

ORDER
of the Court of Appeal of the Unified Patent Court
issued on 18 September 2024
concerning language of proceedings

HEADNOTE

- In addition to the circumstances stated by the Court of Appeal in its order of 17 April 2024 (APL_12116/2024, UPC_CoA_101/2024), when deciding on a request to change the language of proceedings into the language of the patent on grounds of fairness:
 - o the internal working language of the parties, the possibility of internal coordination and of support on technical issues are relevant circumstances;
 - o the fact that other proceedings between the parties are pending before a national court does not relate to the dispute, nor to the parties, and is as such of less relevance.

KEYWORDS

- Change of language of proceedings (Art. 49(5) UPCA)

APPELLANT (AND DEFENDANT IN THE MAIN PROCEEDINGS BEFORE THE CFI)

1. **Google Commerce Limited**, Dublin, Ireland
2. **Google Ireland Limited**, Dublin, Ireland

hereinafter jointly referred to as 'Google';

both represented by: Dr. Marcus Grosch, Dr. Jesko Preuß, Dr. Andreas Hahne, Dr. Holger Hiss, Dr. Isabel Huynh Cong, attorneys-at-law, Quinn Emanuel Urquhart & Sullivan, Munich, Deutschland

RESPONDENT (AND CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE CFI)

Ona Patents SL, Barcelona, Spanien

hereinafter referred to as Ona;

represented by: Dr. Christof Augenstein, Dr. Melissa Lutz, und Nicole Schopp, attorneys-at-law Kather Augenstein, Düsseldorf, Germany

PATENT AT ISSUE

EP 2 263 098

PANEL AND DECIDING JUDGES

Second panel:

Rian Kalden, presiding judge and judge-rapporteur

Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

- Order ORD_27765/2024 of the President of the Court of First Instance dated 18 Juni 2024
- Action number attributed by the Court of First Instance: ACT_11921/2024, App_26544/2024, UPC_CFI_100/2024

LANGUAGE OF PROCEEDINGS

German

ORAL HEARING ON

23 August 2024 (online), together with the oral hearing in UPC_CoA_354/2024; APL_38948/2024

SUMMARY OF FACTS

1. The parties are parties to infringement proceedings before the Court of First Instance, Düsseldorf Local Division, initiated by Ona (ACT_11921/ 2024, UPC_CFI_100/2024).
2. On 10 May 2024 Google made an Application to change the language of the proceedings from German to English (App_26544/2024). This application was rejected on 18 June 2024 by the President of the Court of First Instance (hereafter: the President CFI). The order (ORD_27765/2024), issued in English, *inter alia* contains the following considerations:

Considering Ona Patents – claiming to be a medium-size company founded in 2023 - the choice to file its action in German is made in the context of parallel disputes between the same parties before the Regional Court of Munich involving technically comparable issues. Ona Patents also raises that its main contact person is able to discuss and approve its representative written submissions in German, being indeed fluent in this language.

It appears from these circumstances that Ona Patents had relevant reasons to file its infringement action in German although the language of the patent and relating technology is English, namely the language skills of the contact person likely to follow-up the proceedings on its behalf and the existence of parallel proceedings handled in German with limited resources compared to those that can be mobilized by Google.

It results in substance from the above that the requested change would represent a significant inconvenience for Ona Patents, while being in contrast a slight advantage in favor of the Defendants. (...)

Consequently, the outcome of balancing of the respective interests of the parties with regard to all relevant circumstances of the case, leads the Court to reject the Application to change the language of the proceedings to the language in which the patent was granted.

PARTIES' REQUESTS

3. Google has appealed and requests the Court of Appeal to revoke the impugned order and to order the change of language of the proceedings from German to English.
4. Ona is requesting that the appeal be dismissed and that Google be ordered to pay the costs.

POINTS AT ISSUE

Request pursuant to Art. 49(5) UPCA that the language in which the patent was granted be used as language of proceedings (R.323 RoP).

SUBMISSIONS OF THE PARTIES

Google – insofar as relevant – states as follows.

5. The language of the patent is English, which is also the language almost exclusively used in the relevant field of technology of the patent. This is confirmed by the prior art cited in the patent at issue. The majority of the exhibits in the proceedings are available only in English. Ona requested that these documents not be required to be translated into German.
6. The Google companies are domiciled in Ireland. Their headquarters are located in the USA and the corporate language of the group is English. The responsible engineers who work on the challenged functionality are based in the USA and speak English.
7. Google as a defendant is significantly and disproportionately disadvantaged by having to conduct its defence within very short time limits in German, due to the need for translations between German and English. The alleged smaller size of Ona relative to the size of Google does not eliminate this disadvantage.
8. Ona is domiciled in Spain and its managing director, responsible for litigation, is proficient in English. A change of language would not disadvantage Ona, as it would not require translations.
9. A change of language does not unreasonably delay the proceedings.

Ona – insofar as relevant – states as follows:

10. Google is a very large group of companies, with considerable resources and an extensive legal department. The defendants' domicile in Ireland is not relevant, as they target the German market from there.
11. Google has specifically prepared and organized itself for patent infringement proceedings before national European courts – in particular in Germany – and for handling proceedings in German before the UPC courts, by appointing a native German-speaking in-house lawyer responsible for coordinating such proceedings.
12. Ona on the other hand is a medium-sized start-up founded in 2023 with only a few employees. Only one person within Ona is involved in the proceedings and he is proficient in German. All Statements are drafted in German and they are not translated for internal coordination.
13. The parties are involved in parallel proceedings before the Regional Court of Munich which are conducted in German. Although the patents are different, the field of technology is the same. It would require less effort if both proceedings were conducted in the same language.
14. Taking into account the significant size and resources of the Google group of companies and its preparation for German language proceedings, the use of the German language cannot be deemed unfair to Google. The number of procedural applications Google has lodged in German demonstrates that it is well-equipped to litigate in German. Ona, as a medium-sized start-up, would be disproportionately disadvantaged if the language were changed to English. This is particularly the case as Ona is already in the process of preparing its Statement of reply.

15. The claimant has the right to choose the language of proceedings. A change of language should be an exception. The language of the patent cannot be binding on Ona, as it did not choose that language but merely acquired the patent after grant. If the language of proceedings were the language of the patent as a rule, it would undermine the claimant's right to choose the language of proceedings.
16. The right to choose the language of proceedings also includes the option to choose the language spoken by the majority of the judges at the Local Division seized.

GROUNDS FOR THE ORDER

17. At the request of one of the parties and after having heard the other parties and the competent panel, the President CFI may, on grounds of fairness and taking into account all relevant circumstances, including the position of parties, in particular the position of the defendant, decide on the use of the language in which the patent was granted as language of proceedings. In this case the President CFI shall assess the need for specific translation and interpretation arrangements (Art. 49(5) UPCA and R.323.3 RoP).
18. Unlike in Art. 49(4) UPCA, where with the agreement of the parties the competent panel may, on grounds of convenience and fairness, decide on the use of the language in which the patent was granted as the language of proceedings, Art. 49(5) UPCA does not mention convenience as a criterion. Only fairness is mentioned.
19. The President CFI has a margin of discretion when assessing fairness. On appeal, the scope of review is therefore limited. However, even with this limited scope, the order must be set aside, because it is based on an incorrect interpretation of what constitutes fairness and which circumstances are relevant under Art. 49(5) UPCA.
20. In its order of 17 April 2024 (APL_12116/2024, UPC_CoA_101/2024) the Court of Appeal held that, when deciding on a request to change the language of proceedings into the language of the patent on grounds of fairness:
 - a. all relevant circumstances shall be taken into account;
 - b. relevant circumstances should primarily be related to the specific case and the position of the parties;
 - c. relevant circumstances related to the specific case would, for example, be the language mostly used in the field of technology involved and, of particular relevance, the language in which the evidence (including prior art) is primarily written;
 - d. relevant circumstances related to parties include the nationality or domicile of the parties; a party must be able to fully understand what is submitted and if the language of the proceedings is not the company language, this is not compensated by the fact that its representative is proficient in the language of the proceedings;
 - e. relevant circumstances related to parties include their size relative to each other; a multinational company with a substantial legal department has more resources to deal with and coordinate international disputes in different languages than a small company with limited resources that is only active on a limited number of markets;
 - f. due attention should be paid to how a change of language will affect the course of the proceedings and lead to delays, especially in relation to the urgency of the case;
 - g. whether a representative has specific language skills is in general of no significance;
 - h. the nationality of the judges hearing a case is in general not a relevant circumstance;

- i. by choosing the language of the patent, the applicant also (should) anticipate(s) that he may have to conduct proceedings in that language; this rationale applies equally to a patent holder who has acquired the patent (or patent application).
 - j. for a claimant, as a general rule, using the language of the patent as the language of the proceedings cannot be considered unfair in respect of the claimant;
 - k. if the outcome of balancing of interests is equal, the position of the defendant is the decisive factor.
21. In its decision of 5 September (UPC_CoA_207/2024, par. 18) the Court of Appeal further clarified that other proceedings pending between the parties do not relate to the specific case and are therefore less relevant.
22. Applying the general principles set out above to the present case, the Court of Appeal is of the opinion that Google's request to change the language of proceedings into the language of the patent, i.e. English, should have been allowed. The reasons for this are as follows.
23. The language of the patent and the underlying field of technology is English. The evidence relied on by Ona and Google is almost exclusively in English and Ona has requested that no translation of the exhibits into the language of proceedings be required.
24. Ona's registered office is in Spain. Consequently, its nationality or domicile does not inherently favour either German or English as the language of the proceedings.
25. The defendants are not based in Germany but in Ireland. Google submitted that the internal company language of the entire Google group is English. Ona has not raised any arguments in substance against this.
26. As previously mentioned, the language qualifications of the representatives are not a circumstance related to the parties themselves and are not relevant. Similar considerations apply to the in-house lawyer with German language skills, that Google appointed to coordinate its European – especially German language – litigation before the national courts and the UPC. Having a German speaking in-house lawyer to coordinate litigation in Europe may facilitate communication with a local German-speaking representative on legal issues. However, as Google has submitted and Ona has not disputed, the department where Google's technical experts are located is in the USA, where the company language is English. Therefore, such coordination by the in-house lawyer still does not eliminate the need for translation of Statements from German to English (and vice versa for Google's Statements) in order to obtain technical input from Google employees with the relevant technical expertise, that is typically required in patent cases. These internal technical experts would still need translations to the Statements and provide their input to Google's representative, either through the in-house lawyer or directly. The same applies to strategic coordination, which, as has also remained uncontested, is typically conducted by the headquarter company Google Inc., which is situated in the USA.
27. The President CFI failed to take these circumstances into account in this specific case, even though the internal working language, the possibility of internal coordination and of support on technical issues only accessible in a location within the corporate group where the working language was English, were – rightly - taken into account as relevant circumstances in the Order of 30 May 2024 (App_22729/2024; UPC_CFI_26/2024).

28. From the above it follows that there is a clear disadvantage for Google if the language of the proceedings is different from its company language, as it needs translations to properly prepare its Statements and hearing(s). The fact that Google filed applications related to the main action in the German language does not imply that Google is unaffected by the disadvantages associated with the use of the German language. Google does not have the choice to lodge these in English.
29. On the other hand, Ona faces no such burden, because no translations would be required for Ona at all if the language of the proceedings were English. According to Ona, only its managing director is involved in the legal proceedings (both internally and externally). As stated by Ona (para. 14 Statement of response), it decided to conduct the proceedings in German on the basis of the language skills of its managing director. However, it is undisputed that he is proficient in both English and German, making the choice of language merely one of convenience. As previously mentioned, and as Ona itself acknowledged (par. 38 response proceedings first instance) this is not a relevant criterion under Art. 49(5) UPCA. The President CFI failed to recognise this in the impugned order.
30. The fact that other proceedings between the parties are pending before a national German court, as Ona submits, does not relate to the dispute, nor to the parties involved, and is therefore of less relevance. The President CFI therefore erred in giving considerable weight to these other pending proceedings between the parties.
31. The same applies to the financial recourses of Google compared to those of Ona. It is not decisive in this case that Google is a very large company with many subsidiaries worldwide, including Germany, and that Ona considers itself to be an SME. For Google – if the language is not changed - the need for translations is not only a financial burden, but also a disadvantage in view of strict time limits that must be met. For Ona there is no need for translations, whether the language of the proceedings is German or English, and therefore it would not incur any translation costs due to a change of the language of proceedings.
32. Ona's argument that a language change should not be ordered at this stage of the proceedings, as it is already preparing its Statement of reply, must be dismissed. R.323 RoP foresees that a request can be made by the defendant in its Statement of defence, thus at a stage when the Statement of reply is being prepared. A change in the language of proceedings at that stage cannot therefore be considered unreasonable.
33. The Court of Appeal has consulted the panel of the Local Division by way of analogy with R.323.3 RoP. The Local Division has not indicated that a change of language would cause undue delays at this stage of the proceedings.
34. The language skills of the judges of the Local Division seized is, contrary to Ona's submission, not a relevant circumstance here.
35. On the basis of the relevant circumstances the President CFI could not have reasonably concluded that changing the language of proceedings from German to English would represent a significant drawback for the claimant, while offering only a slight advantage to the defendants. In fact, Ona does not face any disadvantage if the language is changed to English, while not changing the language poses a considerable disadvantage for Google. Fairness therefore requires that English shall be used as the language of the proceedings.

36. In contrast to what Ona is suggesting, this decision does not mean that a claimant's right to choose the language of proceedings is without value. This right should be exercised in such a way that it is not unfair for the defendant. In evaluating the fairness of a choice, the language of the patent is not decisive, but remains an important factor when weighing up all relevant circumstances. In this balancing exercise, it is taken into account that, as a general rule, using the language of the patent as the language of the proceedings cannot be considered unfair to a claimant, since a patent owner should anticipate and be prepared to litigate its patent in the language in which it was granted. This principle applies equally in situations where the patent was acquired after grant, in particular in cases where a special purpose company set up by external funders acquired the patent specifically with a view to engaging in global patent enforcement, as is the case here.
37. The Court of Appeal reached its decision on the basis of the facts and circumstances relied on by the parties during the proceedings before the President CFI and based on undisputed facts. Therefore, there is no need to consider whether Google should be permitted to rely on facts and circumstances other than those raised before the Court of First Instance.
38. In conclusion, the appeal is well-founded and the order of the President CFI must be set aside. The Court of Appeal shall order that English be used as the language of the proceedings.

ORDER

The order of the President of the Court of First Instance of 18 June 2024 is set aside. The language of the proceedings shall be English.

Issued on 18 September 2024

Rian Kalden, Presiding judge and judge-rapporteur

Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge