

UPC_CFI_397/2023
Procedural Order
of the Court of First Instance of the Unified Patent Court
delivered on 01/03/2024

HEADNOTES:

-1) Starting point of the time limit under R. 197.3 RoP: the "execution of the measures" includes the service by the bailiff of the "procès-verbal de saisie" at the end of the operations, which is the procedural act that closes the seizure operations and informs the defendant of the content of the notice so it can request a review.

-2) At this stage of proceedings, there is no reason for the Court to examine further the validity of the patent in question.

-3) It is a matter of preserving evidence at an early stage of the proceedings. The Court rightly considered that the applicant had provided sufficient available reasonable evidence of the alleged infringement.

-4) The request for preserving evidence and the request for inspection are two different and distinct procedures, each with a different purpose. There is no need to combine the two measures, even though the first obviously requires the right to enter a private place.

-5) Within the legal framework of the UPC, a saisie carried out by "an expert assisted by a bailiff" is not contrary to the French Law and is in conformity with R. 196.5 of the RoP.

KEYNOTES:

Review saisie (R.197.3 RoP), starting point of "30 days after the execution of the measures", criteria to obtain an *ex parte* order, request for preserving evidence and request for inspection, compliance with applicable national law (R.196.5 RoP).

APPLICANT:

1) NOVAWELL
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Represented by
Jérôme Ferrando

RESPONDENT:

1) C-KORE SYSTEMS LIMITED
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Represented by
Denis Schertenleib

PATENT AT ISSUE:

<i>Patent no.</i>	<i>Proprietor</i>
EP2265793	C-KORE SYSTEMS LIMITED

COMPOSITION OF PANEL – FULL PANEL

Presiding judge and Judge rapporteur Camille Lignières
Legally qualified judge Carine Gillet
Legally qualified judge Alima Zana

LANGUAGE OF PROCEEDINGS: English

ORDER

Summary of facts and proceedings

C-Kore is the proprietor of a European patent EP n° 2 265 793 (hereinafter "EP 793") granted on 1-08-2012, acquired in 2013 from its former parent company ZETHETICS Ltd, and which relates to subsea apparatus and testing of such apparatus.

The EP 793 comprises a set of 18 claims.

The patent is exploited by C-Kore through the use and marketing of the « Cable Monitor » product, a compact automated tool for testing subsea electrical assets, which is leased to contractors and companies worldwide.

According to C-Kore, Novawell, one of its former customers, had developed a competing product called "SICOM" which reproduced the features of the claims of its patent.

On the 2nd of November 2023, C-Kore filed an application for preserving evidence, against Novawell, before the commencement of proceedings on the merits.

Following the C-Kore application, an ex-parte order allowing the saisie request was issued on 14 November 2023.

The measures of saisie were carried out on 5 December 2023 at Novawell's premises in Montpellier.

A written report by the expert designated by the Court to carry out the saisie was presented to the Court on 14 December 2023.

Novawell lodged on 5 January 2024 a request to review the saisie order.

Pursuant to R. 197.4 RoP: "The Court shall order an oral hearing to review the order without delay.(...). The Court may modify, revoke or confirm the order."

An oral hearing was scheduled on 15 February 2024 and was held in the presence of the parties' representatives before the full panel of the Paris Local Division.

Arguments of the parties /Main legal points at issue

1/ Admissibility of the Review request

C.Kore raised the question of the admissibility of the Review request arguing that the starting point is on 5 December, which is the day of the execution of the saisie measures, and that the deadline for lodging a review request was on 4 January.

Novawell denies the inadmissibility of its review request arguing that:

-first, the starting point to take into account is the date of the service of the saisie bailiff report or the date of the presentation of the saisie expert to the Court.

-second, Novawell asks for an extension of the time limit under R. 9 of the RoP due to technical issues encountered when lodging its application via CMS.

In its application for review, Novawell seeks to have the Order revoked in its entirety, based on various arguments.

2 / Art. 60 UPCA: the criterion of the "reasonably available evidence"

Novawell argues essentially that:

- C-Kore is not able to prove the date of Novawell's commercial brochure submitted to the Court nor the date on which C-Kore collected it;

- the saisie application from C-Kore was not loyal because the applicant did not disclose that they were aware of the activity of Novawell as a competitor in the same sector since 2017.

C-Kore considers that they were fully loyal in the presentation of the facts supporting their application for a saisie order.

3/ Conditions to obtain an ex parte order

According to Novawell, there was no justified risk of evidence destruction as Novawell would never destroy the product they need for their activity.

The applicant for the review also contests the validity of C-Kore's patent on the grounds of lack of novelty and inventiveness.

C-Kore responds that they are sufficiently entitled given that the patent at issue is in force and there is no pending opposition before EPO.

4) The need for a request under R.199 RoP

According to Novawell, the measures taken did not comply with the UPC rules because the request was only made under Rule 196 and not Rule 199, while the measures were carried out at the defendant's premises.

C-Kore responds that they did not hide the fact that the seizure was requested at Novawell's premises, and the mission mentioned that the expert and the bailiff were authorised to enter the premises.

5/ Compliance with French national law

Novawell argues that measures as ordered in the present case with an expert assisted by a bailiff are not in conformity with French national law, namely the provisions of Art. L. 615.5 of the French Intellectual Property Code which provides that the Saisie measures shall be carried out "by a bailiff, assisted if necessary by experts appointed by the claimant."

Moreover, according to Novawell, some modalities of the UPC rules foreseen in R. 196-5 RoP (i.e. Saisie measures carried out by an expert and not a bailiff) do not comply with French public policy on the rights of the defence.

Novawell states that if there is any doubt on this point, the Court should ask the European Court of Justice to interpret the concept of "national law applicable in the place where the measures are carried out" pursuant to R. 196 RoP.

C-Kore considers that there was no violation of the UPC dispositions (UPCA and RoP), nor of French national law.

GROUNDINGS of the order

1/ Admissibility of the request

-Preliminary question on the respect of the adversarial principle and the fairness principle during the Oral hearing

During the oral hearing, Novawell's representative contended that the arguments raised by C-Kore concerning the lack of evidence to support their allegation of technical problems encountered when using CMS to lodge their review application were not included in C-Kore's written observations and should therefore be disregarded by the Court.

The Court notes that the representatives of the parties must respect the principle of the adversarial process and the principle of fairness when presenting their oral arguments before the Court (point 5 Preamble of the RoP).

In the present case, C-Kore raised the issue of admissibility in their written observations on the application for review dated 29 January 2024, and Novawell was given until 5 February 2024 to respond. Thus, Novawell had the opportunity to present their arguments on the issue of inadmissibility with respect to the 30-day time limit under R. 197.3 of the RoP. When Novawell argued in their last written submissions that they encountered technical problems at the time of filing the

application for review, they were aware of the main principle under Art. 54 UPCA, which provides that «the burden of the proof of facts shall be on the party relying on those facts».

This means that C-Kore's oral arguments regarding the lack of evidence on the technical problems encountered by Novawell at the time of filing their review request via CMS were made in accordance with the principle of adversarial proceedings and the principle of fairness, and the Court sees no reason to disregard those arguments.

-The time-limit of 30 days after the execution of the measures (R. 197.3 RoP)

Pursuant to R. 197.3 RoP, "Within 30 days after the execution of the measures, the defendant may request a review of the order to preserve evidence".

R. 300 RoP related to Calculation of time periods states that: "computation shall start on the day following the day on which the relevant event occurred; in the case of service of a document, the relevant event shall be the receipt of that document (...)".

It is not disputed that the application for review was filed by Novawell through CMS on 5 January 2024.

It follows from all the provisions relating to an order for preserving evidence (R. 196.4 of the RoP) that "the measures" are those referred to in paragraph 1 of R. 196 RoP (detailed description, physical seizure/preservation and disclosure of digital media).

The execution of the measures of the saisie began on 5 December 2023 with the notice of the Saisie Order dated 14 November 2023 to the defendant at its premises in Montpellier (France) effected by the bailiff in accordance with R. 197.2 (last sentence) RoP: "the defendant shall be given notice, immediately at the time of the execution of the measures".

The execution of these measures includes, in accordance with the national law in which they are carried out (i.e. French law), the notification of the bailiff's minute ("procès-verbal") responsible for assisting the expert in the execution of the measures. Under French law (Art. R.615-2.1 alinéa 2 *in fine* of the French Intellectual Property Code: "Copie doit être laissée aux mêmes détenteurs du procès-verbal de saisie"), the "execution of the measures" includes the service by the bailiff of the "procès-verbal de saisie" at the end of the operations, which is the procedural act that closes the seizure operations and informs the defendant of the content of the notice so it can request a review.

On the contrary, the presentation of the written Report provided for by the UPC rules, as referred to in R. 196-4 RoP, constitutes a distinct and further step in the procedure of an application for preservation of evidence, which report must be submitted to the Court within a time limit to be determined (R.196.4 RoP).

The application for review was filed on 5 January 2024 in the present case.

The execution of the measures ended with the bailiff's notice dated 6 December 2023 (Novawell's Exhibit 9). According to R.330 of the RoP for the calculation of UPC periods, the relevant event for the calculation of the 30 days is the date of service of the bailiff's minute.

In the present case, the 30-day period runs from 6 December 2023 and expires on 5 January 2024.

Consequently, the application for review lodged by Novawell on 5 January 2024 is admissible, without it being necessary to examine the application for extension of the time-limit.

2/ Burden of proof for the applicant under Art. 60 UPCA - Reasonably available evidence given by the applicant

According to Art. 60.1 UPCA, the applicant must provide reasonable evidence to support the claim that the patent has been infringed or is about to be infringed, i.e. the application should not be based on simple assumptions or allegations that are not supported by sufficient evidence, the aim being to gather all the means to prove the alleged infringement.

In support of its application, particularly in the context of *ex parte* proceedings, the applicant has the obligation to present the facts fairly, without distorting their integrity.

At the time of the application, the order granting the request for preservation of evidence was essentially based on a Novawell commercial brochure displayed at an international exhibition held in Scotland on 23 February 2023 and on an extract from Novawell's public website describing its product called "SICOM", which is alleged by C-Kore to be an infringing product (C-Kore's Exhibits 10, 11 and 15).

Further to the aforementioned Exhibition in Scotland, it is not contested that a warning letter was sent by C-Kore to Novawell with said brochure attached as Annex 2. In their answer dated 8 March 2023, Novawell did not contest the content of the document or its origin (C-Kore's Exhibit 12 et 8).

Hence, in their review statement Novawell does not efficiently contest the origin and the content of the Brochure and of the Website extract presented by the Applicant. These documents were considered by the Court to be sufficient evidence reasonably available to support the infringement claim at the stage of an order for preserving evidence.

Furthermore, the request for review argues that the Saisie applicant did not disclose to the Court that it was already aware that Novawell had been operating as a direct competitor in the same sector since at least 2017. However, the Court considers that there is no lack of fairness in C-Kore's presentation of the facts, in particular because acknowledging the defendant's business in a competitive market from 2017 is different from acknowledging of the existence of an infringement in 2023.

The email exchange with a customer in Australia in August 2023 (C-Kore's Exhibit 13) was not misrepresented in C-Kore's application and the Court could properly understand from this email exchange that C-Kore was informed that the product offered by Novawell was perceived by the customer as equivalent to its "Cable Monitor" product.

The other arguments put forward by Novawell relating to the fact that its commercial brochure was collected in an area outside the UPC's jurisdiction are irrelevant and do not affect the evidential value of that brochure, and it is not disputed that Novawell offers the SICOM product from its premises located in France.

3/ Conditions to obtain ex parte order (R.192 and R 197.1 RoP)

-the urgency

Novawell's argument is based on the fact that there is no urgency, as C-Kore has been aware of its competitive activity since 2017; as noted above, this argument is not relevant.

Regarding the argument based on the lack of demonstration of the criterion relating to "any delay would be likely to cause irreparable harm to the applicant", this is also not relevant as the Court did not base its reasoning in the Saisie Order on this criterion but on the alternative one mentioned in R. 197.1, namely the "demonstrable risk of evidence being destroyed or otherwise ceasing to be available".

-The risk of destruction of evidence

Novawell argues that the only criterion taken into account by the Court in granting the seizure order was the demonstrable risk that the evidence would be destroyed according to Art. 60.5 UPCA, whereas R. 197 RoP adds the notion of the risk "that it (the evidence) may no longer be available". Novawell further notes that in the event of a conflict between the provisions of the Agreement and the Rules of Procedure, the Agreement shall prevail.

Although there is no conflict, as Art. 60.5 UPCA states "in particular", the list of criteria is not exhaustive.

Therefore, an ex parte order can be based on any of the criteria mentioned in R. 197 RoP and Novawell's argument about the need to prove the risk of destruction of evidence is irrelevant.

In the case at hand, the defendant, having been informed of an imminent seizure, could have made certain computer data unavailable or moved its product to a location other than its premises in Montpellier.

-Contestation of the validity of the C-Kore's patent

In their application for review, Novawell challenges the validity of C-Kore's patent for lack of novelty and inventiveness.

As C-Kore's patent is in force and there are no pending proceedings challenging its validity, the title is considered valid. In the present case, therefore, there is no reason for the Court to examine further the validity of the patent in question at this stage of the proceedings.

-Contestation of the existence of the infringement

Novawell denies the existence of any infringement, arguing that its product "SICOM" does not reproduce all the features of claim 1 of EP 793.

However, it is a matter of preserving evidence at an early stage of the proceedings. The Court rightly considered that the applicant had provided sufficient available reasonable evidence of the alleged infringement against Novawell by marketing the SICOM product, a very similar product to the "Cable Monitor", C-Kore's product which embodies the patent at issue.

4/ The need for a request under R.199 RoP

According to Novawell, an application under R. 199 RoP was necessary while the saisie measures were carried out at the Novawell's premises.

The request for preservation of evidence (Saisie) and the request for inspection are two different and distinct procedures, each with a different purpose, the first being governed by Rules R. 192 to R. 198 RoP, in order to collect and seize evidence by detailed description or physically, and the second by Rule R. 199, in order to inspect products, devices, methods, premises or local situations *in situ* ("descente sur les lieux").

This means that there is no need to combine the two measures, even though the first obviously requires the right to enter a private place.

In the present case, the Applicant clearly states that it is requesting a seizure to be carried out at Novawell's premises, and the order expressly instructs the expert to enter the defendant's premises at the appropriate address.

5/ Compliance with French national law

According to Novawell, measures as ordered in the present case with an expert assisted by a bailiff are not in conformity with French national law, namely Article L. 615.5 of the French Intellectual Property Code stating that the saisie measures shall be carried out by a bailiff, assisted if necessary by experts appointed by the claimant.

Novawell adds that:

- some modalities of the UPC rules foreseen in R. 196-5 RoP (meaning Saisie measures carried out by an expert and not a bailiff) do not comply with French public policy on the fundamental rights of the defence.
- the French national procedure for the seizure meets an additional level of requirements in that it entrusts the task of the seizure to the bailiff ("Commissaire de justice") who carries out the operations, while guaranteeing respect for fundamental and constitutional principles.
- In France, the "Commissaire de justice" (bailiff) has a monopoly on the enforcement of legal measures, these rules are a matter of public policy and cannot be the subject to any exception.

Legal grounds:

Art. 55 of the French Constitution: « Les traités ou accords régulièrement ratifiés ou approuvés ont, dès leur publication, une autorité supérieure à celle des lois, sous réserve, pour chaque accord ou traité, de son application par l'autre partie. » ("Treaties or agreements that have been duly ratified or approved shall, from the time of their publication, take precedence over laws, subject, in the case of each agreement or treaty, to its application by the other party.")

According to Art. 55 of the French Constitution, an international treaty (such as the one establishing the UPC) prevails over national law.

Rule 196.4 and 5 of the RoP states:

"The order to preserve evidence shall specify a person who shall carry out the measures referred to in paragraph 1 and present a written Report on the measures to preserve evidence, all in accordance with the national law of the place where the measures are executed, to the Court within a time period to be specified.

The person referred to in paragraph 4 shall be a professional person or expert, who guarantees expertise, independence and impartiality. Where appropriate and allowed under applicable national law, the person may be a bailiff or assisted by a bailiff. In no circumstances may an employee or director of the applicant be present at the execution of the measures."

Art. L. 615-5 al 1 of the French Intellectual Property Code provides that:

« La contrefaçon peut être prouvée par tous moyens. A cet effet, toute personne ayant qualité pour agir en contrefaçon est en droit de faire procéder en tout lieu et par tous huissiers, le cas échéant assistés d'experts désignés par le demandeur, en vertu d'une ordonnance rendue sur requête par la juridiction civile compétente, soit à la description détaillée, avec ou sans prélèvement

d'échantillons, soit à la saisie réelle des produits ou procédés prétendus contrefaisants ainsi que de tout document s'y rapportant. »

“Infringement may be proven by any means.

To this end, any person having standing to bring an infringement action shall be entitled to have, at any place and by any bailiffs, where appropriate assisted by experts appointed by the plaintiff, by virtue of an order made on request by the competent civil court, either a detailed description, with or without taking samples, or the actual seizure of the allegedly infringing products or processes and any documents relating thereto.(...)”

The aim of the provision of Art. L. 615-5 CPI is to avoid a partial expert (appointed by the applicant) conducting the seizure measures, which would be unfair to the seized person.

Under the UPC rules the "saisie expert" is appointed by the Court, under R. 196.5 RoP and must be a person of "competence, independence and impartiality". This constitutes a guarantee to protect the rights of the defence.

Furthermore, the presence of a bailiff ("Commissaire de justice") is, on the French territory, a guarantee that the execution of the Court order will be carried out correctly, as the bailiff in France has a strictly regulated function ("officier public et ministériel") and the bailiff's minute has the highest probative value, which is a guarantee when entering a private place to carry out seizure measures.

Within the legal framework of the UPC, a saisie carried out by "an expert assisted by a bailiff" is not contrary to the aim of the provision Art.L615.5 CPI and is in conformity with R 196.5 of the RoP.

The presence of a bailiff is therefore in conformity with French law and the fact that an expert - who is impartial and neutral as it does not represent a party - has been appointed by the Court to carry out the measures in accordance with the UPC rules constitutes a further guarantee of the rights of the defendant. It is therefore clear that the measures ordered are in line with French public policy.

Contrary to Novawell's submissions, the Court sees no need for a preliminary reference to the European Court of Justice on this point.

There is no relevant reason to revoke or modify the order for preservation of evidence issued on 14 November 2023. Hence, the Court rejects the application for review brought by Novawell.

ORDER

- The application for review the order for preservation of evidence issued on 14 November 2023 is dismissed in its entirety.

Delivered in Paris, on the 1st of March 2024.

Camille Lignieres, Presiding judge and Judge-rapporteur

Carine Gillet, Legally qualified judge

Alima Zana, Legally qualified judge

INFORMATION ABOUT APPEAL: Art. 73(2)(a), 60 UPCA, R. 220.1(c), 224.2(b) RoP

The adversely affected party may bring an appeal against the present Order within 15 days of service of this Order.

ORDER DETAILS:

Order no. 9825 in ACTION NUMBER: 601/2024

UPC number: UPC_CFI_397/2023

Action type: Request to review an order for preserving evidence

Related proceeding no. Application No.: 583867/2023

Application Type: Application for preserving evidence pursuant to RoP192