

UPC Court of Appeal, 2 May 2024, PMA v AWM



PATENT LAW – PROCEDURAL LAW

Suspensive effect of appeal of restitution order (that shall take place from 5 June 2024)

- [to ensure that there is time to decide on the appeal before the impugned order is enforced \(Article 74 UPCA\)](#)

Enforcement of the order pending the appeal would render the appeal largely ineffective, since the ordered restitution of the evidence would be challenging to reverse if the appeal turns out to be successful for the Appellant. Enforcement can take place from 5 June 2024. It is unlikely or at least not certain that the appeal will be decided before that date.

No decision on the costs in this order,

- [since this order is not a final order or decision concluding an action \(Rule 242.1 RoP\)](#)

Source: [Unified Patent Court](#)

UPC Court of Appeal,
2 May 2024

(Blok)

App_20143/2024

APL_20002/2024

UPC_CoA_177/2024

ORDER

of the Court of Appeal of the Unified Patent Court
issued on 2 May 2024

concerning an application for suspensive effect

HEADNOTE:

An exception to the principle that an appeal has no suspensive effect may apply, for instance, if the enforcement of the order pending the appeal would render the appeal largely ineffective.

KEYWORDS:

Suspensive effect; revocation of order to preserve evidence and order for inspection; restitution of evidence

APPLICANT AND APPELLANT

PROGRESS MASCHINEN & AUTOMATION AG

Julius-Durst-Strasse 100, 39042 Brixen, Italy

represented by: European patent attorneys Dr. Markus Gangl and Florian Robl, PhD (Torggler & Hofmann)

DEFENDANT AND RESPONDENT

1. **AWM Srl**

SS. 13 Pontebbana, Km. 146, 33010 Magnano in Riviera (UD), Italy

2. **SCHNELL S.p.A.**

Via Sandro Rupoli, 2, zona Ind. San Liberio, 61036 Colli al Metauro (PU), Italy

represented by: European patent attorneys Cristina Schiavone and Federico Manzella (Manzella & Associati)

DECIDING JUDGE

Peter Blok, legally qualified judge and judge-rapporteur

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, Local Division Milan, dated 8 April 2024](#)

□ Reference numbers:

ACT_565446/2023, UPC_CFI_286/2023

ACT_565453/2023, UPC_CFI_287/2023

App_8547/202

ORD_9710_2024

FACTS AND REQUESTS OF THE PARTIES

1. On 23 August 2023, the claimant and the appellant (hereinafter: the Appellant) filed an application for preserving evidence and an application for inspection against the defendants and the respondents (hereinafter: the Respondents) (ACT_565446/2023, UPC_CFI_286/2023 and ACT_565453/2023, UPC_CFI_287/2023). The Court of First Instance, Local Division Milan, granted both applications by [orders dated 25 September 2023](#) (ORD_576298/2023 and ORD_576304/2023).

2. On 17 October 2023, the two orders were executed at the premises of the Respondents. The experts appointed by the Court of First Instance lodged their reports on 18 October 2023 in sealed envelopes also containing the official report of the bailiff and the evidence gathered during the inspection.

3. On 16 February 2024, the Appellant filed a request for access to the expert reports (App_8547/2024). On 4 March 2024, the Appellant filed an application in which it brought forward the following further requests:

- to issue an amended order, to the effect that a time period for the Appellant to start proceedings on the merits is set which takes into account that the reports of the Court's experts are not available to the Appellant's representatives and, as these representatives are bound to keep the results confidential until released by the Court, are not available to the Appellant;
- to make the reports available to the Appellant's representatives as soon as possible after the Court has decided whether redacted versions have to be made due to considerations of confidentiality;
- to relieve the Appellant's representatives from their duty of non-disclosure in respect of the Applicant as soon as possible; as an auxiliary request, to allow the Appellant's representatives at least to recommend that the Appellant start an action on the merits before the expiry of the six-month time period provided for in [Rule 320.2](#) of the Rules of Procedure of the Unified Patent Court (hereinafter: RoP) for filing a request for *restitutio in integrum*.

4. The Respondents requested the Court of First Instance:

- i) to reject the request and the application filed by the Appellant;
- ii) to declare that the provisional measures to preserve evidence and to inspect are revoked and, in any case, cease to have effect;
- iii) to order the return to the Respondents of any evidence gathered through the execution of the Court's order;
- iv) to order the Appellant to provide the Respondents with appropriate compensation for any injury caused by those measures; and
- v) to order the Appellant to reimburse the Respondents for the legal fees incurred.

5. In the [impugned order dated 8 April 2024](#), the Court of First Instance, in summary:

- i) declared the Appellant's application for disclosure of the expert report inadmissible and therefore dismissed the application;
- ii) revoked the provisional measures to inspect premises and to preserve evidence;
- iii) ordered the restitution to the Respondents of all evidence gathered through the execution of the revoked measures, whereby such restitution shall commence as of 5 June 2024, unless the Court of Appeal decides otherwise;
- iv) awarded legal fees in favour of the Respondents and therefore ordered the Appellant to pay in their favour the sum of € 10,000.00;
- v) granted leave to appeal within fifteen days of the notification of the order.

6. On 15 April 2024, the Appellant submitted a statement of appeal and grounds of appeal against the impugned order (APL_20002/2024 UPC_CoA_177/2024). The Appellant makes the following requests:

- i) to set aside the impugned order in its entirety;
- ii) to declare the time limit for filing a claim for the proceedings on the merits set in the [order of 25 September 2023](#) null and void;
- iii) to make the reports of the Court's experts available to the Appellant's representatives as soon as possible;
- iv) to relieve the Appellant's representatives from the obligation of confidentiality regarding the Reports of the Court's experts concerning the Appellant;
- v) to give the appeal suspensive effect;
- vi) to order the Respondents to reimburse the Appellant for the legal fees of the proceedings before the Court and for the costs of representation;
- vii) to refund the security deposit of € 50,000,-- which the Appellant was required to provide to the Court of First Instance.

7. The Appellant also filed a separate application to obtain suspensive effect for the appeal. The Court of Appeal will rule on this separate application through this order. The Appellant argues that its appeal cannot be effective if the order for the return of the evidence is given immediate effect.

8. The Respondents request the Court of Appeal to reject the application and to refund the Respondents all the legal fees incurred. The Respondents argue that the appeal is completely unfounded. In addition, they argue

there is no need for suspensive effect if the Court of Appeal decides on the appeal before 5 June 2024.

GROUND FOR THE ORDER

Admissibility

9. The application is admissible. This is not in dispute.

Merits

10. According to [Article 74\(1\)](#) of the Agreement on a Unified Patent Court, the appeal has no suspensive effect unless the Court of Appeal decides otherwise at the motivated request of one of the parties. The Court of Appeal can therefore grant the application only if the circumstances of the case justify an exception to the principle that the appeal has no suspensive effect. It must be examined whether, on the basis of these circumstances, the Appellant's interest in maintaining the status quo until the decision on its appeal exceptionally outweighs the Respondent's interest ([Court of Appeal 18 January 2024, App 100/2024, UPC CoA 4/2024](#)). An exception to the principle that an appeal has no suspensive effect may apply, for instance, if the enforcement of the appealed order or decision would make the appeal devoid of purpose ([Court of Appeal 6 November 2023, App 584588/2023, UPC CoA 407/2023](#)).

11. In the present case, the appeal shall have suspensive effect to ensure that there is time to decide on the appeal before the impugned order is enforced. Enforcement of the order pending the appeal would render the appeal largely ineffective, since the ordered restitution of the evidence would be challenging to reverse if the appeal turns out to be successful for the Appellant. Enforcement can take place from 5 June 2024. It is unlikely or at least not certain that the appeal will be decided before that date.

12. It does not appear from the submissions of the parties that the order granting suspensive effect to the appeal will significantly affect the legitimate interests of the Respondent. The Respondent's submission that the appeal is completely unfounded cannot lead to a different outcome. The Court of Appeal will decide on the merits of the appeal in the main appeal case.

13. The Court of Appeal will not decide on the costs in this order, since this order is not a final order or decision concluding an action ([Court of Appeal 3 April 2024, APL 588420/2023, UPC CoA 433/2023](#), points 22-25).

ORDER

Appeal APL_20002/2024 UPC_CoA_177/2024 shall have suspensive effect.

This order was issued on 2 May 2024.

Peter Blok, legally qualified judge and judge-rapporteur
