



Milan - Local Division

**UPC\_CFI\_240/2023**  
**Procedural Order**  
**of the Court of First Instance of the Unified Patent Court**  
**delivered on *23/07/2024***  
Order no. ORD\_40568/2024

APPLICANT

- 1) **Oerlikon Textile GmbH & CO KG** Represented by STEFANIA  
(Applicant) - Leverkusen Strasse 65 - 42897 - BERGIA  
Remscheid - DE

RESPONDENT

- 1) **Himson Engineering Private Limited** Represented by  
(Respondent) - Survey No. 352, Hiratal FABRIZIO JACOBACCI  
Colony,  
Ashwanikumar Road - 395008 - Surat, Gujarat - IN

PATENT AT ISSUE

<i>Patent no.</i>	<i>Owner/s</i>
<b>EP2145848</b>	Oerlikon Textile GmbH & CO KG

DECIDING JUDGE

Judge-rapporteur **Alima Zana**

COMPOSITION OF PANEL - FULL PANEL

Presiding judge **Pierluigi Perrotti**  
Judge-rapporteur **Alima Zana**  
Legally qualified judge Carine **Gillet**  
[Technically qualified judge **Michel Abello**

LANGUAGE OF PROCEEDINGS: Italian

ORDER DETAILS

Order no. ORD\_40568/2024 in ACTION NUMBER: ACT\_549550/2023

UPC number: Action type:

Infringement Action

Related proceeding no. Application No.: 28655/2024

Application Type: APPLICATION\_ROP262A

Note: Request under R. 262A R.o.P. by the applicants for a confidentiality order relating to the financial information provided in their response to a request under R. 158 R.o.P. Keywords: R.262A confidentiality. Licence with a third party. Faculty to withdraw document Access limited to a club, which includes a natural person representing the other party.

Appellant

PANEL OF JUDGES

This Order was made by the Judge-Rapporteur (JR). LANGUAGE OF PROCEDURE Italian

OBJECT OF THE APPEAL

1. An application for the protection of confidential information pursuant to Article 262A of the R.o.P. was filed on 20.5.2024 by the Defence of the plaintiff Oerlikon on the occasion of the filing of the *"Rejoinder to the Reply and Reply to the Defence to the application to amend the patent"* with respect to two documents (Nos. 37 and 38).

The applicant requests that the information contained therein be treated confidentially, in accordance with the confidentiality regime specified in the application, by constituting a club composed only of Himson's advocates, to the exclusion of the party personally.

The applicant provided both 'redacted' and 'unredacted' versions of the documents containing this information.

The 'redacted' confidential information concerns:

- the specific covenants contained in a Settlement Agreement with a Chinese operator, following an infringement judgment, where the third party acknowledged having interfered with the corresponding Chinese patent (see doc. 37 of the applicant);
- the plaintiff's business data. (crr. doc. 38 of the applicant).

On 21.5.2024, the JR invited Himson to take a position with respect to the petition, in compliance with the right to be heard, as specifically provided for in subsection no. 4 of the rule

No. 262 A of the R.o.P.

On 3 June 2024, the Himson defence filed its own comment note, objecting to the counterparty's request, on the grounds that it was, firstly, not supported by sufficient reasoning as to the nature of the information and, secondly, unreasonably extended to the entire content of the documents.

He concluded for the rejection of the application and, in the alternative, for the granting of the application limited to the truly sensitive information.

The Judge Rapporteur considered it necessary:

- I. an initial discussion with the parties, granting both parties further time until 17.6.2024 to file any comments and until 27.6.2024 for any replies in order:
  - a. the confidential nature of the documents covered by the application;
  - b. to the possible composition of the club, which was limited by the Oerlikon to the defendants of the parties.

With respect to point (a), the parties maintained their respective positions with respect to the disputed confidential nature of the same, while with respect to point (b), the defendant did not waive the request for access by a natural person of its client while the plaintiff opposed it.

- II. a second interlocution requested on 9.7.2024 with a further preliminary order in which:

- a. recalled that Document No. 37 is a licence agreement concluded by Oerlikon with a third party under an obligation of confidentiality;
- b. recalled a recent ruling by the Unified Patent Court with regard to the protection of confidential information
- c. invited Oerlikon to state whether it intends to submit document No. 37 to the Court and the opposing party in any event, or to withdraw it, so that it does not fall within the evidentiary scope of the dispute, with the consequence that the Court cannot take it into account and it cannot be made available to the opposing party.

Oerlikon stated that it renounced the use of document No. 37. The Himson defence did not submit any further comments.

## REASONS FOR THE ORDER

### 2. general profiles

2.1. This preliminary order is adopted in observance:

- the principles of flexibility, proportionality and fairness set out in Preamble 2 of the R.o.P. and the need to protect confidential information;
- to UPCA Rule 58, Rule No. 262A, Directive (EU) 2016/943 on the protection of know-how and undisclosed business information ('trade secrets');
- interpretative solutions adopted by UPC in relation to the protection of confidential information contained in licence agreements concluded by third parties and containing confidentiality clauses.

2.2. This order concerns only the issue of confidentiality. Confidential information is declared by the applicant to be relevant:

- as to Document No. 37 in order to assess the validity of the patent;
- as to Document No. 38 in order to assess commercial success (or validity)

Oerlikon's claim for confidentiality is modulated by requesting that access be restricted to Himson's advocates only.

On the other hand, the latter's defence requested, if the application was granted, that the club be extended to two of its own technical advisors and a natural person of the substantial party.

2.3. The investigation carried out here relates strictly to the claim for protection raised by the applicant, without examining the relevance of the documents produced with respect to the purpose for which they were filed, an issue raised by the Himson defence, which, however, cannot be entertained here.

### 3. As to document No. 37 filed by Oerlikon.

3.1. The Court in the preliminary order of 9.7.2024 has already anticipated that this is a document of a confidential nature, in the light of the provisions of Art. 58 UPCA, which extends protection not only to trade secrets in the strict sense but also to confidential information.

In particular, it concerns a negotiated relationship between the plaintiff and a third party market participant, and in particular a Settlement Agreement containing confidential information since:

- protected by an obligation of confidentiality between the parties, crystallised in the document itself;
- sensitive by their nature, such as the name of the operator involved in the infringement action; the amount that the third company agreed to pay to Oerlikon in settlement; the agreed royalties to be paid to the owner; and the licence conditions agreed between the parties.

Thus, the document is eligible for protection under Rule No. 262 A R.o.P.

3.2. As to the concrete modalities and identification of the '*club*' admitted to the examination of the confidential information, the considerations expressed in the preliminary order of 9.7.2024 should be recalled here.

*"Except in cases of consent of the other party or in specific cases provided for in the antitrust rules - not found here. the general rule is instead that of the inclusion in the club of a natural person representing the party.*

*And this in deference to the letter of Rule No. 262A, paragraph No. 6 of the R.o.P. and Article 9 (2), last paragraph, of Directive (EU) 2016/943, cited above.*

*The importance of this discipline has already been observed in application by other local courts of the UPC (the decision of the Dusseldorf Local Court of 4 April 2024<sup>1</sup>) also cited by the defence of Himson, where the necessary instrumentality of the examination of confidential information by a representative was emphasised*

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<sup>1</sup> ICC\_355/2023 proceedings: " "As the Local Division has already explained in detail in its Order of 27 March 2024, R. 262A RoP establishes as a ground rule of paramount importance that at least one natural person from each party and their respective lawyers or other representatives must be granted access in order to ensure a fair trial (UPC\_CFI\_355/2024 (LD Düsseldorf), Order of 27 March 2024, p. 10). This is true in general, but even more so where, as here, the (allegedly) confidential information relates to the prior use as a key defence of the defendants which may be decisive for the outcome of the case. The only

*way to ensure that the party concerned can exchange information with its representatives, develop a strategy taking into account the arguments of the other party and, where necessary, provide technical and/or economic input, is to grant access to the information in question to the party's employees with the relevant knowledge".*

*of the party in order to ensure the fullness of the direct defence and adversarial process.*

*In the present case, the defendant:*

- a. *defendant did not waive its request for access;*
- b. *There is no interference with antitrust law.*

*Access must therefore be granted to a natural person representing Himson, in accordance with the letter of Rule No. 262A, paragraph No. 6 of the P.O.R. and Article 9 (2), last paragraph, of Directive (EU) 2016/943, cited above." (cf. order 9.7.2024).*

3.3. Since this was a licence agreement concluded with a third party covered by a confidentiality clause, as mentioned above, the applicant was given the choice of either including the documents under scrutiny in the scope of the litigation, with access to a club consisting also of a natural person of the defendant, or deciding to exclude these documents from the trial file.

With the caveat that, in the latter case, the documents could not be used by the defendant (who has so far only had access to them for the benefit of his defence counsel bound by the obligation of confidentiality, and only in order to be able to discuss the confidential or non-confidential nature of the documents and the composition of the club) either in these proceedings or in other proceedings.

This power was granted to the applicant in the light of the UPC's guideline on the protection of confidential information with particular regard to licence agreements containing confidentiality obligations vis-à-vis third parties whose consent should be obtained in advance (UPC 210/2023, 14.2.2024, Local Division Mannheim), where in the event that the Court decides not to grant all or part of the confidentiality claim - as in the present case, vis-à-vis the Club - the party filing the litigious documents must be granted that the same

-though deposited in the file- do not enter the scope of the dispute and therefore:

- the Court does not take them into account;
- the other party may not use them in the present or any other proceedings.

As a result of this discussion, the applicant stated that it intended to withdraw document No.

37. Himson did not file any further comments.

Therefore, the Court considers that document No. 37 must be excluded from the evidentiary perimeter and forbidden to Himson's counsel -who examined it for the sole purpose of commenting on its confidential nature- to disclose its contents to anyone, either in the present or in any other proceedings.

#### 4. As to Document No. 38

4.1. Document No. 38 also abstractly contains confidential information. Indeed:

- a. this is commercial sales data, thus relevant to Oerlikon's business;
- b. this is not public information;
- c. the plaintiff has an interest in maintaining confidentiality by indicating the sales figures and market attractiveness of its machinery over a certain period of time;
- d. the intention to keep them confidential.

Their disclosure in favour of a competitor - which the defendant must generally be considered to be - could have a negative impact on the applicant, outweighing the risks of litigation and distorting competition by providing the competitor with information on the attractiveness of the applicant's various machines.

4.2. As to the concrete modalities, excluding the particular case of licences with third parties for which the considerations expressed in sub. 3, in the light of the principle

of flexibility and proportionality. access to a confidential club must be considered to allow Himson to protect his subjective positions, fully exercising his right of defence.

4.3. As already mentioned, with regard to the composition of the club, Oerlikon asked to restrict access to Himson's defenders only.

On the other hand, the latter's defence requested, if the application was granted, that the club be extended to the two technical advisors and the substantive party, Oerlikon's defence objected to this last request, considering the commercial nature of the documents and that, in addition, one of the two technical advisors - Upendra Patel - was never mentioned as a technical advisor.

4.4. That said, the Court notes that:

- In this respect, the general rule is outlined in Rule No. 262A, paragraph 6 of the R.o.P.,<sup>2</sup> which reproduces the lettering used in the last paragraph of Art. 9 (2) of the Directive (EU) 2016/943 on the protection of know-how and undisclosed business information ('trade secrets');

This specific regulation specifies that:

- The number of persons referred to in paragraph 1 shall not exceed the number necessary to ensure that the right of the parties to the court proceedings to an effective remedy and to a fair trial is respected;
- must include at least one natural person from each party and the respective lawyers or other representatives of those parties to the proceedings

- As for the prohibition of access to individual natural persons, the Court observes, this solution seems possible only in the case:

- I. by mutual agreement of the parties;
- II. waiver of the right of access by an interested party
- III. Of the specific hypotheses provided for in the Antitrust<sup>3</sup>

as this is compatible with the Unified Patent system and as due process and the right of defence are guaranteed in practice, in the light of the *case-by-case* rule.

Such a condition has already been held by this Court to be sufficient to restrict access to a club where the natural person of the opposing party is not a member, provided that due process is not prejudiced (UPC case CFI 239/2023, App. 589842/2023, Local Division the Hague).

In the present case, however:

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<sup>2</sup>. Without prejudice to Article 60(1) of the Agreement and Rules 190.1, 194.5, 196.1, 197.4, 199.1, 207.7 and 209.4, 315.2 and 365.2 a party may apply to the Court for an order that certain information contained in its pleadings or the collection and use of evidence in the proceedings be restricted or prohibited or that access to such information or evidence be restricted to specified persons. (...) 6. The number of persons referred to in paragraph 1 shall not exceed the number necessary to ensure respect for the right of the parties to the proceedings to an effective remedy and to a fair trial, and shall include at least one natural person from each party and the respective lawyers or other representatives of those parties to the proceedings

<sup>3</sup> cf. COMMISSION EUROPEAN COMMISSION COMMUNICATION OF COMMISSION

"EU 'Notice on the protection of confidential information by national courts in proceedings concerning the private enforcement of competition law' (2020/C 242/01, para. 613);

- I. There is no agreement of the parties;
- II. The defendant did not waive its request for access;
- III. there is no interference with antitrust law.

A natural person representing Himson must therefore also be admitted to the club, in accordance with the letter of Rule No. 262A, paragraph No. 6 of the R.o.P. and Article 9 (2), last paragraph, of Directive (EU) 2016/943, cited above.

As already mentioned, the importance of this discipline has already been observed in application by other local courts of the UPC (the decision of the Dusseldorf Local Court of 4 April 2024 already cited above), where the necessary instrumentality of the examination of confidential information by a representative of the party with respect to cross-examination was emphasised.

4.5. As to the inclusion of Himson in the club of technical advisors, a request opposed by the other party, the Court considers that this request should be granted.

It should not be forgotten that the figure of the technical adviser assists the lawyer himself in the defence in matters where special expertise is required and is therefore a solution imposed by the need to guarantee the effectiveness of the right to cross-examination,

On the other hand, considering that access should not be extended to more parties than are necessary to exercise the right of defence, only one of Himson's experts should be admitted to the club.

4.6. Finally, the right of access to the parties' defence counsels, and in particular to the proxy lawyer Fabrizio Jacobacci, must of course be guaranteed. For the reasons expressed in section 4.5., it is not necessary to include other defence counsels in the club.

## 5. Permission to appeal

5.1. The importance of the correct interpretation for the system of Article 262. (a) of the P.o.R., in the light of the underlying *rationale* of the Institute, highlighted above, suggests that the appeal should be admitted, also in the light of the need for a consistent interpretation, within the system, as expressly indicated by Preamble No. 8 of the P.o.R.

An appeal against this decision is therefore allowed.

### 5.2. Suspensive effect

Pursuant to Article 354 of the RoP, decisions and orders of the Court are directly enforceable from the date of their notification and an appeal, pursuant to Article 74 of the UPCA, has no suspensive effect unless the Court of Appeal decides otherwise. However, these provisions do not prevent the Court of First Instance from deciding that an action should be enforced at a future date.

If this Order were to take effect immediately, and access to Document No. 38 in favour of Himson were contemporaneous with the adoption of the Order, Oerlikon's possible appeal could not be effective. Therefore, the Court considers it appropriate to defer the enforceability of this Order until 4.9.2024, from which date this Order will take effect unless Oerlikon documents that it has filed a request for appeal with suspensive effect.

This gives Oerlikon sufficient time to appeal and request suspensive effect, pursuant to Article 223 of the RoP.



ORDER

1. as to document No. 37 filed by Oerlikon:

- that it should be excluded from the evidentiary material in this case, since it cannot be used by any of the parties to the dispute and is therefore excluded from the evidentiary scope of the Court's investigation;
- the defendant's counsel, Mr Fabrizio Jacobacci, to keep document No. 37 confidential, with a prohibition on communicating and/or sharing the contents of document No. 37 in any form whatsoever with anyone, including the substantive party Himson, other defence counsel or consultants, whether for the purposes of the present proceedings or for the purposes of other proceedings.

2. as to document No. 38 filed by Oerlikon:

- that the Redacted Information qualifies as confidential information within the meaning of Art. 58 UPCA and R 262A RoP;
- that only the following persons may have access to the classified information:

a. Himson's proxy solicitor:

Advocate Fabrizio Jacobacci;

b. the party's expert witness commissioned by Himson:

Ing. Steffen Leinkauf, residing at Jacobacci & Patners s.p.a,

Milan

c. a natural person representing the substantial party:

Darshan Himson;

3. that the "redacted" Information referred to in Document No. 38 may be used by the Himson defence limited to this case and for no other purpose, and may not be passed on by any of the persons referred to in (a), (b) and (c) above to any other person;

WARNS

that, in the event of a violation of the provisions of points 1, 2, and 3, the Court may impose a penalty pursuant to Rule No. 354(3) R.o.P;

ADMITS

the appeal against this measure

SUSPENDS

the effectiveness of this measure until 4.9.2024 as better specified in the narrative,

ACKNOWLEDGEMENT

that the costs relating to claim 262A will be settled together with the costs of the main proceedings.

Milan 23 July 2024

The Judge Rapporteur

Alima Zana

Alima ZANA  
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ZANA  
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ORDER DETAILS

Order no. ORD\_40568/2024 in ACTION NUMBER: ACT\_549550/2023

UPC number:Action type:

InfringementAction

Related proceeding no. Application No.: 28655/2024

Application Type: APPLICATION\_ROP262A