

# Kluwer Patent Blog

## UPC and Proportionality: Will the EU enters through the back door? (From 10xGenomics case to UPC “saisie-contrefaçon”)

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Readers are familiar with the story of the founding of the UPC, which “obliged” its founders to make it an *ad hoc* Court, not integrated into the European judicial system (with a reinforced cooperation agreement between the members of the UPC). The fragility of this system has provoked much criticism (e.g., our comments [here](#)). The intervention of the Court of Justice, which is always possible at the margins (when the UPCA must be read in the light of the European Treaties), may come sooner than expected, as one author had already predicted on this Blog (see [here](#)). In any case, the European principles are already tending to give rise to difficulties in their interpretation, and most especially the proportionality principle (Directive 2004/48, recital 22, art. 7 and 9).

The first cases, concerning the preliminary injunction (“PI”) and the UPC “saisie-contrefaçon”, show that the principle of proportionality is omnipresent in the UPCA interpretation and, above all, surprising and contradictory (or misunderstood) depending on the measures requested.

The 10XGenomics case provides us an interesting first case study in the way that the Court asserts the “balance of probability” of Article 62(4) UPCA read in conjunction with 211.2 RoP. And this is more interesting (or worrying) because, as we have already seen, it is also the question of proportionality that seems to pose a problem for the UPC “saisie-contrefaçon” ([here](#) and [here](#) and [here](#)). Thus, we’ve already examined the UPC “saisie-contrefaçon” cases, noting this difficulty, and we can only conclude that the “10xGenomics case” brings us back to it and leads us closer to the CJUE.

### BACKGROUND

“10xGenomics case” is the first case before the Court of Appeal of the UPC. The case involved a preliminary injunction claimed before UPC by, notably, US biotech company 10xGenomoics based on EP 4,108,782 (“EP 782”) granted on 11 May 2023 and claiming priority from 22 December 2011, which concerns a method for detecting a plurality of assays in a sample of cells or tissue.

Munich local division, in a decision of 19 September 2023 – the subject of the appeal – granted a preliminary injunction based on EP 782. Two Nanostring products were involved: the CosMx

Spatial Molecular Imager, which enables highly sensitive subcellular imaging of large numbers of RNAs or proteins directly from individual cells in morphologically intact tissue samples; and a detection reagent and certain probes used.

The Munich judges had granted the measure, considering that there was a “*sufficient degree of certainty*” that the patent would be deemed valid in proceedings on the merits. It was held that a person skilled in the art would not have induced a document (“D6”) with a view to detecting more analytes *in situ*. In fact, according to the local division, D6 did not encourage the skilled person to transfer the coding and decoding method disclosed for an array of amplified single molecules (ASM) to cell or tissue samples mounted on a solid support.

The Court of Appeal upheld this decision. According to the Court, the “*sufficient degree of certainty*” did not exist, because the person skilled in the art would have been prompted to consult D6 faced with the technical problem: the development of high-throughput optical multiplexing methods for the detection of target molecules in a sample.

Indeed, according to the Court, the method of detecting a plurality of amplified single molecules (MMA) by encoding and decoding single molecules would have prompted a person skilled in the art to come up with the invention. In other words, the invention covered by EP 782 would have been obvious to a person skilled in the art from the state of the art (D6).

**The Court explains the “sufficient certainty” that is required:** “*In view of the provisional nature of the measures and the limited possibilities of discovery in summary proceedings in relation to proceedings on the merits, it follows that the standard of probability must be lowered. Therefore, a likelihood bordering on certainty cannot be demanded. Ultimately, for a sufficiently certain conviction of the validity of the patent at issue, a **preponderant likelihood** is necessary, but also sufficient. Therefore, for a sufficiently certain conviction on the part of the Court, it must be more probable that the patent is valid than not valid.*”

It then overturned the decision of the local division based on the principle of proportionality:

“*Since, given all the above, it is more likely than not that the patent at issue will prove to be invalid in proceedings on the merits due to a lack of inventive step, there is no sufficient basis for the issuance of a preliminary injunction in accordance with the Applicant’s main request.*”

## COMMENTS

As a reminder, Article 62(4) of UPCA takes up a principle set out in Article 9(2) of Directive 2004/48, which refers to this sufficient degree of certainty: “*The judicial authorities shall, in respect of the measures referred to in paragraphs 1 and 2, have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a **sufficient degree of certainty** that the applicant is the rightholder and that the applicant’s right is being infringed, or that such infringement is imminent.*” This degree of sufficiency is a reminder of the principle of proportionality already set out in recital 22 of the Directive: “*It is also essential to provide for provisional measures for the immediate termination of infringements, without awaiting a decision on the substance of the case, while observing the rights of the defence, **ensuring the proportionality of the provisional measures as appropriate to the characteristics of the case in question** and providing the guarantees needed to cover the costs and the injury caused to the*

*defendant by an unjustified request. Such measures are particularly justified where any delay would cause irreparable harm to the holder of an intellectual property right.*“

I have read/heard that the interpretation of the UPC “*sufficient degree of certainty*” of the validity and of the infringement is more flexible than before national courts. I don’t pretend to know all the national courts case law, but it’s certain that this interpretation is neither flexible (*per se*) nor more flexible than the one we know in French law, for instance.

On the contrary, the criterion of “*preponderant likelihood*” seems strict, **since only a “likelihood” should be required**. The said criterion tends to remind me of the French “*likelihood of infringement*” (art. L. 615-3 of the French IP Code: “*the Court may order the measures sought only if the evidence, reasonably available to the claimant, makes it likely that his rights are being infringed or that such infringement is imminent*“), whereas the old French law required the action on the merits to appeared “*serious*“. While in the past, case law often confused these requirements with proof of the infringement, this confusion has been largely mitigated in recent years, as evidenced by the many preliminary injunctions granted. In addition, while the *Cour de cassation* (i.e., French Civil Supreme Court) takes account of the principle of proportionality set out in the Directive (as in a recent ruling of 6 December 2023), the Councilors also pointed out that Directive 2004/48 should be interpreted with room for discretion, in other words it should not be applied strictly to French law, which may still have its own specificities (this is the difference between incorporating and transposing European law, a directive is not integrating but only transposed). Conversely, it is surprising to note that the UPC’s analysis seems more rigorous than the French one. Certainly, the Court of Appeal wishes to avoid any deviation from European law.

However, the position of the UPC (in general) is not clear as it seems. Indeed, in parallel, as far as UPC “*saisie-contrefaçon*” is concerned, the decisions seem contrary to European law (see [here](#) and [here](#) and [here](#)). The difference undoubtedly stems from the fact that in these cases, the concern for proportionality is focused on the balance of interests, while the plausibility of the infringement is analyzed in a biased way, focusing not on the patent and its claims, but on the reproduction of the thing allegedly covered by the patent invoked. Thus, the applicants have abandoned reasonable evidence of infringement for reasonable evidence of reproduction of a thing (which is allegedly covered by the Patent).

At the end of the day, we can only disapprove the Court of Appeal decision, which tends to raise the bar for obtaining PIs before UPC. **“Preponderant likelihood” of infringement is too close to the infringement itself. In 10xGenomics, D6 could have led the skilled person to the invention but would not have prompted him to consider this solution.**

**In any case, the emphasis on the principle of proportionality applies in accordance with European Union law, which may well open the door for UPC to be taken to the Court of Justice sooner than we thought.**

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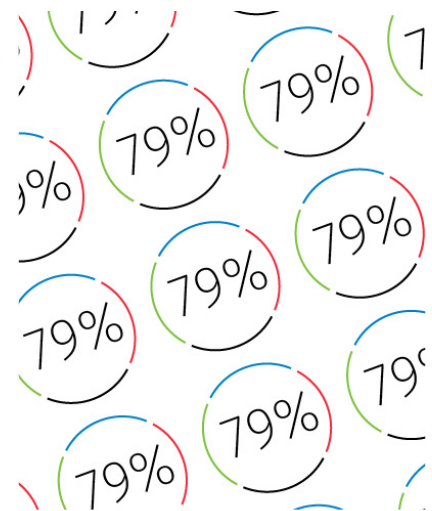
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