

Kluwer Patent Blog

AIPPI World Congress Istanbul – UPC Mock Trial

Lucie Fortune (Bristows) · Wednesday, November 1st, 2023

On the last day of the AIPPI World Congress in Istanbul, a packed-out room of attendees was treated to a UPC mock trial. The illustrious judging panel featured three UPC judges, with Edger Brinkman as Presiding Judge joined by Peter Tochtermann and Petri Rinkinen. The mock scenario concerned an application for a preliminary injunction (PI) in the UPC Local Division of The Hague by the owner of a European patent, “König”. The European patent related to a vehicle for the transportation of loaded pallets. The EP was granted in 2021 for the 17 UPC countries plus Spain and the UK, and was not opted out of the UPC.

König sought a PI against: (i) a Dutch company (“Prins”) prohibiting Prins from making, offering, placing on the market or using its allegedly infringing trucks (the Crown Truck 3000), and (ii) against a Danish customer of Prins (“Danish Trucks”) prohibiting Danish Trucks from using its Crown Truck 3000 which it had purchased from Prins.

The advocates for the applicant (Peter Damerell (Powell Gilbert, UK) and Karsten Königer (Harmsen Utescher, Germany)) introduced their client’s case, explaining that Prins’ Crown Truck 3000 vehicle hit every integer of the König patent’s sole claim, except one, and that nevertheless it infringed under the doctrine of equivalents. The advocates drew the Court’s attention to Article 69 EPC and Articles 1 and 2 of the Protocol on the Interpretation of Article 69 EPC, and particularly Article 2 of the Protocol which provides that when determining the scope of protection of a European patent, due account should be taken of any element which is equivalent to an element specified in the claim. In the absence of any case law from the UPC on equivalents, it was suggested that the Court should look at AIPPI Resolution Q175 on the doctrine of equivalents (to much appreciative laughter in the room). Resolution 4(a) states that an element should be regarded as equivalent if “*the element under consideration performs substantially the same function to produce substantially the same result as the claimed element*”. It was argued that as this test was satisfied in this case, there is a reasonable likelihood that infringement would be found.

The applicant’s advocates then covered the applicant’s position on the validity of the patent, pointing to the fact that the patent had been upheld by the Opposition Division of the EPO, and that although this was under appeal there was no reason to assume the TBA would come to a different view.

Turning to the reasons for the PI, the applicant’s advocates argued that there was a risk of irreparable harm to the patentee if Prins were permitted to continue with the sales of their allegedly infringing trucks until a decision on the merits in 12-14 months’ time, due to loss of sales and

damage to the patentee's standing and reputation, and this would outweigh any harm to the defendants (looking at the discretion of the Court to weigh up the interests of the parties under Article 62(2) of the UPC Agreement and Rule 211(3) of the UPC Rules of Procedure). Considering Rule 211(4) regarding any "unreasonable delay" in seeking provisional measures, in this case the patentee had applied for a PI within two months of becoming aware of the defendants' activities which, they argued, was entirely reasonable.

The defendants, Prins and Danish Trucks (represented by Laura Orlando (Herbert Smith Freehills, Italy) and Amandine Métier (Hoyng Rokh Monegier, France)) started by arguing that the scope and validity of König's patent is unclear because of the pending TBA proceedings. This means that, even if the PI application were not dismissed, it should be stayed pending the outcome of those TBA proceedings.

The defendants then argued that the PI application should be dismissed against both Prins and Danish Trucks, as there was no infringement, no urgency and no risk of irreparable harm to the patentee. Further, Danish Trucks had an additional ground that The Hague Local Division of the UPC is not competent with respect to Danish Trucks, who are based in Denmark. Although Article 33(1)(b) UPC Agreement provides that a UPC action may be brought against multiple defendants, this is only where the defendants have a commercial relationship and where the action relates to the same alleged infringement. The defendants' advocates explained that Danish Trucks had only bought one truck from Prins for its own commercial use independent of Prins and therefore there was no established commercial relationship, nor did Danish Trucks distribute or sell trucks itself.

As regards infringement, the defendants' advocates highlighted that it was agreed between the parties that there was no literal infringement. Neither did the truck infringe under the doctrine of equivalents, they argued, as Prins had its own patent covering the technology in the last claim integer which, by definition, must be inventive and non-obvious. Next the defendants pointed to resolution 5 of AIPPI Resolution Q175 which provides that, notwithstanding that an element is regarded as an equivalent, it cannot infringe a patent claim if the patentee expressly and unambiguously excluded it from the claim during prosecution of the patent, which they argued applied here. The defendants also disputed that the applicant had acted with any urgency – Prins had filed their own patent covering elements of the disputed technology in October 2020 which was granted in Sept 2022, and König had not taken any steps to challenge Prins' patent. In addition, Prins had started advertising the Crown Truck 3000 on its website in English language, in June 2023; the applicant said that they discovered this in August 2023 but waited until 15 October 2023 to launch the PI proceedings.

At this juncture Edger Brinkman asked the parties for their views – it is of course accepted that there is an urgency requirement, but when does the clock start ticking? Is it an objective test i.e. when should the applicant have known about the allegedly infringing activities, or a subjective test i.e. when did they actually know? The applicant responded that it should be a subjective test, as the burden should not be on the patentee to proactively undertake patent searches and monitor competitors. In these circumstances, the applicant argued, two months from knowledge to initiating the PI application was entirely justified, given the time taken to prepare the case as the UPC is a new Court system, with no precedents and with limited access to documents from other cases via the UPC case management system.

Rounding up their submissions, the advocates for the defendants argued that, in weighing the parties' interests, a PI would cause Prins to lose customers and it would ruin their reputation.

Preventing Danish Trucks from using its truck by granting the PI would lack proportionality as Danish Trucks is a customer, a one truck company and would go bankrupt. In the alternative, if an injunction were to be granted, the applicant should provide security as provided for by Rule 211(5) of the UPC Rules of Procedure, and this should be half of the value in dispute.

After a break to deliberate, the judges came back with their decision (stressing that their decision was a personal decision, rather than any kind of official UPC decision or precedent). Dealing first with the competence of the Local Division of The Hague regarding the co-defendant Danish Trucks, they looked to Articles 32 and 33 of the UPC Agreement. The judges also commented that, in their view, Article 8 of the recast Brussels Regulation did not apply in these circumstances. As there was no allegation of actual or threatened infringement in the Netherlands, the Court did not have jurisdiction under Article 33(1)(a), and instead needed to look to Article 33(1)(b). Although the Court said that the action against Prins and Danish Trucks clearly related to the “same alleged infringement” under Article 33(1)(b) as it concerned the sale and purchase of the same truck, they were not satisfied that a sufficient commercial relationship was established between Prins and Danish Trucks, as the parties were not in any kind of distributor relationship. Accordingly, the judges concluded that the Local Division of The Hague was not competent for the claim against Danish Trucks and therefore dismissed the claim against this co-defendant.

Turning to the urgency requirement, the judicial panel gave their view that there was no general duty to actively monitor competitors, unless there are very specific facts that show that the allegedly infringing acts were very clear to a patentee or that promotional materials had been so widely published that the patentee should be aware of them. The Court concluded that in this case the applicant had acted with sufficient urgency in seeking the PI, but this will depend on the facts in each case.

The Court rejected the defendants’ request for a stay to any PI pending the outcome of the TBA proceedings, holding that an appeal at the EPO is not enough reason for a stay. In any event, no invalidity defence was put forwards by the defendants which would be required for any stay.

Regarding infringement, the Court commented that they did not find convincing Prins’ argument against equivalence based on its own patent, as importantly Prins’ patent was targeted at a different element to the invention. The Court discussed the question of what standard should be applied for infringement in PI proceedings, noting that there was already a decision of another UPC Local Division that the standard was that infringement was “more likely than not”, although they did note that this decision was under appeal. On the basis that there was technical equivalence between the final claim integer and the mechanism in the Crown Truck 3000, the Court decided that infringement was sufficiently established.

The judges concluded by granting a PI across the entire UPC territory. They denied the defendants’ claim for security, finding that a party simply specifying the security sought as a percentage of the amount claimed is not enough – instead one should be specific about the exact amount of security sought and give reasons. The session ended to much applause from the audience, grateful to have seen a UPC PI scenario play out which tackled some sticky issues including jurisdiction and the standards to apply for tests at the UPC.

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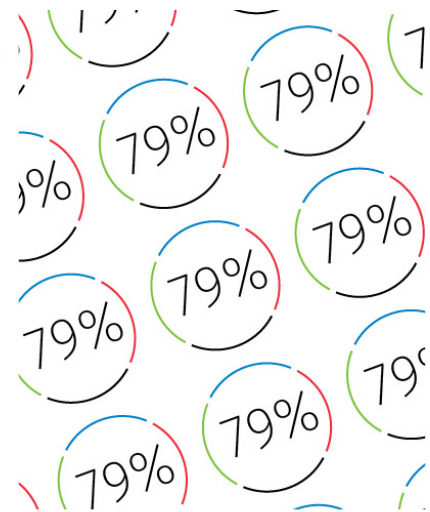
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This entry was posted on Wednesday, November 1st, 2023 at 11:19 am and is filed under literally fulfil all features of the claim. The purpose of the doctrine is to prevent an infringer from stealing the benefit of an invention by changing minor or insubstantial details while retaining the same functionality. Internationally, the criteria for determining equivalents vary. For example, German courts apply a three-step test known as Schneidmesser's questions. In the UK, the equivalence doctrine was most recently discussed in *Eli Lilly v Actavis UK* in July 2017. In the US, the function-way-result test is used.">Equivalents, Infringement, Injunction, UPC

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