



**Local Division
Hamburg**

Decision
of the Court of First Instance of the Unified Patent Court
Hamburg Local Division
issued on 17 November 2023 UPC_CFI_559935/2023

Date of receipt of the complaint: 08/08/2023

Guiding principle:

The UPC does not have jurisdiction for actions for the determination of damages on the basis of patent infringement proceedings that have become final before a national court. Art. 32(a) UPCA confers jurisdiction on the UPC to determine damages only after a prior action for patent infringement has been brought before a chamber of the UPC. Art. 32 lit. f) UPCA establishes jurisdiction only for actions for damages or compensation based on the provisional protection conferred by a published application for a European patent. Claims for damages are also based on the provisional protection conferred by a published application for a European patent. The recognition of a national judgement awarding damages cannot establish the UPC's jurisdiction to award damages.

Keywords:

Opposition; Rule 19.1 UPC Rules of Procedure; jurisdiction of the UPC; Art. 32 para. 1 UPCA; determination of damages; national patent infringement proceedings

ECLI reference code: not specified

DISPUTE PARTIES

- 1) **Fives ECL, SAS**
(applicant) - 100 rue Chalant - 59790 Ronchin -
France
Represented by Konstantin Schallmoser
Preu Bohlig and Partner
- 2) **REEL GmbH**
(Defendant) - Rudolf Diesel Straße 1 - 97209
Veitshöchheim - DE
Represented by Dr Benjamin Schröer
Hogan Lovells International

DECIDING JUDGE:

Judge-rapporteur Presiding Judge

Sabine Klepsch LANGUAGE OF

PROCEEDINGS:

German

SUBJECT OF THE PROCEEDINGS:

Determination of damages

BRIEF DESCRIPTION OF THE FACTS:

In a statement of claim dated 8 August 2023, received in paper form by the Hamburg Local Court on the same day in accordance with Rule 4.2 of the Rules of Procedure, the applicant filed a request for the determination of damages. A submission via the court's electronic case management system failed, as the submission of a claim for damages requires the entry of an underlying case number of the UPC.

This was preceded by patent infringement proceedings between the parties here - in addition to other parties - before the Düsseldorf Regional Court, file number 4c O 1/21 (Annex PBP 3). In these proceedings, the defendant (defendant no. 1)) was ordered by judgement

of 9 August 2022, inter alia, to refrain from offering service modules for a series of electrolysis cells intended for the production of aluminium by fused-salt electrolysis and which are provided with the features of patent claim 1 of the German part of EP 1 740 740 B1 (hereinafter: patent in dispute) in the Federal Republic of Germany. In the aforementioned judgement, it was also determined that the defendant is obliged to compensate the plaintiff for all damages that it has suffered and will suffer as a result of the acts described in more detail in Section I.1. committed since 2 December 2016. The judgement is final. Neither party has lodged an appeal.

The defendant also filed an action for revocation against the German part of the patent in suit with the Federal Patent Court (case number 3 Ni 20/19 (EP)), which was dismissed in its entirety in a judgement dated 18 May 2022. The appeal against this to the Federal Court of Justice (case number X ZR 114/22) has not yet been decided. Further proceedings, in particular those in other member states of the UPCA, are not pending.

Motions by the parties:

The defendant requests:

1. The objection is upheld and the application is rejected as inadmissible.
2. The applicant is ordered to pay the costs.

The applicant claims that the Court should:

1. The objection is rejected as inadmissible or, in the alternative, as unfounded.
2. The judgment of the Düsseldorf Regional Court of 9 August 2022, case no. 4c O 1/21 (Annex PBP 3) is recognised pursuant to Article 36 (3) of the Brussels I Regulation (Regulation 1215/2012).
3. Alternatively, the organisation of an interim hearing is requested.

Factual and legal issues:

By written submission dated 6 October 2023, the defendant filed an objection in accordance with R. 19.1 lit. a of the Rules of Procedure. It complains that the court seised does not have jurisdiction for the present application for the determination of damages pursuant to Article 32(1) of the Agreement on a Unified Patent Court (UPCA). Art. 32 (1) UPCA exhaustively lists those actions which establish the jurisdiction of the Unified Patent Court (UPC). The national courts have jurisdiction for all other actions or requests pursuant to Art. 32 (2) UPCA. Since the present application does not fall under any of the categories of jurisdiction set out in Art. 32 (1) UPCA

listed actions, in particular it does not fall under lit. f) or lit. a), the court seised does not have jurisdiction. Lit. f) is not relevant, as these are actions for compensation and damages based on the provisional protection granted by a published application for a European patent. Lit. a) does not apply as it is not an action for actual infringement of a patent. The UPC could no longer decide on the infringement of the patent, as the Düsseldorf Regional Court had already made a decision on this. However, the UPC is responsible for examining and determining the infringement of a patent if damages are to be determined in a subsequent step. Damages assessment proceedings are merely a dependent appendage to the actual patent infringement proceedings. In a first procedural step - after the patent infringement has been established - the Rules of Procedure provide for an order that the defendant is obliged to pay damages (in addition to further orders, e.g. injunctive relief and recall); the amount of damages is then determined by the court in a separate second procedural step, the damages assessment proceedings, in accordance with R. 125 et seq. of the Rules of Procedure of the Unified Patent Court. Rules of Procedure of the Unified Patent Court (VerfO). The jurisdiction of the court for this separate stage of the proceedings results from the fact that the patent infringement had previously been established by the court and the separate determination of damages was carried out in separate proceedings for reasons of procedural economy. In this respect, it is no different from the separate proceedings for the determination of costs, which are laid down in R. 150.1 of the Rules of Procedure. Accordingly, proceedings for the determination of costs and the determination of damages are conceived as appendages to the actual patent infringement proceedings. Both are preceded by the examination and determination of the infringement of a patent by the UPC. This is not the case here, as the determination of damages is not linked to an action for patent infringement under Art. 32 (1) (a) UPCA.

Jurisdiction also does not follow from Art. 71b No. 1 Brussels I Regulation or recognition of the judgement of the Regional Court of Düsseldorf pursuant to Art. 36 Brussels I Regulation. The former provision only governs the international jurisdiction of the UPC in relation to the courts of non-member states. In the present case, however, the question is which competences the contracting member states have actually transferred to the UPC. Art. 36 Brussels I Regulation does not apply, as the question of recognition only arises if it can be positively established that the UPC has jurisdiction. The recognition of a judgement could not establish jurisdiction. Ultimately, the UPC is also not competent for claims that arose before 1 June 2023.

Furthermore, the application for the determination of damages was not admissible. The application had not been preceded by substantive proceedings before the UPC, which rendered the application inadmissible. Furthermore, the objection was justified by the fact that not all of the annexes had been translated into the language of the proceedings.

The applicant claims that the objection is inadmissible insofar as it relates to the language of the annexes. R. 19.1 c) VerfO expressly refers only to the statement of claim. It is also inadmissible with regard to the question of the admissibility of the application. Admissibility is not listed as a possible ground for objection in R. 19.1 of the Rules of Procedure.

Moreover, the objection was unfounded. Whether the UPC has jurisdiction for the damages proceedings pursuant to Art. 32(1)(a) or (f) UPCA is irrelevant for the existing jurisdiction of the UPC, as it has jurisdiction to determine and calculate damages in connection with a patent infringement. This follows accordingly from the comprehensive jurisdiction of the courts since 1 June 2023. Only within the framework of Art. 32 para. 2 UPCA and in accordance with the transitional provision of Art. 83 para. 1 UPCA does the jurisdiction of the national courts remain. If this were to be seen differently, there would be a regulatory gap for proceedings to determine the amount of damages. These could no longer be enforced after the end of the transitional period.

It could not be inferred from Art. 32(1) UPCA that the UPC's jurisdiction for proceedings to determine damages should arise precisely from the fact that the UPC itself had established the infringement of the patent. This would be contrary to the principles set out in Art. 1(1) UPCA and Art. 3(c) UPCA and also to the jurisdiction of the court to determine damages as laid down in Art. 68 UPCA. In any case, the jurisdiction arises from Art. 71b) No. 1 Brussels I Regulation or from the recognition of the judgement of the Regional Court of Düsseldorf pursuant to Art. 36 (3) Brussels I Regulation. If the declaratory judgement of the Regional Court of Düsseldorf were not recognised before the Unified Patent Court, this would mean nothing other than that the Unified Patent Court positioned itself outside the EU court system. This would be a clear violation of Article 20 UPCA and primary EU law (see also Opinion 1/09 of the European Court of Justice of 8 March 2011). The declaratory judgement is also a suitable basis for the application for damages.

The defendant's other arguments are not convincing. Neither the question of the applicable law nor the question of a possibly inadmissible retroactive effect had anything to do with the assessment of the court's jurisdiction.

REASONS FOR THE ORDER:

The objection is admissible under R. 19.1 (a) of the Rules of Procedure, irrespective of whether it is applied directly or by analogy. It is true that the court can dismiss an action at any time by way of an order pursuant to R. 361 of the Rules of Procedure due to the lack of jurisdiction of the UPC. However, even in the case of R. 361 RP, it is advisable to wait until an objection has been lodged, which has been done in the present case, so that a decision must now be made on the objection.

The judge-rapporteur exercises her discretion under R. 20.1 VerFO to decide on the opposition at this stage. This is in line with the purpose of the objection procedure to clarify fundamental procedural issues, such as jurisdiction in this case, at an early stage.

The opposition is well-founded. The division of the UPC seised has no jurisdiction to hear the applicant's claim for damages arising from national patent infringement proceedings which have become *res judicata*.

Art. 32(1) UPCA exhaustively lists those actions for which the UPC has jurisdiction (see Bopp/Kircher/Bopp, EurPatentprozess-HdB, 2nd ed. § 8 para. 58). The national courts have jurisdiction for all other actions or requests pursuant to Art. 32 (2) UPCA.

a)

The court has no jurisdiction pursuant to Art. 32 para. 1 lit. f) UPCA. According to Art. Art. 32(1)(f) UPCA, the court has jurisdiction to hear an action for damages or compensation based on the provisional protection conferred by a published application for a European patent. Both in the case of compensation and in the case of damages, it must be the provisional protection of a published patent application (see Bopp/Kircher/Bopp, loc. cit. § 8 para. 142 et seq.; Tilmann/Plassmann/Tilmann/Grabinski, Unified Patent Protection in Europe: A commentary, 2018, Art. 32 para. 103). Since the present case does not concern a claim for damages based on the provisional protection conferred by a patent application, but damages due to the infringement of a patent, Art. 32 para. 1 lit. f) UPCA does not apply.

b)

Art. 32(1)(a) UPCA does not apply either. Accordingly, the UPC has exclusive jurisdiction for actions for actual or threatened infringement of patents and supplementary protection certificates and related defences, including counterclaims relating to licences. The wording of Art. 32(1)(a) UPCA already makes it clear that the subject matter of the action is the examination of the infringement or threatened infringement of a patent. This examination is assigned to the UPC in the aforementioned provision, whereby the national courts have parallel jurisdiction for this during the transitional period pursuant to Art. 83 para. 3 UPCA, insofar as a European patent within the meaning of Art. 2 lit. e) UPCA is concerned.

If, after examination by the UPC, the existence of a patent infringement is established, the consequences of a patent infringement are formulated in the UPCA as procedural powers (in contrast to German patent law). The UPCA regulates the legal consequences of patent infringement in Art. 63 (prohibition), 64 (remedies), 67 (information), 68 (damages) and 80 UPCA (publication). These provisions are not found in Part I of the UPCA - General and Institutional Provisions - but in Chapter IV - Powers of the Court. These provisions therefore do not constitute a basis for a claim, but merely determine the legal consequences which are at the discretion of the court and which may be imposed. This is because the UPCA does not differentiate between a substantive legal basis for a claim and a procedural order. This means that the examination of which legal consequence is to be pronounced only takes place in a second step - annex competence

- after the examination and determination that a patent has been infringed - original competence of the UPC.

This means that the determination of damages can be asserted before the UPC. Pursuant to Art. 68 UPCA, the court may, at the request of the injured party, order the infringer to pay the injured party appropriate compensation for the damage suffered by it as a result of the infringement. This application, which is aimed at a declaratory judgement, can, as follows from R. 118.1 VerfO, already be made in the infringement proceedings. The amount of damages to be paid can be

be determined at a later date at the request of the successful party, for which purpose the Rules of Procedure in R. 125-144 provide for a separate procedure for the determination of damages, which follows the infringement proceedings in procedural terms. The competent court is the court that also ruled on the infringement action, i.e. the same panel of judges pursuant to R. 135.2 of the Rules of Procedure, unless this is not possible or not expedient. As the RP makes clear, the determination of damages thus follows the determination of the existence of a patent infringement and, if applicable, the determination of the existence of a claim for damages, since it is the legal consequence of a patent infringement (originally to be determined by the UPC). The court does not fail to recognise that the UPCA cannot be interpreted via the Rules of Procedure. However, the Rules of Procedure pursuant to Art. 41 para. 1 UPCA regulate the details of the proceedings before the court and thus provide an indication of the understanding of the UPCA by the legislator.

In a first step, the UPC is therefore assigned the (original) competence for the examination of an (imminent) patent infringement by Art. 32(1)(a) UPCA. This competence is already apparent from the recitals to the UPCA. It states, among other things:

"CONSIDERING that the fragmented patent market and the significant differences between national court systems have a detrimental effect on innovation, particularly in the case of small and medium-sized enterprises, which find it difficult to enforce their patents and to defend themselves against unjustified actions and actions relating to patents which should be declared invalid, (...)" and

"DESIRING to improve the enforcement of patents and the defence against unfounded actions and actions relating to patents which should be declared invalid and to strengthen legal certainty by establishing a Unified Patent Court for the settlement of disputes concerning the infringement and validity of patents, (...)"

This makes it clear that the purpose of creating a Unified Patent Court is to standardise case law in the member states. This will simplify the enforcement of patents and thus also the determination of the existence or non-existence of a patent infringement - including the annex competence for the legal consequence of a patent infringement.

- from the national courts within the scope of the jurisdiction provision of Art. 32 para. 1 UPCA. This determination - among others - is assigned to the UPC on the basis of the jurisdiction provision of Art. 32(1) UPCA. However, this understanding requires that the question of infringement of a patent is to be clarified by the UPC.

The jurisdiction of the UPC also means that jurisdiction is withdrawn if a national court has already issued a final judgement on a national part of a European patent. The subject matter of the infringement proceedings before the UPC cannot be the subject matter of a final judgement already issued by a Member State. If the earlier infringement action in a Member State is based on a bundle patent, these final judgements of the Member States are relevant for the admissibility of the infringement action before the UPC. Since the UPC acts as a legal or functional successor to the courts of the Member States within the scope of its jurisdiction for infringement actions, it must in any case recognise the formal *res judicata* effect of the earlier judgments.

of these courts, which precludes a new decision by the UPC. Therefore, judgements of a Member State constitute a partial bar to the infringement action before the UPC, namely to the extent of the national part of the Member State of the bundle patent which was the basis of the national judgement (Bopp/Kircher/Kircher, loc. cit.

§ 13 para. 72). In this respect, national patent infringement proceedings in a Member State based on the national part of a bundle patent that have been finally terminated preclude the re-filing of an action before the UPC for infringement of this national part of the bundle patent due to the res judicata effect.

The system of Art. 32 para. 1 UPCA also speaks in favour of the understanding advocated here that the UPC is assigned the original competence for the examination of a patent infringement under Art. 32 para. 1 UPCA. The individual competences are enumerated in lit. a) to i). Lit. f) explicitly determines jurisdiction for actions for damages or compensation based on the provisional protection granted by a published application for a European patent. In return, however, no isolated (original) jurisdiction is provided for an action/application for the determination of damages, which makes it clear that the determination of damages due to a patent infringement is a legal consequence that is dealt with in a subsequent procedure (annex jurisdiction) - after the patent infringement has been established.

Admittedly, as the plaintiff points out, the recitals to the UPCA may also regulate this:

"CONSIDERING that the Unified Patent Court should be a court common to the Contracting Member States and thus part of their judicial system and that it should be vested with exclusive jurisdiction over European patents with unitary effect and patents granted under the EPC, (...)."

Similarly, Art. 1 para. 1 UPCA states:

"A Unified Patent Court shall be established for the settlement of disputes relating to European patents and European patents with unitary effect."

Of course, this makes it clear that the UPC should have the broadest possible competence. However, the desire for a broad competence cannot override the catalogue of competences set out in Art. 32 para. 1 UPCA. Art. 32 para. 1 UPCA provides in lit.

a) expressly provides for an action relating to the infringement of a patent. This emphasises the UPC's original competence to review a patent infringement.

Contrary to the plaintiff's view, the aforementioned understanding does not create a regulatory gap for proceedings to determine the amount of damages from a final national infringement judgement. The plaintiff claims that no court has jurisdiction over the matter after the expiry of the transitional period pursuant to Art. 83 (3) UPCA. This is not correct. Since the application for the determination of damages following national patent infringement proceedings is not subject to any of the jurisdictional elements of Art. 32 para. 1 UPCA, the courts of the Member States have jurisdiction for this under Art. 32 para. 2 UPCA. This jurisdiction remains in place after the end of the transitional period due to the lack of jurisdiction of the UPC.

c)

The jurisdiction of the court seised is also not established by Art. 71(b) No. 1 Brussels I Regulation (Regulation 1215/2012). This states:

"The jurisdiction of a common court shall be determined as follows:

(1) A common court shall have jurisdiction if the courts of a Member State party to the convention establishing the common court would have jurisdiction under this Regulation in any matter governed by that convention."

In this context, the plaintiff is of the opinion that due to the fact that Union law takes precedence over the provisions of the UPCA, the jurisdiction of the Unified Patent Court arises directly from Art. 71(b) No. 1 Brussels I Regulation. This is because the UPCA concerns the settlement of disputes on the basis of European patents and the courts of the participating Member States were and are competent for this under the Brussels I Regulation.

This cannot be accepted. This is because Art. 71b Brussels I Regulation only governs the international jurisdiction of the UPC in relation to the courts of non-contracting member states (Bopp/Kircher/Bopp, loc. cit. § 8 para. 1). In the present case, the only decisive factor is which competences the Contracting Member States have conferred on the UPC, i.e. for which types of proceedings or matters it has jurisdiction. The Brussels I Regulation and in particular Art. 71b do not deal with this question. Rather, this was regulated in Art. 32 para. 1 UPCA.

d)

The application for the determination of damages is also not supported by the recognition of the final judgement of the Düsseldorf Regional Court, which found a patent infringement. Article 36 of the Brussels I Regulation, to which the plaintiff refers in this context, provides:

(1) Decisions given in one Member State shall be recognised in the other Member States without any special procedure being required.

(2) Any person entitled may, in accordance with the procedure laid down in Section 3, Subsection 2, apply for a declaration that none of the grounds for refusal of recognition referred to in Article 45 apply.

(3) If recognition is sought in a dispute before the court of a Member State whose decision depends on the refusal of recognition, that court may decide on the recognition.

Recognition of the judgement of the Düsseldorf Regional Court would not result in one of the aforementioned jurisdictions of Art. 32 (1) UPCA being given. This is because - as explained - Art. 32(1)(a) UPCA, which alone comes into consideration, provides for an action for infringement of a patent, which is not the case here. Even recognition of the judgement of the Düsseldorf Regional Court cannot lead to the final competence provision of Art. 32 (1) UPCA being circumvented, in that the examination of the infringement of a patent (original competence) to which the UPC is entitled would now be withdrawn on the basis of a national infringement judgement.

The plaintiff fails to recognise that the obligation of the UPC under Art. 36 Brussels I Regulation to take into account the decision of other courts only arises if the UPC has jurisdiction at all. This is not the case for the reasons stated here. Taking into account a national judgement of a Member State in order to establish jurisdiction is therefore a circular argument. Art. 36 Brussels I Regulation does not provide an answer to the question of which competences the Contracting Member States have transferred to the UPC. This is because the relevant question of jurisdiction in the present case does not concern the relationship between two Member States,

but the question of the UPC in relation to its contracting member states. Only the UPCA is relevant for answering this question.

e)

Against the background of the above-mentioned lack of jurisdiction of the UPC and thus also of the chamber seised, the other objections raised by the defendant, such as the admissibility of the application, the lack of jurisdiction for claims that arose before 1 June 2023 and the objection to the language of the proceedings, are therefore irrelevant.

f)

Insofar as the plaintiff has alternatively requested that an interim hearing be held, the judge-rapporteur has exercised her dutiful discretion to the effect that such a hearing will not be scheduled. The arguments of the parties, which relate exclusively to legal issues, have already been exchanged by the parties in writing.

ARRANGEMENT:

For these reasons, and having heard the parties on all aspects relevant to the following order, the following order is issued:

1. The rapporteur upholds the defendant's objection of 6 October 2023.
2. The application for the determination of damages is rejected.
3. The judgment of the Düsseldorf Regional Court of 9 August 2022, case no. 4c O 1/21 (Annex PBP 3) is not recognised pursuant to Article 36 (3) of the Brussels I Regulation (Regulation 1215/2012).
4. The application to hold an interim hearing is rejected.

DETAILS OF THE ARRANGEMENT:

UPC number: UPC_CFI_559935/2023

Action type: Determination of damages

Application type: Rule 19 VerfO - Objection

Issued on 17 November 2023

Presiding Judge Sabine Klepsch

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Sabine Maria
Klepsch
Date
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Klepsch

This decision of the Judge-Rapporteur upholding the opposition is a final decision of the Court against which an appeal may be lodged by the losing party within two months of notification of the decision (Art. 73(1) UPCA, R. 21.1 and 220.1(a), 224.1(a) RP).

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