

Key Takeaways From the First Two UPC Infringement Decisions on the Merits

On 3 July 2024, the Düsseldorf Local Division handed down the UPC's first ever infringement decision on the merits ([ORD_598324/2023](#)). Only 24 hours later, the Paris Local Division quickly followed up with the UPC's second infringement decision ([ORD_37297/2024](#)). In this long read, we provide a detailed review of these first two decisions of the UPC, which shed more light on how the UPC will approach issues such as jurisdiction, validity and specific infringement defences.

Timeline, players and outcomes

First to issue was the decision of the Düsseldorf Local Division, granting German company Kaldewei an injunction against Bathtub manufacturer Bette. The infringement action was formally received by the UPC on 2 June 2023 and the final decision issued on 3 July 2024, comfortably within the promised 14-month timeline for infringement actions. The decision of the Paris Local Division issued even faster: Dexcom lodged their infringement action on 7 July 2023 and, following a counterclaim for revocation filed by Abbott, the final decision was handed down less than 12 months later on 4 July 2024.

These first two cases showcase that the UPC appears to be meeting the very short timeframe it has set itself for conducting infringement cases. Also, in both cases there was no bifurcation of the issues of validity and infringement, and these were instead heard together.

While similar in terms of timeframe, the cases differ in the nature of the disputes and the outcomes. The first case, decided by the Düsseldorf Local Division, involved the European company Kaldewei using the UPC to seek a pan-European finding of infringement. Kaldewei accused Bette of directly and indirectly infringing its European patent EP 2275337 in Austria, Belgium, Denmark, France, Italy, Luxembourg and the Netherlands. Bette filed a defence to the infringement claim based on a prior use right, as well as a counterclaim for revocation of the patent in suit. In reply, Kaldewei filed a further set of claims as an auxiliary request to be considered in the event that the patent as granted was found invalid.

The Düsseldorf Local Division held that the patent as granted was not valid, but that the patent in amended form (based on the auxiliary request) was valid and infringed. Accordingly, Kaldewei was awarded a permanent injunction in the seven UPC Contracting Member States covered by their claim.

In contrast, the second case is one of nine UPC infringement actions at the time of writing between the parties Dexcom and Abbott. The nine actions at the UPC form part of complex global litigation between the two multi-national corporations, both of which are headquartered in the US. In this particular infringement

case, Dexcom sought an injunction to prevent infringement of European patent EP 3435866 in the UPC Contracting Member States by ten Abbott entities, with the exception of Germany for Abbott entities 1, 2 and 8 which were already party to infringement proceedings pending before a German Court. Abbott filed a counterclaim for revocation with their statement of defence and Dexcom responded by filing two auxiliary requests to amend the patent. The Paris Local Division held that the patent as granted, as well as in either of the amended forms, were not valid and that it was therefore not necessary to decide on infringement.

Jurisdiction of the UPC

During the initial seven year transitional period from opening of the UPC, the UPC and national courts of UPC participating states have shared jurisdiction, with an earlier-filed national action potentially having a blocking effect on a UPC action. In the Dexcom decision, the jurisdiction of the UPC to rule on the validity of the German part of the European patent was challenged by Dexcom. Specifically, Dexcom put forward the following three arguments.

1. The infringement action was not brought against Abbott entities 1, 2 and 8 for the German part of the patent. There was therefore no possibility of a counterclaim for revocation of the German part for these entities.
2. Abbott entity 8 had already brought a nullity action before the German Federal Patent Court against the German part of the patent in suit. Under Art. 31 UPCA, and Art. 71c(2) and Art. 29(3) of 1215/2012 EU Regulation, the UPC should therefore decline jurisdiction to hear the revocation counterclaim for the German part in favour of the German Federal Patent Court which was the court first seized.
3. The counterclaim for revocation brought by the remaining Abbott entities should be considered as a related action to the German nullity proceedings brought by Abbott entity 8 within the meaning of Art. 30 EU Regulation 1215/2012, and so the UPC should decline jurisdiction as for point 2).

The Paris Local Division considered the provisions of Art. 31, 32(1) and 83 UPCA and Art. 29, 30, 71a and 71c of 1215/2012 EU Regulation before assessing Dexcom's three arguments in turn. Regarding argument 1), the Court first pointed out that defendants 3-7 and 9-10 were accused of infringement in all in-force territories, including the German part. It would not therefore be equitable to deny these defendants the right to bring a counterclaim for revocation in respect of the German part. The Court also noted that there is no provision in the UPC Rules of Procedure that limits a revocation counterclaim to the parts of a patent asserted in the main infringement action. Rather, in

accordance with the principles of Art. 76(1) UPCA, it is up to the parties to define the subject-matter of disputes.

As regards argument 2), the Court decided that it was not required to decline jurisdiction pursuant to Art. 29(3) of 1215/2012 EU Regulation because the identity of the parties and the subject-matter for the UPC revocation counterclaim and the German nullity action was not identical (the nullity action in Germany concerns only the German part of the patent, and Abbott entity 8 is the only claimant).

Finally, addressing argument 3), the Court exercised its discretion not to decline jurisdiction even though the UPC revocation counterclaim and the German nullity action could be considered as related actions under Art. 30 EU Regulation 1215/2012. The reason was that the German nullity action decision would not be handed down until after the decision on the UPC revocation counterclaim, and so it would be in the interests of efficiency, expeditious decisions and proper administration of justice to maintain jurisdiction over the validity of the patent inclusive of its German part.

The Court's findings that its jurisdiction for validity differed from that for infringement, (and that an earlier-filed Germany nullity action did not block its jurisdiction) are interesting, and indicate that the UPC are willing and able to adopt comprehensive jurisdiction for matters, even in the context of pending national actions.

Validity

In both decisions, claim interpretation was considered in detail before the requirements for validity were discussed. The Düsseldorf and Paris Local Divisions both followed the UPC Court of Appeal's general statement of principle in their decision on preliminary measures in UPC_CoA_335/2023 (10x Genomics vs Nanostring, see our previous [report](#)) that *"the description and drawings of a patent must always be used as explanatory aids for the interpretation of the patent claim and not only to resolve any ambiguities in the patent claim"*.

The Local Divisions also gave some detailed consideration to definition of the skilled person before considering the issue of claim construction. In the Kaldewei decision, the skilled person was defined as a qualified engineer with five years' experience in the development and manufacture of products in the relevant field. In the Dexcom decision, the skilled person was considered to be a team with skills in multiple fields including analyte monitoring systems, designing portable electronic systems and communication techniques involved in such systems.

Turning to novelty, the Local Divisions appeared to apply standards that closely followed those set by the EPO. Thus, in relation to novelty both Local Divisions required that the skilled person could "directly and unambiguously" derive the claimed subject-matter from the prior art for a novelty attack to be successful. In the Kaldewei decision, the Düsseldorf Local Division also emphasized that the burden of proof for facts relating to an attack of lack of novelty lies with the defendant. Ultimately, in both decisions the claims of the patents were found to be novel.

Turning to inventive step, in the Kaldewei decision the Düsseldorf Local Division decided that claim 1 as granted lacked inventive step starting from a published German patent application "DE 495". The Court held that the difference between the claimed subject-matter and DE 495 was that certain profile pieces of the

claimed product are formed from rigid plastic foam. When assessing whether the skilled person would find it obvious to modify the subject-matter of DE 495 to arrive at the claimed invention, the Court framed the question by identifying the task (or technical problem) which the skilled person was faced with. The specific task identified by the Court related to the provision of the technical effects (easily formed in different sizes and good functional properties) associated with profile pieces formed from rigid plastic foam (the distinguishing feature). Such an approach evidently has many parallels with the EPO's problem-solution assessment of inventive step.

The Court concluded that it would be a routine modification for the skilled person to use rigid plastic foam in certain profile pieces of DE 495 based on the skilled person's common general knowledge. However, the claims of the auxiliary request were found to be new and inventive because DE 495 was considered to teach away from a further feature introduced into claim 1. The claims of the auxiliary request were also found to be inventive over a combination of two further prior art documents.

In the Dexcom decision, the Paris Local Division took a similar approach to inventive step, noting that *"Inventive step is defined in terms of the specific problem encountered by the person skilled in the art"* (paragraph 23.2). The Court also focussed on whether the claimed subject-matter was obvious over the combination of a single document (D1) in combination with the skilled person's common general knowledge.

In particular, to bridge the gap between the disclosure in D1 and the claimed invention, the skilled person would have to select a specific protocol, amongst four disclosed in D1, used for transmitting a portion of analyte measurement data between two devices. The Court argued that there were no surprising effects associated with the particular protocol of the claims beyond those already part of the skilled person's common general knowledge, and so it was obvious for the skilled person to arrive at the claimed subject-matter starting from D1.

The UPC's finding of lack of inventive step in the Dexcom decision is in line with the preliminary opinion of the German Federal Patent Court in the nullity action for the German part of the patent in dispute, and also in line with the UK High Court's decision to revoke the UK part of the patent in suit. However, the UPC reached a different decision on the facts compared to the EPO Opposition Division, who previously maintained the same patent over the same prior art considered by the UPC. The UPC adopted a narrower interpretation of the difference between the closest prior art and claim 1 compared to the OD, illustrating the possibility of diverging outcomes based on the respective tribunals' technical assessments.

As regards the first auxiliary request in the Dexcom case (which involved the addition of a new feature to claim 1), the Court assessed inventive step in a manner that mirrors the partial problems approach adopted by the EPO. Thus, having determined that the new feature added to claim 1 in the first auxiliary request and the distinguishing feature of unamended claim 1 did not interact to give rise to a surprising effect, the features and the problems they solved could be considered separately. The Court ultimately concluded that the claims of the first auxiliary request also lacked inventive step over D1 in combination with the skilled person's common general knowledge.

Finally, the Court considered the second auxiliary request and concluded that the amendment made to claim 1, which involved

inserting a feature from a passage in the description relating to a specific embodiment shown in a Figure, added matter for being an intermediate generalisation. This finding is again similar in approach to EPO practice.

Infringement

In the Kaldewei decision, it was undisputed that Bette directly and indirectly infringed the patent in suit, in both unamended and amended forms. In relation to indirect infringement, the Court raised the question of whether the double territorial condition for infringement would be satisfied for a European patent without unitary effect if the supply or offer to supply took place in a different UPC Contracting Member State in dispute to the state in which the patented invention was put into effect. This legal question has been of interest to commentators. However, the Court refrained from answering the question because indirect infringement was in any case found based on a narrower interpretation of the double territorial condition, i.e. the acts of the supply and the putting the invention into effect took place in the same UPC Contracting Member State.

Bette's infringement defence relied heavily on an alleged right of prior use. In particular, Bette argued that it was already in possession of the patented invention before the priority date of the patent, at least in Germany. Bette further argued that the alleged prior use right arising in Germany should apply for all UPC Contracting Member States. The Court disagreed, holding that the narrow wording of Article 28 UPCA is clear and should be adhered to:

“Any person, who, if a national patent had been granted in respect of an invention, would have had, in a Contracting Member State, a right based on prior use of that invention or a right of personal possession of that invention, shall enjoy, in that Contracting Member State, the same rights in respect of a patent for the same invention.” (emphasis added)

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Thus, the Court held that the existence of rights of prior use must be determined on a state-by-state basis under the specific conditions of each UPC Contracting Member State. Since Bette had only provided evidence in relation to Germany (not in the countries in which infringement was claimed), their arguments were dismissed.

Conclusion

The first two decisions in infringement cases at the UPC were issued within the rapid timeline the Court has set itself for deciding actions, and addressed various interesting legal issues. The Court's approach to assessment of inventive step in both cases is of particular interest for comparison with the approach taken at the EPO. As discussed in our recent [report](#) of the UPC's first revocation decision, the UPC has also followed the EPO's practice in relation to antibody inventions.

Further decisions of the UPC on the merits have issued recently and a raft of further decisions is expected to issue soon, particularly given that 28 infringement actions were filed at the UPC in its first two months. More and more insight into the UPC's approach to particular issues will become possible once its case law develops further.

J A Kemp is renowned and respected as one of the leading opposition practices in Europe and we are well placed to help clients navigate the early days of the UPC as the new court develops its procedures and case law.

With over 50 qualified UPC representatives, and with the appointment of intellectual property litigator [John Hornby](#), our attorneys have the unique skills required for successful representation at the UPC. We are also able to handle parallel disputes in the EPO, UPC and UK courts, while also coordinating national actions across Europe.

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