



Local division Mannheim
UPC_CFI_ 210/2023

Order

of the Court of First Instance of the Unified Patent Court, Mannheim

Local Division

issued on 9 July 2024

concerning EP 2 568 724

concerning App_32695/2024

Plaintiff:

Panasonic Holdings Corporation - 1006, Oaza Kadoma, Kadoma-shi - 571-8501 - Osaka - JP
represented by Christopher Weber

defendant:

1)

OROPE Germany GmbH - Graf-Adolf-Platz 15 - 40213 - Düsseldorf - DE

represented by Andreas Kramer

2)

Guangdong OPPO Mobile Telecommunications Corp. Ltd - NO.18 Haibin Road, Wusha, Chang'an Town, Guangdong Province - 523860 - Dongguan - CN

represented by Andreas Kramer

STREITPATENT:

EUROPEAN PATENT NO. EP 2 568 724

ADJUDICATING BODY/CHAMBER:

Mannheim local division JUDGES:

This Order was issued by the Chairman and judge-rapporteur Dr Tochtermann.

LANGUAGE OF THE PROCEEDINGS: German

SUBJECT: Request for protection of secrets pursuant to R. 262A RoP on the request for referral

FACTS OF THE CASE:

In the present case, the plaintiff applies for protection of secrecy pursuant to R. 262A RoP with regard to information contained in the unredacted further version of its Reply, including annexes, and with regard to the negotiations between the parties to the dispute. Firstly, for the purpose of the opinion, Orders were issued to protect confidential information relating to licence agreements. The need to protect the information was sufficiently demonstrated.

The parties were each given the opportunity to comment in the confidentiality procedure.

The defendants (for technical reasons in workflow 31204/2024 with SS of 27 May 2024, which explicitly clarifies to be submitted identically as a uniform statement on the confidentiality complex in all three parallel proceedings, which have different timelines due to the different filing dates of the applications) objected to the scope of the confidentiality regulation requested. The scope of use of the applicant's licence agreements should include all proceedings pending before the UPC, including the cases pending before the Munich local division. In addition, it should be permitted to exchange information with other persons who are lawfully in possession of the same information, even if they are obliged to maintain confidentiality. In particular, access to other external lawyers of the defendant, namely the representatives in the parallel UK proceedings, must be authorised. Finally, two further employees of the defendant would need to be authorised to access the information in addition to the one employee previously conceded by the plaintiff. These persons would already know the information from German national patent infringement proceedings and UK proceedings anyway. Insofar as licence agreements submitted in the meantime on the basis of a submission order are concerned, only the name of the licensee is a secret. In addition, protection is ruled out in any case insofar as the plaintiff submitted the largely identical FRAND Reply in the proceedings relating to EP 2207270 (ACT_545770/2023) alone without redaction and these documents were therefore readily accessible to the defendants. As far as the licence negotiations between the present parties are concerned, Oppo naturally already has this information anyway, so that protection is ruled out - in this respect, protection under Rule 262 RoP can at best be considered. Even in its unedited version, Annex KAP 19 contains

Total blackening, which is why protection is ruled out - the licence agreement partner of the plaintiff is not apparent.

A further statement of the defendant on the confidentiality complex, which is uploaded in various workflows of the CMS due to the Reply submitted in several versions by the plaintiff and the related requests for submission, can be found regarding the present patent in App_15599/2024 (SS of 17 April 2024).

The defendants lastly request:

1. to amend the provisional confidentiality arrangement for Panasonic's licence agreements as follows:
 - a. The Panasonic licence agreements may be used in all UPC proceedings between the parties (proceedings numbers ACT_545535/2023, ACT_545551/2023, ACT_545604/2023, ACT_545620/2023, ACT_545770/2023, ACT_546122/2023);
 - b. Members of the Confidentiality Club are free to discuss the Panasonic licences with other persons who have legitimate access to the same information (even if bound by confidentiality agreements). In particular, discussion of the Panasonic licences with other Oppo external lawyers (UPC and UK proceedings) who have access to the same information should be permitted
 - c. Three Oppo employees belong to the "confidentiality club", namely
 - (1) [...]
 - (2) [...]
 - (3) [...]
2. annul the provisional confidentiality order with regard to the FRAND-BV annexes labelled "strictly confidential"
3. annul the provisional confidentiality order in respect of the FRAND KAP annexes labelled "strictly confidential"
4. Lifting of the provisional confidentiality regime with regard to the information contained in the FRAND documents on the licensing negotiations (grey markings)

For its part, the plaintiff had the opportunity to comment on this argument and opposes the defendant's applications and arguments. An extension of access to three persons of the party is not necessary to soften the confidentiality regime of the UPC by allowing the exchange with litigation representatives in court proceedings in other jurisdictions. The extension to the registered UPC representatives in the Munich UPC proceedings is also inadmissible in view of the sensitivity of the information to be protected. Finally, the fact that the contracting parties had exchanged views on the submission of the licence agreements was also secret, as was the specific communication in this regard. Despite an NDA, a confidentiality order was also necessary for the parties' licence negotiations.

Finally, following the Court's indications as to a possible relevant paraphrasing of the information in need of protection, the applicant, citing all action numbers of the parallel proceedings and thus uniformly, requested that the protection of confidential information be structured as follows (whereby the version of the application regarding EP 315, SS of 15 May 2024 App_28156/2024 differs from the present application and the application regarding EP 2207270 SS of 31 May 2024 in App_32726/2024 in that

in the application regarding EP 315, the following point I.1.a) is omitted; these versions of the application were also available to the defendants in the present proceedings at the time of the statement and are explained by the different dates at which the applications for submission and then the unredacted versions of the Reply were made in the parallel cases with submission of the licence agreements):

- I. in accordance with R. 262A RoP
 1. the following information as confidential, so that the provisions of R. 262A RoP apply, namely
 - a) Information on the licence negotiations that preceded the legal dispute and are still ongoing
 - The grey shaded versions
 - The attachments labelled "strictly confidential" FRAND"
 - b) Information concerning patent licence agreements which the applicant has concluded with third parties (whereby this information also includes, but is not limited to, the patent licence agreements themselves), as well as information concerning contractual negotiations on these relevant patent licence agreements which the applicant or a company affiliated with it has concluded with third parties or the conclusion of which the applicant or a company affiliated with it is currently negotiating, whereby this also includes such information which concerns the respective contractual relationship after the conclusion of the agreement, in particular
 - The versions highlighted in yellow
 - The FRAND annexes labelled "Strictly confidential with restrictions on persons

Such information is contained in the part of the Reply that has now been submitted unredacted.

2. Order that the information in section I.1b) on the part of the defendant only be
 - the authorised representatives, their assistants (including experts and their team members) and
 - the following reliable person, namely:
 - [...],may be brought to our attention;
3. the Order must be accompanied by a proportionate penalty payment in an amount to be determined by the court for each case of non-compliance;
4. to oblige the persons named in section I.2 to treat the confidential information pursuant to section I.1b) as strictly confidential beyond the proceedings and to use the confidential information exclusively for the purposes of these proceedings

With regard to the further details of the statements, reference is made to the documents and attachments submitted in the various workflows relating to the confidentiality complex.

REASONS FOR THE DECISION:

1. First of all, contrary to the defendant's view, the issuance of a secrecy protection order is not excluded simply because the plaintiff inadvertently uploaded her Reply in a workflow relating to another parallel proceeding before the Mannheim local division without redaction and thus without further restrictions visible to the defendant.

Firstly, it is already questionable whether the defendant's legal representatives may immediately forward this information to the client if it could be assumed from the nature of the information, the processes in the parallel proceedings and the designation of the document as a redacted version that the upload in the present proceedings was inadvertently made in an unredacted version, especially since this had to be beyond doubt at the latest when the document was opened, in which the secret nature is emphasised. Consequently, the Order can still achieve protection against (further) disclosure of the information. In this respect, the extent to which the national professional regulations to which the legal representative authorised under national law is subject in national proceedings and which may require the direct disclosure of procedural information to the client also apply before the proceedings conducted before the UPC can also be left open. In any case, this obligation, as laid down in principle in German law governing the legal profession (see Section 11 (1) of the Professional Code for German Lawyers), does not apply if there is a court order to the contrary or if an application for such an order has been made which has not yet been decided by the court.

Secondly, it is not apparent why information requiring protection should lose this character because it has come to the direct knowledge of certain persons. In any case, the purpose of an Order in such a case is to prevent further dissemination of the information in need of protection - such as disclosure to or within the client, who can only gain knowledge through the procedural representative before the UPC, as they do not have direct access to the procedural documents in the CMS.

2. Furthermore, the plaintiff's view that the conclusion of a non-disclosure agreement (NDA) does not negate the need for legal protection for an application for secrecy protection under Rule 262A RoP must be endorsed.

The very fact that the UPC in its contracting member states can easily impose enforceable periodic penalty payments in a publicly perceptible form of order and, unlike in German procedural law, for example, without any restriction on the maximum amount (Rule 354.3 RoP), strengthens the protection of the information in need of protection compared to a purely private-law agreement, even if this is also subject to a contractual penalty.

In addition, the application under Rule 262A RoP also pursues the purpose of withdrawing the submission in question from unrestricted access by third parties in the event of a request for access to the file (for the interest in a court order in this case also for national German law, see, for example, the Higher Regional Court of Karlsruhe decision of 4 October 2023 - 6 U 122/22 GRUR-RR 2024, 138 with further evidence). This circumstance alone justifies a legal interest in a court order for the protection of secrets, especially since access to the court documents filed in the proceedings before the UPC is not possible.

is significantly easier compared to some national procedural regimes (for the standards, see UPC_CoA_404/2023, Order of 10 April 2024, ORD_19369/2024). Accordingly, applications for the protection of secrets are of great importance in the proceedings before the UPC, as is already vividly demonstrated by the immense number of such applications in the proceedings before the Mannheim local division.

Finally, it must also be taken into account in the present case that the protection of the document containing information requiring secrecy is technically only possible in the CMS of the court if an accompanying application has been made for the document in accordance with Rule 262A RoP.

3. Again, the defendant's view that - insofar as third-party licence agreements submitted in the proceedings are concerned - only the mere name of the contracting parties is in need of protection is not convincing. This is because companies operating in the same industry will regularly be able to easily deduce the identity of the contractual partners from the contractual agreements. If the name of the licensee becomes known, the contracting parties' need to keep the content of the licence agreement confidential continues to exist.
4. On the other hand, the plaintiff's view that the circumstances of the negotiations between the parties, which are naturally already known to the defendants, must be fully protected under Rule 262A RoP cannot be accepted. A subsequent restriction of access on the part of the defendant is out of the question. Rather, this information can regularly only be restricted in its intended use and be subject to protection against disclosure to uninvolved third parties under Rule 262 RoP. However, protection from the public in decisions of the court cannot be considered without restriction insofar as only the abstract processes of the negotiation history are affected, such as the timing of the negotiation and the fact that a certain step relating to the FRAND negotiations was taken, such as the submission of a written contract offer or further claim charts at a certain point in time. For according to the agreement and the Rules of Procedure exists a public register, which makes it necessary that in the decisions to be made, the connections necessary for the legal understanding of the decision must also be comprehensible to the public. In this context, sufficiently abstract formulations can also be found in the specific case, which on the one hand take into account the public's legitimate interest in information and on the other hand protect the information requiring secrecy. On the other hand, specific correspondence between the parties relating to the negotiation history, for example, which is submitted as attachments, is eligible for protection as confidential information.

With regard to access restrictions on the part of the respective opposing party, something different may apply in the event that - in the present case, no submission has been made - the parties have already deliberately restricted the groups of persons involved in the negotiations for a FRAND licence and subjected them to a comprehensive confidentiality obligation. However, it will also have to be taken into account in this context that, according to the Agreement and the Rules of Procedure, there is a public register and that in the decisions to be made, the contexts necessary for the legal understanding of the decision must also be comprehensible to the public.

In this sense, the application under 1.a) of the plaintiff was to be granted only in part and rejected in all other respects.

5. Nor can the plaintiff's view be accepted that the fact that the plaintiff enquired with the third-party licence agreement partners on the basis of the court's instructions and requested their consent to the submission must be kept secret. This is because it is a procedural step ordered by the court, which must also be reflected in the court's Orders. The step is intended to ensure that the interests of the third parties concerned have been safeguarded by requiring the party to the proceedings to ask the other party for consent and thereby give it the opportunity to become involved in the proceedings on its own initiative before a court order for production is considered. Although the specific content of the correspondence between the party requesting the submission and its licence agreement partner is regularly a confidential date, the mere fact of the application and the abstractly outlined response to this in itself is not (in the sense of merely stating in the court order whether or not consent was given or whether consent is subject to further conditions that may themselves require confidentiality).
6. In the present case, the extension of access to the information in need of protection to three employees of the defendant is necessary, but also sufficient (for the standards developed, see local division Mannheim UPC_CFI_359/2023 of 21 March 2024 = GRUR Patent 2024, 253, 255 f. and local division Düsseldorf UPC_CFI_355/2023 ORD_7096/2024 with identical content). The limitation to only one natural person requested by the plaintiff is already insufficient in view of the complexity of the FRAND discussion conducted in the present SEP proceedings. There is a legitimate need to be able to discuss the complex issues with the two other persons requested by the defendant. Moreover, for reasons of work organisation, it is also necessary to expand the group of persons beyond just one person in order to cushion cases of illness and holidays or other reasons for which an employee of the defendant may not be available. It is also necessary for an effective defence that the considerably extensive teams of legal representatives in the present case can confer with more than just one natural person from the defendant's side. This appears necessary solely due to the known further global disputes between the parties, in which the same persons belong to the Confidentiality Club and must participate in negotiations, for example, and may be prevented from attending the present proceedings as a result. Reservations regarding the reliability of the persons named by the defendant have not been asserted. On the contrary, it has been submitted that the persons have also been included in the Confidentiality Club as sufficiently reliable in the parallel UK proceedings.
7. In proceedings before the UPC, access to the information requiring protection must be granted exclusively to authorised representatives in accordance with Art 48 UPCA who are permitted to represent the parties in the specific proceedings. In this respect, the Mannheim local division cannot accede to the Order of the Munich local division, panel 1, of 4 July 2024, ORD_26378/2024, UPC_CFI_220/2023), in the parallel proceedings conducted there. For tactical reasons, the possibility of coordination between litigation teams beyond the boundaries of the UPC, including with litigation teams handling national proceedings, may be desirable. However, this would unacceptably weaken the circle of persons who are directly bound by the secrecy protection orders of the UPC and would jeopardise the legitimate interest of the parties conducting proceedings before the UPC.

to be able to rely on the confidentiality regime of the court and to have a conclusive overview of its content and scope (as already stated by the Mannheim local division, Order of 3 July 2024 UPC_CFI_471/2023 ORD_33986/2024 Reasons for decision at 6). In particular, it no longer appears to be possible to check how litigation representatives in other jurisdictions are bound by the confidentiality regime established there and whether further disclosure to other litigation teams may occur. In this respect, it is not sufficient to simply refer to the fact that the representatives active in the national proceedings are also bound by a confidentiality regime. In the present proceedings, as the high number of confidentiality applications shows, the parties attach great importance to confidentiality protection and were unable to agree on congruent regimes in terms of content. In the present case, this is compounded by the fact that the defendants are particularly keen to exchange information with legal representatives in the UK proceedings, but conversely, the Confidentiality Club there intensively shields the UK proceedings and the information in need of protection exchanged there from the proceedings here and the UK is neither a contracting member state of the UPCA nor, in the event of a violation, are the facilitated enforcement mechanisms of EU law available to effectively recover any fines to be imposed by the court.

8. On the other hand, the defendants should in principle be allowed to coordinate with the trial representatives in the parallel proceedings pending between the parties before the Munich local division and to discuss the information in need of protection in this context. This is because, unlike the situation described in sub 7. above, there is a uniform procedural regime here, especially since the Munich local division has expressly referred in its proceedings to the secrecy protection regime established here (see Order of 14 February 2024 in the proceedings here) and has also adopted this regime for its proceedings. Even if the Orders of the local divisions differ in detail, there is at least a comparable level of protection. However, the exchange with the trial representatives acting before the Munich local division is restricted to the extent that they may not use the knowledge gained from the proceedings here regarding information in need of protection in proceedings conducted outside the UPC on the basis of the authorisation contained in the cited Order of the Munich local division, panel 1. Such use is strictly limited to the purposes of the proceedings before the UPC.
9. Insofar as the last application filed still contains a reference to the "statements highlighted in yellow", the plaintiff itself has clarified in its documents that it is not precisely the statements highlighted in this way (in their very specific wording) that are to be the subject of the application, but that the marking is only used to identify the submission it considers to be specifically confidential, which can be included under the concrete-general version of the application as granted.

ORDER:

1. The following information is classified as confidential in accordance with Rule 262A RoP:
 - a) Information on the licence negotiations that preceded the legal dispute and are still ongoing, insofar as this concerns information from the "FRAND" annexes marked as "strictly confidential"
 - b) Information concerning patent licence agreements which the applicant has concluded with third parties (whereby this information also includes, but is not limited to, the patent licence agreements themselves), as well as information concerning contractual negotiations on these relevant patent licence agreements which the applicant or a company affiliated with it has concluded with third parties or which the applicant or a company affiliated with it is currently negotiating, whereby this also includes such information which concerns the respective contractual relationship after conclusion of the contract, in particular
 - The annexes FRAND BV marked as "Strictly confidential";

2. Ordered that the information in subparagraph 1(b) on the part of the defendant shall only be
 - the authorised representatives in the proceedings before the Mannheim local division of the Unified Patent Court, their auxiliaries (including experts and their team members) and the authorised representatives in the proceedings before the Munich local division, Chamber 1 of the Unified Patent Court exclusively for the purpose of conducting proceedings before the Unified Patent Court (case numbers ACT_545535/2023, ACT_545551/2023, ACT_545604/2023, ACT_545620/2023, ACT_545770/2023, ACT_546122/2023);
 - the following reliable persons for the aforementioned purposes, namely:
 - [...],
 - [...],
 - [...]may be brought to our attention.

3. The persons named under item 2 are obliged to treat the confidential information under item 1 as strictly confidential - also beyond the proceedings - and to use the confidential information exclusively for the purposes of conducting the proceedings before the Unified Patent Court (case numbers ACT_545535/2023, ACT_545551/2023, ACT_545604/2023, ACT_545620/2023, ACT_545770/2023, ACT_546122/2023).

The aforementioned persons are also bound to secrecy vis-à-vis the defendants with regard to the information contained in the unredacted versions of the aforementioned documents. They may generally not be used or disclosed outside these court proceedings unless they have come to the knowledge of the receiving party outside these proceedings. However, this exception only applies if this information was obtained by the receiving party on a non-confidential basis from another source.

as having been obtained from the plaintiff or its affiliates, provided that such source is not itself bound by a confidentiality agreement with the plaintiff or its affiliates or by any other obligation of confidentiality vis-à-vis the plaintiff or its affiliates.

4. A penalty payment in an amount to be determined by the court may be imposed for each case of non-compliance with this Order.
5. The further applications are rejected.
6. In view of the partial rejection of the plaintiff's applications for secrecy protection and the resulting intra-procedural condition of the secrecy protection regime of 14 February 2024, the information and/or the submitted documents that are the subject of the above applications shall only be deemed to have been submitted to the file and may be used in the proceedings by the opponent and the court if the plaintiff does not

within **three days of receipt of this final decision**

contradicts.

NAMES AND SIGNATURES

Issued in Mannheim on 9 July 2024

Peter Michael Dr
Tochtermann

Digitally signed by Peter
Michael Dr Tochtermann
Date: 2024.07.09 14:17:29
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Dr Tochtermann

Chairman and judge-rapporteur