Article 33(3) and (4) UPCA, R. 316A RoP)

- **The Court notes that the intervener will still have the possibility of acting independently before the UPC to challenge a patent that is, in his view, invalid, but outside the context of an infringement action pending before the local division seized of an action that is currently at the interim conference stage.**

As SEOUL VIOSYS has argued, the intervener cannot circumvent the rules set out in the Rules of Procedure on the role of the intervener vis-à-vis the defendant in an infringement action which has already been unduly slowed by PHOTON WAVE's various unsuccessful attempts to circumvent its mandatory time limits under the Rules on the exchange of pleadings in an infringement action.

Source: Unified Patent Court

UPC Court of First Instance,
Local Division Paris, 24 January 2025
(Lignières, Gillet, Tochtermann, Soledade)
Paris Local Division
UPC_CFI_440/2023
UPC_CFI_238/2024
Final Order on admissibility
of the Court of First Instance of the Unified Patent Court delivered on 24/01/2025
CLAIMANT
Photon Wave Co.,Ltd 52, Jugyang 1763 beon-gil, Wonsam-myeon, Cheoin-gu, Yongin-si, Gyeonggi-do, KR
Represented by Dorothea Hofer
DEFENDANT
Seoul Viosys Co., Ltd 65-16, Sandan-ro 163beon-gil, Danwon-gu - 15429 - Ansan-si, Gyeonggi-do - KR
Represented by Pauline Debré
PATENT AT ISSUE

Patent no.	Proprietor
EP3404726	Seoul Viosys Co., Ltd

COMPOSITION OF PANEL – FULL PANEL
Presiding judge & Camille Lignières Judge-rapporteur
Legally qualified judge Carine Gillet
Legally qualified judge Peter Tochtermann
Technically qualified judge Antony Soledade
LANGUAGE OF PROCEEDINGS: English
ORDER
FACTS AND PROCEEDINGS

On 5 December 2023, Seoul Viosys, the owner of patent EP 3404726 (EP'726), filed an infringement action against Laser Components before the Paris Local Division (ACT 588685/2023).
On 12 February 2024, the present Court declared admissible the intervention of Photon Wave in the infringement action.
The parties exchanged their statements on 18 March 2024 (Statement of defence from Laser Components without counterclaim for revocation), 16 May 2024 (Seoul Viosys reply) and 14 June 2024 (Laser Components and Photon Wave, as intervener).
On 18 March 2024, Photon Wave filed on its own motion a statement of defense requesting the right to file either an independent counterclaim for a declaration of invalidity or a counterclaim for a declaration of invalidity pursuant to Article 33(4) UPCA before the Paris Local Division. By order dated 6 May 2024, the Paris Local Division ruled that Photon Wave, as intervener, did not lodge within the time limit prescribed to the main defendant, its request for revocation of the patent at issue.
On 17 May 2024, Photon Wave brought before the Central Division in Paris, an action for revocation of the patent belonging to Seoul Viosys (ACT 28074/2024). Seoul Viosys lodged a preliminary objection on 6 August 2024 (App. 45571/2024), to which Photon Wave answered on 16 August 2024.
On 24 July 2024, the Paris Local Division denied the request for stay lodged by PHOTON WAVE. The Oral hearing was scheduled for March 13, 2025 (Order of September 30, 2024), with an Interim conference scheduled for January 24, 2025, which was rescheduled for February 7, 2025 (Order of January 16, 2025).
The Paris Central Division ruled as follows in its Preliminary Objection Order dated January 5, 2025:
-The preliminary Objection is admissible,
- Photon Wave's main request that the Central Division declare itself competent to hear the revocation action is rejected,
-The auxiliary request to transfer the revocation action to the Local Division is ordered
-Photon Wave shall bear 80 % of the legal costs of the preliminary objection, incurred by Seoul Viosys.
The case was transferred to the Paris Local Division and the Judge-Rapporteur in this case considered that it was in the interest of the proper administration of justice to deal first with the question of the admissibility of this action before the Local Division, which was disputed by the parties.
SEOUL VIOSYS argues that:
-Local Division has no jurisdiction to hear the Revocation action pursuant to Article 33(4) UPCA,
-the action is manifestly inadmissible on the basis of R. 361 RoP, arguing that:
-a party to a pending infringement action can only challenge the validity of the patent through a counterclaim, Seoul Viosys based its assertion that Photon Wave is restricted to a counterclaim for revocation also on Rule 25(1) RoP.

-since Photon Wave decided not to file a nullity counterclaim, it is therefore now precluded from attacking the Patent's validity through any other procedural route,
- such ruling is aligned with the principle of fairness,
- Should the revocation action be deemed admissible, it should not be joined to the Infringement action.
PHOTON WAVE responds that the revocation action is admissible, arguing that **Rule 361 RoP** provides no basis for ruling the action for revocation inadmissible:
- the jurisdiction of the UPC is not disputed in the case at hand,
- the inadmissibility is not immediately apparent as the question is in debate in the doctrine (Bopp/Kircher v Tilmann/Plassmann),
- in addition, inadmissibility does not result from **Articles 32** and **33 UPCA**:
- **Art. 33(4) UPCA** does not contain any limitation whatsoever to the right of any party concerned by a patent to file a (separate/independent) revocation action.
- the wording of **Art. 33(3) UPCA** does not explicitly require a counterclaim for revocation when an infringement action has been brought between two parties. Rather, the counterclaim is considered only as an option in relation to a pending infringement action.
PHOTON WAVE contends that the admissibility does also not result from **Rule 25 RoP**, arguing that Rule 25 RoP and the term regime governing the defence – as Tilmann does - that a party to infringement proceedings is not allowed to file revocation action under **Art. 32(1) d) UPCA**, this will lead to a conflict between **Rule 25 RoP** and **Art. 33(4) UPCA**.
PHOTON WAVE refers to a Central Division Munich order stating: "Revocation actions may be brought to the UPC at any time. It is only a question at which division within the UPC this has to be done, with the aforementioned possibility of correcting this after bringing the action to – what later, if and when an objection is made, turns out to be – the wrong division."
On PHOTON WAVE's view, inadmissibility order would be not aligned with the principle of fairness, regarding its status of intervener and its status of a small or medium size company.
Finally, PHOTON WAVE suggests joining the present proceedings to the infringement action case.

LEGAL FRAMEWORK

Art. 33 UPCA - Competence of the divisions of the Court of First Instance:

*3. A counterclaim for revocation as referred to in **Article 32(1)(e)** may be brought in the case of an action for infringement as referred to in **Article 32(1)(a).***
*4. Actions referred to in **Article 32(1)(b) and (d)** shall be brought before the central division. If, however, an action for infringement as referred to in **Article 32(1)(a)** 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.*

Rule 25 RoP– Counterclaim for revocation:

1. If the Statement of defence includes an assertion that the patent alleged to be infringed is invalid the Statement of defence shall include a Counterclaim against the proprietor of the patent for revocation of said patent in accordance with Rule 42.

Rule 361 – Action manifestly bound to fail:

Where it is clear that the Court has no jurisdiction to take cognisance of an action or of certain of the claims therein or where the action or defence is, in whole or in part, manifestly inadmissible or manifestly lacking any foundation in law, the Court may, after giving the parties an opportunity to be heard, give a decision by way of order.

GROUNDS

Competence

Regarding the question of the competence of the local division for the revocation action, although the first sentence of **Article 33.4 UPCA** affirms the principle of the competence of the central division, the second sentence indicates that in the event of parallel proceedings before this local division (dealing with the same patent and the same parties), there is an exception and a revocation action must be brought before the local division. The Court therefore considers that it is not on the basis of lack of competence that the revocation from PHOTON WAVE action can be rejected in the case at hand.

Inadmissibility

1-Contrary to what SEOUL VIOSYS claims, the contested action is not manifestly inadmissible in the sense provided by **rule 361 RdP**. In fact, the application of the combined rules of **Articles 32** and **33 UPCA** as well as the role of the intervener as provided for in the UPC legal texts and the qualification as a "party" are still open to legal discussion in their application, (even if the decisions already rendered by the UPC, particularly in the dispute before the present court opposing SEOUL VIOSYS and PHOTON WAVE have shed light on this debate.) Accordingly, the legal basis provided by rule **361 RoP** for declaring PHOTON WAVE's revocation action inadmissible before this Division is not appropriate in the present case.
2- With respect to PHOTON WAVE's interpretation of **Article 33-3 UPCA** that a counterclaim "may" be brought in an infringement action: The Court notes that, in this context, the expression "may be" means that the defendant has the possibility in his statement of defence to challenge the validity of the patent that is asserted against him and that he can choose to challenge only the infringement that is alleged against him. In the parallel infringement action (ACT 588685/2023), the defendant chose not to raise a counterclaim in its statement of defence. If it had done so, it could only have done so before the local division and within the mandatory time limits for the written procedure set out in the Rules of Procedure. Consequently, contrary to what PHOTON WAVE argues, the Court considers that there is no contradiction between the Rules of Procedure and the provisions of the UPCA in **Article 33.3** which uses "may", and in the last sentence of **Article 33.4**, which states that an action for revocation of a patent must only be raised before the local division in charge of the infringement action for that patent.

3-Furthermore, the order ruled by the Central Division of Munich (**CD Munich, order 560432 case CFI 1/2023**) to which PHOTON WAVE refers in support of its reasoning is not relevant to the present case since it refers to a situation provided for in **Article 33.5 UPCA** (CD first seized), which is different from that provided for in **Article 33.4 UPCA**.
4-PHOTON WAVE's argument that the Court cannot prohibit it from seeking revocation of the patent at issue, based on a breach of the principle of fairness, is not persuasive. In fact, this principle of fairness shall be combined with the principle of efficiency which also governs the rules of procedure before the UPC. In the parallel infringement action, PHOTON WAVE had access to all the documents in the file as early as 20 February 2024 and it was only on 18 March 2024, i.e. the last day of the deadline for filing the statement of defence, that it requested an extension of the deadline for filing submissions for revocation of the patent in question, without any additional justification. It was up to the defendant and the intervener to be diligent. In order to avoid any dilatory strategy on the part of the defence, which would consist of having an intervener intervene late in order to delay the proceedings in bad faith to the detriment of the interests of the Claimant in the infringement action, and taking into account the fact that the intervener (in accordance with **Rule 313.2 RoP**) can only intervene to support the procedural strategy of the defendant, the panel rejected this request for an extension of time. In this regard, the Court expressly refers to the grounds for its previous orders in the infringement action dated of **13 March 2024 (ORD 13006-ACT 588685/2023-PC CFI 440/2023**) and dated of **6 May 2024 (ORD 18404/2024-ACT 588685/2023-UPC CFI 440/2023**). The Court notes that the intervener will still have the possibility of acting independently before the UPC to challenge a patent that is, in his view, invalid, but outside the context of an infringement action pending before the local division seized of an action that is currently at the interim conference stage. As SEOUL VIOSYS has argued, the intervener cannot circumvent the rules set out in the Rules of Procedure on the role of the intervener vis-à-vis the defendant in an infringement action which has already been unduly slowed by PHOTON WAVE's various unsuccessful attempts to circumvent its mandatory time limits under the Rules on the exchange of pleadings in an infringement action.
5-For these reasons and in conformity with the principles of fairness and efficiency which govern proceedings before the UPC, the **Articles 32** and **33 UPCA** and of the rules on the role of the intervener as provided for by the RoP, a standalone action for revocation of the patent EP 726 is therefore inadmissible before the present Division, in the case at hand.
6 - As to costs, SEOUL VIOSYS requested an increase of its representation costs considering PHOTON WAVE's procedural conduct.
PHOTON WAVE contested this request as unjustified, pointing out in particular that the preliminary objection had been raised by SEOUL VIOSYS before the Central Division.
In light of Art. 69 UPCA, Rule 152 RoP and the Administrative CommiΣee's decision of 24 April 2023 on the Scale of ceilings for recoverable costs, the Court sees no reason to increase the costs ceiling, in the case at hand.
Therefore, SEOUL VIOSYS's request for a 50% increase of the legal costs ceiling is not granted.
The Court orders that:
-the revocation action before the present Division is inadmissible,
-PHOTON WAVE shall bear the costs of the present proceedings and the request from SEOUL VIOSYS for increasing the legal costs ceiling is rejected.
Issued in Paris, on 24 January 2025
Camille Lignières, Presiding judge and Judge-rapporteur
Carine Gillet, Legally qualified judge
Peter Tochtermann, Legally qualified judge
Anthony Soledade, Technically qualified judge
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