



Reference numbers:
APL_58177/2024
UPC_CoA_621/2024

Order
of the Court of Appeal of the Unified Patent Court
issued on 12 February 2025
concerning an order for the protection of confidential
information

HEADNOTES

1. Pursuant to R. 262A.6 RoP the number of persons to whom access is restricted shall be no greater than necessary in order to ensure compliance with the rights of the parties to the legal 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 legal proceedings. Whether a particular person may be granted full access under this provision must be determined on the basis of the relevant circumstances of the case, including the role of that person in the proceedings before this Court, the relevance of the confidential information to the performance of that role and the trustworthiness of the person in keeping the information confidential.
2. R. 262A.6 RoP does not require that the person to whom access is given be an employee of a party or a representative within the meaning of Art. 48 of the Agreement on a Unified Patent Court (hereinafter: UPCA). Such a requirement does not follow from the wording of the provision and would unduly restrict a party's freedom to choose its assistants in the proceedings. Therefore, the fact that the US attorneys are neither employees of Daedalus, nor representatives within the meaning of Art. 48 UPCA, does not preclude them from having full access to the confidential information under R. 262A RoP.

KEYWORDS

Appeal; Protection of confidential information

APPELLANT (CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE)

DAEDALUS PRIME LLC

75 South Riverside, unit B/C, Croton-on-Hudson, 10520, New York, USA

hereinafter: Daedalus,

represented by attorneys-at-law Dr. Marc Grunwald and Maximilian Gross and European patent attorney Dr. Jan-Malte Schley (Peterreins Schley)

RESPONDENTS (DEFENDANTS IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE)

1. XIAOMI TECHNOLOGY NETHERLANDS B.V.

Prinses Beatrixlaan 582, 2595 BM, The Hague (Den Haag), The Netherlands

2. XIAOMI TECHNOLOGY GERMANY GMBH

Niederkasseler Lohweg 175, 40547, Düsseldorf, Germany

hereinafter: Xiaomi

represented by attorneys-at-law Prof. Dr. Tilman Müller-Stoy and Dr. Dominik Woll (Bardehle Pagenberg)

INTERVENER

MEDIATEK INC. (HEADQUARTERS)

No. 1, Dusing Rd. 1, Hsinchu Science Park, 30078 Hsinchu City, Taiwan

hereinafter: MediaTek

represented by attorneys-at-law Dr. Antje Brambrink, Dr. Jochen Herr and Daniel Seitz and European patent attorneys Dr. Moritz Meckel and Yannick Schütt (Finnegan, Henderson, Farabow, Garrett & Dunner)

PATENT AT ISSUE

EP 2 792 100

PANEL AND DECIDING JUDGES

Panel 1a:

Klaus Grabinski, president of the Court of Appeal

Peter Blok, legally qualified judge and judge-rapporteur

Emanuela Germano, legally qualified judge

LANGUAGE OF THE PROCEEDINGS

English

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

- Order of the Court of First Instance of the Unified Patent Court, Hamburg Local Division, dated 11 October 2024

Reference numbers attributed by the Court of First Instance:

UPC_CFI_169/2024

ACT_19012/2024

App_51661/2024

ORD_51859/2024

FACTS AND REQUESTS OF THE PARTIES

1. On 9 April 2024, Daedalus filed an infringement action against Xiaomi, Xiaomi Communications Co. Ltd., Xiaomi Inc. and MediaTek, asserting inter alia that Xiaomi infringed Daedalus' European patent 2 792 100 (hereinafter: the patent at issue) by offering and selling smartphones that comprise 8000 or 9000 series Dimensity processors from MediaTek.
2. On 26 July 2024, Xiaomi filed their Statement of defence. On the same date, Xiaomi lodged an application requesting that access to passages highlighted in grey in the Statement of defence and the written witness statement submitted with the Statement of defence as exhibit BP7 (hereinafter: the confidential information), disclosing information on, inter alia, the architecture of the MediaTek processors, be restricted to certain persons in accordance with R. 262A of the Rules of Procedure of the Unified Patent Court (hereinafter: RoP).
3. By a procedural order of 30 July 2024, the judge-rapporteur of the Hamburg Local Division of the Court of First Instance granted provisional protection for the confidential information in accordance with R. 262A RoP and restricted Daedalus' access to these passages to its legal representatives, insofar as they are authorized to represent Daedalus before the Unified Patent Court in the present proceedings, and their internal assistants, whereby only those professionals authorized to represent Daedalus before the UPC in the present proceedings and their assistants from the law firm of Daedalus' legal representatives may have access to the confidential information and only as far as required for cooperation in the present litigation.
4. In its response to the procedural order of 30 July 2024, Daedalus requested that its managing director and two US attorneys be granted access to the confidential information.
5. By a procedural order of 3 September 2024, the judge-rapporteur extended access to the confidential information to Daedalus' managing director but denied access to the US attorneys.
6. Daedalus requested a review of the procedural order of 3 September 2024 by the panel on the basis of R. 333 RoP. By the order of 11 October 2024 (hereinafter: the impugned order), the panel of the Hamburg Local Division rejected the application for review and granted leave to appeal. The reasoning of the Court of First Instance, to the extent relevant on appeal, can be summarised as follows:

- The panel acknowledges that US patent attorneys are bound by strict ethical and professional rules and can on a general basis be considered as trustworthy when it comes to the treatment of confidential information.
 - Xiaomi disclosed the confidential information in order to properly defend themselves in the infringement action brought by Daedalus.
 - Daedalus’ right to argue its case is sufficiently preserved by granting access to the confidential information to its legal team acting as representatives in the present proceedings and its managing director. Daedalus’ interest in exchanging information in the present proceedings and the parallel proceedings before the US Court for the purpose of effective and coordinated litigation does not justify making the confidential information available to the US attorneys. It is not the task of Xiaomi to provide Daedalus with information it can use in other jurisdictions.
 - The intention to align arguments and to provide technical input to proceedings outside the UPC system and even outside of the EU is not a sufficient reason to broaden access to confidential information.
7. Daedalus lodged an appeal against the impugned order, requesting that the Court of Appeal
- I. set aside the impugned order insofar as it relates to the denial of access for its US attorneys,
 - II. order that the procedural orders of the judge-rapporteur of “26, July, 2024” and 3 September 2024 are amended in such a manner that its US attorneys are also granted access to the confidential information,
 - III. in the alternative, refer the matter back to the Court of First Instance for a decision taking into account the Court of Appeal’s reasoning.

The reference under II. to the procedural order of the judge-rapporteur of “26, July, 2024” is an evident mistake. The Court of Appeal understands that Daedalus meant to refer to the procedural order of the judge-rapporteur of 30 July 2024.

8. Daedalus’ grounds of appeal can be summarised as follows:
- Daedalus’ fundamental rights, including the right to be heard, the right to an effective remedy and the right to equality of arms, outweigh Xiaomi’s interest in confidentiality.
 - Daedalus’ US attorneys are trustworthy. They are bound by strict ethical rules of professional conduct for lawyers.
 - Daedalus’ US attorneys provide comprehensive advice. The primary goal is to make use of their technical expertise and legal opinion in the action before the UPC, as they are extremely familiar with the underlying technical matters.
 - Pursuant to R. 354.3 RoP, the Court can impose severe penalties in the event of a breach. That is sufficient to ensure compliance with the confidentiality order.
 - There should be no distinction drawn between external attorneys and in-house counsel. Daedalus does not have an in-house legal department. It usually uses its US lawyers for legal matters. By contrast, Xiaomi is a large international corporation having a large legal and patent department and has named three natural persons who shall have access to the confidential information. This leads to an imbalance.

- The confidentiality measures should be applied restrictively. As follows from R. 262A.5 RoP, a confidentiality obligation should be allowed only if the interests of the applicant “significantly” outweigh the interests of the other party.
 - Daedalus’ right to an effective remedy includes the right to select the personnel to manage the proceedings in the best possible way.
9. Xiaomi responded to the appeal, requesting that the Court of Appeal dismiss the appeal and order Daedalus to bear the costs of the appeal. The reasons can be summarized as follows:
- Daedalus – correctly – does not contest that the confidential information constitutes trade and business secrets of MediaTek.
 - Allowing the US attorneys to access the confidential information would unduly undermine the confidentiality interests of MediaTek and Xiaomi.
 - Pursuant to R. 262A.6 RoP, the number of authorized persons must not be greater than is necessary to ensure compliance with the right of the parties to an effective remedy and a fair trial.
 - Daedalus’ submission that the primary goal of including the US attorneys is to make use of their technical expertise is inconsistent with Daedalus’ submissions during the first-instance proceedings, where it emphasised the necessity of aligning the UPC and US proceedings.
 - It is neither apparent nor shown that appropriate legal representation in the present UPC proceedings is solely dependent on the technical expertise of its US attorneys.
 - Recital 25 of Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure emphasises granting access to representatives appropriately qualified in accordance with national law to defend and represent a party.

GROUNDS FOR THE ORDER

10. To protect trade secrets, personal data or other confidential information, the Court may order that access to such information be restricted to specific persons (Art. 58 of the Agreement on a Unified Patent Court, hereinafter: UPCA, and R. 262A RoP). The Court may allow an application for such an order considering in particular whether the grounds relied upon by the applicant significantly outweigh the interest of the other party to have full access to the information (R. 262A.5 RoP).
11. Daedalus does not dispute that the grounds put forward by Xiaomi in its application justify an order restricting access to the confidential information to specific persons. The only issue is whether access to the confidential information should be extended to its two US attorneys.
12. Pursuant to R. 262A.6 RoP the number of persons to whom access is restricted shall be no greater than necessary in order to ensure compliance with the rights of the parties to the legal 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 legal proceedings. Whether a particular person may be granted full access under this provision must be determined on the basis of the relevant circumstances of the case, including the role of that person in the proceedings before this Court, the relevance of the confidential information to the performance of that role and the trustworthiness of the person in keeping the information confidential.

13. R. 262A.6 RoP does not require that the person to whom access is given be an employee of a party or a representative within the meaning of Art. 48 of the Agreement on a Unified Patent Court (hereinafter: UPCA). Such a requirement does not follow from the wording of the provision and would unduly restrict a party's freedom to choose its assistants in the proceedings. Therefore, the fact that the US attorneys are neither employees of Daedalus, nor representatives within the meaning of Art. 48 UPCA, does not preclude them from having full access to the confidential information under R. 262A RoP.
14. The Court of First Instance assumed that Daedalus was seeking full access for its US attorneys to enable them to use the confidential information in the context of the parallel US proceedings, in particular to provide technical input in the US proceedings and to develop a litigation strategy for the US proceedings. This assumption is unfounded. Daedalus requests access for its US attorneys because they are involved in the proceedings *before this Court*, inter alia by providing technical input. They are also involved in the parallel proceedings in the US. However, Daedalus is aware that under the confidentiality regime imposed by the order of 30 July 2024 the persons granted access are required to treat the confidential information as strictly confidential and to use the confidential information only for the purposes of the present litigation, i.e. the infringement action before this Court. On appeal, Daedalus expressly confirmed that the US attorneys may and will use the confidential information only for the purpose of the present proceedings (Statement of appeal, par. 25).
15. The role of the two US attorneys in the infringement proceedings before this Court is uncontested and is sufficient in this case to allow full access to the confidential information. It is not disputed that technical input is essential for conducting the infringement proceedings and that access to the confidential information is necessary to carry out that task.
16. The fact that Daedalus also engaged a team of UPC representatives does not alter this assessment. As a general principle, a party is free to decide which attorneys it wishes to engage to assist it in the proceedings. Moreover, the two US attorneys are more familiar with the technology than the UPC representatives due to their involvement in the acquisition of the patent at issue. They may therefore have knowledge and expertise that the UPC representatives cannot provide, or at least not as efficiently as the US attorneys.
17. Following the extension of access to the two US attorneys, the total number of persons on Daedalus' side with full access will be three natural persons (one managing director and two US

attorneys) and a team of UPC representatives. This number cannot be considered to be higher than necessary in this case. This is supported by the fact that, although it is agreed that the information on the MediaTek processors must also be kept confidential with respect to Xiaomi, a similar number of persons have full access to the confidential information on Xiaomi's side (three Xiaomi employees and a team of UPC representatives).

18. As the Court of First Instance also found, the two US attorneys are trustworthy as they are bound by strict ethical rules of professional conduct for lawyers. Xiaomi has not presented any evidence or indication that they have breached or are likely to breach these rules.
19. It follows that access to the confidential information must be granted to the two US attorneys, as requested by Daedalus. The Court of Appeal will therefore revoke the impugned order and order that the orders of the judge-rapporteur of 30 July 2024 and 3 September 2024 be amended to extend access to the confidential information to the two US attorneys. The US attorneys will therefore be granted access under the conditions set out in the order of 30 July 2024.

ORDER

- I. The impugned order is set aside to the extent that the application for review of the orders of the judge-rapporteur of 30 July 2024 and 3 September 2024 was rejected,
- II. The orders of the judge-rapporteur of 30 July 2024 and 3 September 2024 are amended to the effect that:

██████████ ██████████ Partner at Blue Peak Law Group, Houston, Texas, USA, and

██████████ ██████████ Partner at Blue Peak Law Group, Houston, Texas, USA

are also granted access to the confidential version of Xiaomi's Statement of defence of 26 July 2024 and the written statement submitted with the Statement of defence as Exhibit BP7.

The obligation to treat all information classified as confidential, as specified under 1, 2, 3 and 4 of the order of the judge-rapporteur of the Court of First Instance of 30 July 2024, applies accordingly to these two persons.

This order was issued on 12 February 2025.

Klaus Grabinski President of the Court of Appeal	KLAUS STEFAN MARTIN Grabinski  Digitally signed by KLAUS STEFAN MARTIN Grabinski Date: 2025.02.11 17:20:25 +01'00'
Peter Blok Legally qualified judge and judge-rapporteur	Peter Hendrik Blok  Digitally signed by Peter Hendrik Blok Date: 2025.02.12 17:53:15 +01'00'
Emanuela Germano Legally qualified judge	Emanuela GERMANO  Digitally signed by Emanuela GERMANO Date: 2025.02.12 16:49:09 +01'00'