



UPC - Court of Appeal
UPC_CoA_469/2024
APL_45142/2024

ORDER
of the Court of Appeal of the Unified Patent Court issued on
21 August 2024
concerning an application for discretionary review by the
Court of Appeal under Rule 220.3 RoP

APPELLANTS (AND DEFENDANTS IN THE MAIN PROCEEDINGS BEFORE THE CFI):

1. **AYLO PREMIUM LTD**, Nicosia, Cyprus
 2. **AYLO Billing Limited**, Dublin, Ireland
 3. **AYLO FREESITES LTD**, Nicosia, Cyprus
- (hereinafter collectively referred to as the Aylo Companies)

1-3 represented by: Prof Dr Tilman Müller-Stoy, lawyer, Bardehle Pagenberg, Munich, Germany, and
Conor McLaughlin

APPELLANT (AND PLAINTIFF IN THE MAIN PROCEEDINGS BEFORE THE CFI):

1. **DISH Technologies L.L.C.**, Englewood, USA
 2. **Sling TV L.L.C.**, Englewood, USA
- (hereinafter jointly referred to as the Dish and Sling companies)

1-2 represented by: Denise Benz, A&O Shearman, Munich, Germany STREITPATENT
EP 2 479 680

LANGUAGE OF THE PROCEEDINGS

German

DECIDING JUDGE:

This Order was issued by Ingeborg Simonsson, Permanent Judge.

ORDER CONTESTED BY THE COURT OF FIRST INSTANCE

- Date: 22 July 2024, Mannheim local division
- Action numbers of the Court of First Instance: UPC_CFI_471/2023; ACT_ 594191/2023,
App_40530/2024, ORD_42880/2024

BRIEF PRESENTATION OF THE FACTS

1. With the contested Order of 22 July 2024, the Mannheim local division rejected an application for a review of the judge-rapporteur's Order pursuant to R. 262A RoP (protection of secrets). With this Order, the asserted information to be protected was classified as confidential. At the same time, however, a restriction on access was ordered, rejecting the more far-reaching request, which provides for three natural persons named by the companies Dish and Sling, among others, as authorised persons.
2. In the opinion of the local division, "the prominent function of the three persons named by the plaintiffs in relevant other pending and potential patent infringement disputes between the parties and their involvement in relevant IP applications, grant proceedings and validity proceedings are not decisive against granting access. Rather, the plaintiffs have an important interest in internally involving precisely those persons on their side who are particularly familiar with the relevant property rights situation and technology in order to prosecute the present legal dispute in an appropriate manner. The defendants are adequately protected by the confidentiality order against any use of the confidential information for purposes unrelated to the proceedings. As representatives authorised by the US Patent and Trademark Office, the named persons are familiar with the handling of confidential information. There are no indications of a lack of reliability on the part of the designated persons, which the Applicants of the application pursuant to R. 262A RoP are not apparent."
3. The appeal was not authorised.
4. The Aylo companies have filed an application for a discretionary review of the local division's decision and request that the appeal against the Order be allowed (R.220.3 RoP).
5. The companies Dish and Sling were heard in accordance with R.220.4 RoP.

FACTUAL AND LEGAL POINTS OF CONTENTION

Inclusion of in-house counsels in a confidentiality ring in accordance with R.262A RoP

SUBMISSION OF THE PARTIES

The Aylo companies assert - summarised and as far as relevant - that

6. The three persons ("Dish In-house Counsel") are all US-based in-house counsel of the Dish and Sling group of companies and are patent attorneys registered with the US Patent and Trademark Office (USPTO). They are active worldwide in the filing of patent applications, the management of grant and validity proceedings as well as the management of patent infringement proceedings for the Dish and Sling companies. It is obvious that the confidential knowledge of the embodiment in suit could have enormous economic value for the Dish and Sling companies in that it could be used not only in tailoring litigation strategies in the parallel proceedings between the parties, but also in future or pending patent applications and subsequent proceedings, in order to protect patent claims with a high degree of certainty.

to "optimise" the forms of execution precisely. It is difficult, if not impossible, for the Dish In-house Counsel to fulfil the obligation to use the confidential information exclusively for the purposes of the proceedings here due to the scope of their duties.

7. It is therefore necessary to select a person who, on the one hand, can categorise and understand the information to be protected, but who at the same time appears to have the lowest risk of misuse, for example due to the danger of other commercial exploitation of the information for the employer. This does not require a member of the legal department or an in-house patent attorney, for whom there is an evident risk that the information will be misused, for example for the numerous application, continuation and infringement proceedings.
8. The Aylo companies had approached the Dish and Sling companies following the decisions in question here in order to obtain a declaration from Dish in-house counsel that they would not become involved in application proceedings, validity proceedings and infringement proceedings relating to the patent-in-suit and its patent family in parallel with the litigation proceedings here. Dish and Sling declined to do so.
9. Even if it could not be assumed that the information was misused by these three persons (as is not the case), the named group of persons would have to be reduced to one person.
10. The appeal should be allowed. The decision as to whether the Dish-In-House Counsel should be granted access to the protected information depends on two questions of law for which there is no case law practice of the Unified Patent Court and which, in particular, have not yet been clarified by the Court of Appeal, but on the clarification of which the secrecy protection regime in numerous proceedings is likely to depend.
11. It should be clarified on a case-by-case basis whether the UPCA and the Rules of Procedure require a so-called prosecution bar for in-house patent attorneys, as is the rule in the USA, in cases such as this.
12. Furthermore, the question of whether R.262A.6 RoP allows more than one natural person on the party's side to have access to the information to be protected if all persons in question have the same qualifications and perform the same or a very similar function in the party's company has not yet been clarified.

The companies Dish and Sling assert - summarised and as far as relevant - that

13. Admission of the appeal was already ruled out because the Aylo companies had expressed by their own behaviour that they had no legitimate interest in amending the first instance Order. They apparently merely thought that the confidentiality obligations imposed by the Mannheim local division on the in-house counsel entitled to access were not sufficient for adequate protection. The Aylo companies did not explain why a contractual provision on confidentiality in the form of a non-disclosure agreement ("NDA") should provide greater protection in comparison and was not apparent. They

ultimately expressed their distrust of the Unified Patent Court's court system and its confidentiality regime.

14. The Aylo companies do not have an interest worthy of protection, which could justify allowing the appeal, because the persons authorised to access the information on the part of the Dish and Sling companies had already been granted access to the confidential information on the basis of the immediately enforceable first instance Order. This could not be reversed by an appeal decision. The Aylo companies therefore had no legal interest in an appeal decision.
15. The Mannheim local division had correctly granted the three named persons access to the confidential information. There were no concerns either with regard to the specific persons or with regard to the number of persons authorised to access the information. The application was characterised by sweeping and unsubstantiated allegations that lacked the necessary individuality. To date, the Aylo companies have not provided any concrete evidence either at first instance or in their application pursuant to R.220.3 RoP for their allegations that the persons authorised to access on the part of the Dish and Sling companies could and would disregard their court-imposed confidentiality obligations.
16. The persons named are responsible for the contentious proceedings concerning the patent in suit and its family members. From the outset, they were the - sole - contact persons for the procedural representatives in all points and issues relating to the technical and strategic aspects of the present proceedings. They alone had sufficient knowledge of the claimed teaching of the patent in suit as well as the technical expertise in the field to carry out an assessment of the non-infringement arguments together with the representatives of the proceedings. The right of the companies Dish and Sling to a fair procedure through appropriate coordination with their procedural representatives therefore required the admission of the group of persons named in the application.

REASONS FOR THE DECISION

17. The Order of the local division is based on the principle that the abstract risk that an in-house counsel, if included in the group of persons authorised to access confidential information pursuant to R.262A RoP, might breach the confidentiality obligation due to conflicts of interest is not sufficient to refuse his inclusion, unless there are concrete circumstances justifying such a suspicion.
18. The Permanent Judge cannot find any reason in the statements of the Aylo companies in the context of her discretionary review pursuant to R.220.3 VerO that would justify allowing the appeal against the Order of the Mannheim local division of 22 July 2024, both with regard to the inclusion of the in-house counsel and with regard to the inclusion of three persons.
19. The application must be rejected.

ORDER

The application is rejected.

Issued on 21 August 2024

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Ingeborg
Simonsson



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Ingeborg Simonsson

Permanent judge