

UPC Appeal Ruling Clarifies Language Change Framework

By **Conor McLaughlin and Nina O'Sullivan** (May 22, 2024)

As an international court covering multiple jurisdictions, the choice of language in which proceedings before the Unified Patent Court, or UPC, are conducted is of particular interest and significance. Understandably, parties and their representatives would prefer proceedings to take place in a language that they are comfortable and familiar with.

Further, in an attempt to attract an international cohort of litigants to the court, it is not surprising that English has been designated by all the divisions as an available language for proceedings — albeit this was confirmed late in the day by Germany, France and Italy, which did not announce English as a chosen language until the UPC opened in June 2023.[1]

Indeed, statistics published by the UPC on May 2 confirm that 48% of proceedings are conducted in English, making it the predominant language of UPC proceedings. This is followed by 45% of proceedings being conducted in German, 3% in French, 3% in Italian, and 1% in Dutch.[2]

It may also be recalled that the language regime was one of the more contentious issues during the negotiation stages, with Spain ultimately deciding not to participate in the UPC project as a result.

English is likely to be further embedded as the predominant language of the UPC following the UPC Court of Appeal's decision on April 17 in *10x Genomics Inc. v. Curio Bioscience Inc.*[3]

The court set aside the Feb. 26 decision of the UPC Court of First Instance President Florence Butin,[4] who denied the defendant Curio Bioscience's request in the main infringement action for a change of the language of the proceedings in the Düsseldorf local division to English. The claimant 10x Genomics had filed the proceedings in German.

Both parties are U.S. companies, with German representatives. The language of the patent is English. The technology concerns localized detection of nucleic acid in a tissue sample.

Legislative Provisions

The decision centered around Article 49 of the UPC Agreement, or UPCA,[5] and Rule 323 of the Rules of Procedure, or RoP.[6]

Article 49 of the UPCA provides the framework for the language of proceedings before the Court of First Instance and for changes to the language of proceedings before the Court of First Instance. At a very high level, Article 49 of the UPCA dictates that the language of proceedings before a local division shall be one of the official languages of the country in which the division is situated, or another official language of the European Patent Office that has been designated by that country. All member states hosting a local division have designated English under this provision.



Conor McLaughlin



Nina O'Sullivan

In respect of a regional division, the language of proceedings may be one of the official languages designated by the countries sharing that regional division. Currently, the Nordic Baltic Regional Division is the sole regional division of the UPC, and it has designated English as its only language of proceedings.

The language of proceedings at the Central Division, which will concern validity or noninfringement, is the language in which the patent was granted by the European Patent Office, i.e., English, French or German. As a result, given that proceedings in relation to a given patent may be taking place in both the Central Division and a local or regional division, there is the prospect of a divergence in choice of language.

Article 49 of the UPCA also specifies scenarios where a change to the language of proceedings to the language in which the patent is granted might occur:

- An agreement by the parties under Article 49(3) of the UPCA;
- A decision of the relevant panel of judges with the agreement of the parties under Article 49(4) of the UPCA; or
- A decision by the president of the Court of First Instance following a request of one of the parties under Article 49(5) of the UPCA.

Rules 321 to 323 of the Rules of Procedure define the procedure for implementing the change in language provided for under Articles 49(3) to 49(5) of the UPCA, respectively.

Notably, in an April 11 order, the Düsseldorf Local Division found, in line with the wording of Articles 49(3) to 49(5) UPCA, that a change under this provision is only possible where the change is to the language of the patent as granted.[7]

The First Instance Decision

10x Genomics filed its action before the Düsseldorf local division in German and sought a preliminary injunction. Curio Bioscience requested — under Article 49(5) of the UPCA and Rule 323 of the RoP — that the language of proceedings be changed to English, which was the language in which the patent had been granted.

Article 49(5) of the UPCA requires that a decision for change in the language of the proceedings is based on an assessment of "grounds of fairness and taking into account all relevant circumstances, including the position of parties, in particular the position of the defendant."

Butin felt she could not make such an assessment that could possibly result in granting Curio Bioscience's request. This was because, seemingly, Butin was persuaded by 10x Genomics' arguments that Curio Bioscience had not properly substantiated its request for a change of language.

In particular, Curio Bioscience had not provided any proper substantiation of its asserted status as a small and medium-sized enterprise or that it was significantly smaller than 10x Genomics, nor any particular circumstances evidencing that the German language of proceedings would place it at any particular disadvantage. Accordingly, Curio Bioscience's request was refused.

The Court of Appeal Decision

The Court of Appeal, however, set aside the decision, as Butin had taken "an incorrect reading of what constitutes fairness and what circumstances are relevant under Art. 49 (5) UPCA."

In particular, the Court of Appeal indicated that the first instance decision overlooked many of the circumstances that were relevant in an assessment under Article 49 (5) of the UPCA. The Court of Appeal's reasoning indicates that it advocates a more holistic approach to all relevant circumstances, rather than just the ones deemed to be aptly substantiated or not.

The Court of Appeal highlighted the following circumstances as relevant in deciding upon a request under Article 49 (5) of the UPCA, noting that these will primarily be specific to the facts or parties of a given case:

- The language mostly used in the field of technology involved and, of particular relevance, the language the evidence, including prior art, is primarily written in;
- The nationality or domicile of the parties;
- The relative size of the parties; and
- How a change of language will affect the course of the proceedings and may lead to a delay, especially in relation to the urgency of the case.

It also highlighted the importance of Curio Bioscience's position in deciding upon a request under Article 49(5) of the UPCA, noting that this is reflected in the specific wording of the provision. In a case where interests are balanced between the parties, Curio Bioscience's position is the decisive factor in deciding upon a change of language.

In that regard, the Court of Appeal highlighted that a claimant already has a significant amount of flexibility — both directly and indirectly by the selection of a chosen forum — in choosing the language of the proceedings. The claimant is also responsible or at least takes on the responsibility for the language in which the patent is granted, which may also ultimately dictate the language of proceedings at the UPC.

Given those flexibilities afforded to a claimant, the Court of Appeal found it was necessarily fair for Curio Bioscience's position to carry significant weight in making any decisions under Article 49(5) of the UPCA.

In addition to those circumstances that were generally relevant, the Court of Appeal further highlighted circumstances that were generally not relevant under Article 49(5) of the UPCA:

- The language skills of a specific representative; and
- The nationality of the judges hearing a case.

Based on the relevant circumstances and the facts of the case, the Court of Appeal granted a change in the language in proceedings to English. In particular, it was considered decisive that both parties were U.S. companies, that the language of the underlying technology field was English, that the infringement evidence was almost exclusively in English, and that a majority of the defense evidence was also in English.

The Court of Appeal did not, in the present case, find Curio Bioscience's status as a small and medium-sized enterprise to be decisive, despite acknowledging that there would be a heavier burden on Curio Bioscience compared to 10x Genomics in continuing proceedings in German given its smaller size.

However, as mentioned above, generally a discrepancy in the parties' relative size is a relevant factor, and the fact that the Court of Appeal did not find this to be decisive seems to be fact specific.

The Court of Appeal effectively entirely dismissed the arguments related to the respective language skills of the representatives, as well as that of the panel of judges of the first instance court.

In particular, while the Court of Appeal recognized that it would create additional work for the panel to change the language of proceedings, particularly since it had already started writing its judgment on the preliminary injunction in German, this was not relevant to the request. An order was subsequently made that the decision on this aspect should be rendered in German and translated into English, but that the substantive proceedings would continue in English.

Conclusions

On the whole, the Court of Appeal, within the framework established by Article 49 of the UPCA, appears to have taken a holistic and well-reasoned decision. In doing so, it has reached a decision that, based on the facts — in particular, the fact that much of the evidence already relied upon was in English — seems fair.

Moreover, the Court of Appeal's decision provides useful and significant guidance in terms of future assessments to be made with respect to requests to change the language of proceedings. This should, hopefully, assist in streamlining future disputes and avoid satellite litigation.

It could be argued that, if the UPCA provisions around changes to the language of proceedings had been more prescriptive in their nature, or if the UPC had implemented more robust and significant procedures to deal with translations — as might have been expected of a multijurisdictional forum, taking particular note of the precedent set by the European Patent Office regarding translation provisions and procedures — such satellite disputes under Article 49(5) of the UPCA might have been avoided.

The Court of Appeal's decision, and the guidance it provides regarding the factors that both are and are not relevant in deciding a change of language of proceedings, will hopefully streamline future disputes under Article 49(5) of the UPCA. It should also mean that any disputes around language do not become a significant transgression from any main action.

More broadly, it seems likely that more disputes will be commenced in English going

forward, and it will be interesting to monitor the UPC regularly published statistics to see if this borne out.

Conor McLaughlin is a managing associate patent attorney at Mishcon de Reya LLP.

Nina O'Sullivan is a partner and head knowledge lawyer at the firm.

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[1] <https://www.unified-patent-court.org/en/news/update-languages-proceedings>.

[2] https://www.unified-patent-court.org/sites/default/files/upc_documents/Case%20load%20of%20the%20Court_end%20April%202024_30.04_TK_edit%202_05_DC_final.pdf.

[3] https://www.unified-patent-court.org/sites/default/files/files/api_order/ORDER%20final%20EN.pdf.

[4] https://www.unified-patent-court.org/sites/default/files/upc_documents/2024-02-26%20LD%20D%C3%BCsseldorf%20UPC_CFI_463-2023%20ORD_5853-2024%20App_5164-2024%20anonymized.pdf.

[5] https://www.unified-patent-court.org/sites/default/files/upc_documents/agreement-on-a-unified-patent-court.pdf.

[6] https://www.unified-patent-court.org/sites/default/files/upc_documents/rop_en_25_july_2022_final_consolidated_published_on_website.pdf.

[7] https://www.unified-patent-court.org/sites/default/files/files/api_order/EA3AA41EAB4A0D51F4A5AE97E7C26293_de.pdf

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