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UPC's Order to Produce Evidence (Huawei vs. Netgear)

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Regular readers of this blog will be aware of my interest, or rather my passion, for several Patent Law topics, including notably SEPs (see notably here, here and here), proof of infringement (see notably here, here and here) and UPC (see notably here, here and here). So far, UPC has not (yet) been the scene of titanic FRAND litigation, but has nevertheless seen the topics below cross paths, notably in a recent decision handed down by the Munich local division on April 25, 2024, in a case opposing Huawei against Netgear companies (hereafter "Netgear") (UPC_CFI_9/2023).

In this case, the claimant, Huawei, brought an action for infringement of its SEP no. EP 3,611,989 entitled "method and apparatus for transmitting wireless local area network information". In reply, the defendants, Netgear, invoked exhaustion of rights, relying on a license agreement concluded between the defendants' supplier and the claimant. The same license agreement had already been used as evidence in parallel discovery proceedings in the USA. The defendants requested that UPC order the plaintiff to produce this license agreement. They pointed out that some of the contested modes of realization included a Qualcomm chip. Huawei had entered into a license agreement with Qualcomm, which also included the Wi-Fi 6 standard patents, and this license agreement was already available to Netgear because of US discovery proceedings. However, Netgear was not allowed to produce this agreement: the U.S. court, in the context of a request for production authorization in the proceedings before UPC, had invited Netgear to submit a request for production in the present proceedings.

Referring to rule 190 (order for production of evidence) and 262A (protection of confidential information) (RoP accessible here), the Court held that since the defendants, although already in possession of the contract via the U.S. proceedings, were nevertheless unable to produce the said license agreement, it was fair to order its production for their defense. However, the interests of the parties had to be protected by confidentiality measures. Furthermore, the license could only be used as evidence in the UPC proceedings and not, *a contrario*, in other proceedings.

This decision is particularly interesting because it illustrates the implementation of the mechanisms of rules 190, § 1 and 262A mentioned above. Under rule 190, § 1, the Court may order the production of evidence in a party's possession. At the same time, rule 262A provides for the possibility of measures to protect legitimate confidential interests. Thus, the order to produce evidence complements other evidentiary mechanisms established by the UPCA, such as the seizure. At the same time, the Court could order measures to protect confidential information. It remains to be determined what precisely is meant by "confidential information". Here the

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definition in Directive 2016/943 on the protection of trade secrets could be a useful base. The question of the definition of confidential information could more particularly be raised following the enforcement of an *ex parte* order to preserve evidence and to inspect premises (article 60, § 1 of the UPCA). This issue of trade secret protection in the context of *saisie-contrefaçon* has generated, and continues to generate, considerable litigation before French courts accustomed to the *saisie-contrefaçon* (see here for some comments on this topic). Thus, it is no coincidence that article 262A, even before article 190 § 1, cites article 60 § 1 of the UPCA...

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