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Kaldewei vs. Bette: Lessons from first UPC's permanent injunction

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Like a time machine, we began yesterday by examining the first revocation decision issued by the Munich Central Division on 16 July (see here), today we'll be looking back at another earlier case, in which the Düsseldorf local division granted UPC's first permanent injunction on 3 July. Note that this case has already been brilliantly commented on this blog (see here). My goal is therefore only to share a different view, focusing more on the lessons I draw from this decision.

The case involved Franz Kaldewei Gmbh & Co KH (hereinafter "Kaldewei"), who claimed that his patent EP 3 375 337, which has not been the subject of a carve-out, and which relates to a bathtub sanitary device, was infringed by shower trays marketed by Bette GmbH & Co KG (hereinafter "Bette") (UPC_CFI_7/2023). As soon as the UPC Agreement (hereinafter "UPCA") came into

force, on 1st June 2023, Kaldewei brought a patent infringement action against Bette before the local division of the UPC in Düsseldorf, for direct and indirect infringement of its patent in Austria, Belgium, Denmark, France, Italy, Luxembourg and the Netherlands. The infringement in question related more specifically to two claims of the patent (i.e., claims 1 and 3). Kaldewei's claims included the recall and definitive withdrawal of the products from distribution channels, provisional damages of 10,000 euros and compensation for all other damages. Bette counterclaimed for revocation of Kaldewei's patent, arguing that the invention was neither new nor inventive. The Court ruled that the patent was invalid in its original form, for lack of inventive step, but upheld the validity of an auxiliary application. Bette's prior-use defense was rejected because of a strict interpretation of such prior-use.

Before commenting the decision itself, it should be noted that, for a first UPC's case of permanent injunction, the case may, at first glance, seem slightly unexpected. Indeed, very few commentators would have bet that this first decision would be so close to their morning toilet, and very few would have bet either that a litigation involving several countries would have the size of the 10,000 euros in preliminary damages sought. Far be it from me to indulge in elitist French pedantry, this is simply a statement of fact: this is not where we expected the first UPC permanent injunction.

Concerning the validity, we find in the decision under review traces of the principles derived from the EPO's usual method of assessing validity, particularly the problem-solution approach to assess inventive step. However, this contrasts with the decision handed down by the Munich Central Division in Sanofi vs. Amgen. As a reminder, in the latter case, the Court also adopted an approach close to the EPO's one, but modified it to its tastes: thus, the Court did not start from the closest 1

prior art, but from the most realistic prior art. Thus, over and above simply adopting EPO principles, the Court has shown its willingness to forge its own jurisprudence, which in certain respects diverges from the EPO. The same applies to claims interpretation, where the Court, like the Court of Appeal in *10x Genomics vs. Nanostring* and the Munich Local Division in *Sanofi vs. Amgen*, seems more inclined than the EPO to rely on the description.

This development of a singular jurisprudence can also be seen about the prior use exception raised by the defendant. In the present case, however, the defendant has at best demonstrated a prior use in Germany and this country is not part of the territory concerned by this UPC action. Prior use has not been proven in the countries at issue here and, therefore, could not be claimed. This strict conception of prior use is maybe excessively strict. Admittedly, an exception, which here gives rise to an exemption for acts of infringement, must be interpreted strictly. It is nonetheless difficult to understand why a defendant invoking prior use should have to demonstrate that such use exists in all UPC territories, since the mere existence of such use proves the invention was not new for the defendant. However, this strict interpretation could be linked to the nature of the exemption, which is not a proper "right", but only an exception to a patent right which aims to ensure that an economic player who previously exploited the invention does not see its economic activity hampered or even blocked by a subsequent patent application. This also means that the previous user can only invoked such exception where he has such an economic activity, i.e., where he was already using the invention.

Regarding contributory infringement, the Court considers that there is a dual territorial requirement: the offer and/or delivery of the essential element must take place in the territory of the UPC, while the invention must also be used in that territory. The Court acknowledges that it is questionable whether the offer/delivery and the use could take place in two different member states. However, the Court did not rule on this question, since it did not arise in the present case.

Eventually, it should also be noted that the recall and definitive withdrawal of the offending products from all distribution channels was not granted to the claimant. The Court explains that these are complementary measures. About the withdrawal from distribution channels, the claimant requested various measures and the Court only granted the cancellation of current orders. The Judges were mindful of the possible impact of its decision on the German market, which is the defendant's main market and not part of the territory to which this UPC action relates.

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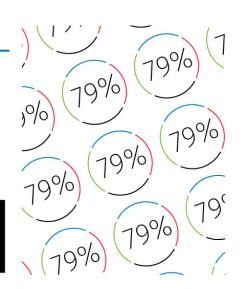
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