

Arrangement
of the Court of First Instance of the Unified Patent Court in the
proceedings for the preservation of evidence
concerning European patent 2 643 717
issued on 19 February 2025

LEADERSHIPS

1. Rule 360 VerfO accordingly to applications for the preservation of evidence. In this respect, there is a regulatory gap - as there is for proceedings for the issuance of a temporary injunction (see LK München ORD_577734/2023 UPC_CFI_249/2023).
2. Rule 198.1 of the Rules of Procedure must be applied accordingly to cases in which an application for the preservation of evidence is dealt with in the circumstances of the present case. In this respect, there is an unintended regulatory gap.
3. In such cases, the decision on costs is reserved for the main proceedings.

KEYWORDS

Application for the preservation of evidence; settlement; order to raise the main issue; decision on costs in the main proceedings.

OBJECT

Application for preservation of evidence - Rule 192 of the Rules of Procedure Settlement of the main proceedings - Rule 360 of the Rules of Procedure

FACTS AND CLAIMS OF THE PARTIES

I. SWARCO is the owner of European patent 2 643 717 B1. This patent relates to a colour- and light-mixing collection optic for bundled light emission, which can be used in particular for outdoor imaging display panels - for example for variable message signs or information displays.

II. In a decision dated 15 January 2025 (UPC_CFI_33/2024 ACT_4261/2024), the Vienna Local Chamber upheld SWARCO's infringement action against STRABAG Infrastructure & Safety Solutions GmbH based on the same patent. It found that the collection optics installed in LED display panels of the construction series of the intervener, the manufacturer Chainzone (Foshan) Technology Co. Ltd. identified with the serial number 18023020550, infringed patent claims 1, 2, 3, 4, 5, 10 and 14 of the European patent EP 2 643 717 B1. The Vienna Local Chamber, reinforced by a technically qualified judge, interpreted the patent in suit comprehensively.

This decision is referred to to avoidance of repetition.

III. In the present case, SWARCO alleges that Yunex installed patent-infringing collector optics from the manufacturer Shenzhen Dianming Tech Co, Ltd ("Dianming") in LED display panels installed in public traffic areas in the city of Mönchengladbach (Aachener Straße / Bundesautobahn 61, Holt junction in the direction of Venlo (on the pavement of Aachener Straße in front of house number 582, Aachener Straße / Bundesautobahn 61, Holt junction in the direction of Koblenz on the centre island of Lilienthalstraße, and Kaldenkirchener Straße on the pavement, at house number 49, Gladbacher Straße approx.200 m before the Dahleener Straße junction the direction of the city centre). In this respect, SWARCO submits that these LED display panels appear to be identical to a sample of an LED display panel produced Shenzhen Dianming Tech Co, Ltd ("Dianming"). This sample had components which infringed the patent in suit - at least - to the extent of its claim 1. It submits the expert opinion of the expert [REDACTED] (Annex ASt 12).

IV. Yunex denied patent utilisation by the collection optics examined. The Vienna Local Court incorrectly interpreted the patent too broadly. If interpreted correctly, various features would not be infringed. In particular, the term "converging lens" is to be understood only (restrictively) as a spherical lens and not also as other, non-spherical lenses. In addition, and irrespective of the question of whether the interpretation of the Vienna Local Court should be followed, features 10 and 14 are not realised.

V. SWARCO submitted the following inspection request on 28 March 2024:

1. The preservation of evidence is ordered by way of a detailed description of the light-collecting optics installed in the LED display panels, which are located in the city of Mönchengladbach (North Rhine-Westphalia, Germany) at the following locations

- Aachener Straße / federal motorway 61, Holt junction in the direction of Venlo (on the pavement of Aachener Straße in front of house number 582)*
- Aachener Straße / federal motorway 61, Holt junction in the direction of Koblenz (on the central island of Lilienthalstraße), and*
- Kaldenkirchener Straße (on the pavement, near house number 49)*
- Gladbacher Straße (approx. 200m before the Dahleener Straße junction, in the direction of the city centre)*

are permanently installed. The detailed description is to be made by providing a written expert opinion as to whether the light-collecting optics installed in the LED display panels located at the specified sites are suitable within the meaning of claim 1 of European patent EP 2 643 717

Colour and light-mixing collector optics, especially as a full-colour pixel for outdoor display panels, spotlights or signalling

are,

which consist of an LED light source, a light guide rod arranged in front of it and a converging lens, wherein the LED light source contains several LED crystals (red, green, blue), the light entry surface of the light guide rod is arranged in front of the light exit surface of the LED light source and captures light from each LED crystal, wherein the light guide rod extends perpendicular to the entry surface and wherein its cross-section is constant or gradually increases,

where

- the light exit of the fibre optic rod is located in the area of the focus of the converging lens,*
- the converging lens bundles the light emerging from the centre point parallel to the axis and bundles the light emerging from a point on the side of the centre point of the light outlet in parallel in one of the associated directions,*
- the lateral surface of the light guide rod formed from optically highly polished planes which adjoin one another with sharp edges and thus each cross-section has the shape of a polygon, that the material of the light guide rod is free from light-scattering components, and*
- the outline of the light emitted by the light guide rod already largely corresponds to the required light distribution turned upside down and the light passing through the*

The defendant must fulfil the corresponding requirements of the expert without delay.

7. In addition to the expert, the following persons are authorised to be present during the preservation of evidence:

- Lawyer Alexander Koller, legal representative of the applicant;

- [REDACTED] Employee of the patent attorney supporting the applicant's legal representative;

- [REDACTED] Private expert of the applicant.

The expert is instructed to inform the above-mentioned persons of the preservation of evidence in good time via the designated legal representative.

8. The defendant is ordered to disclose to the expert all documents under its control, including all digital media and data relating to the LED display panels offered and supplied by the defendant to the City of Mönchengladbach and the light-collecting optics installed therein, in particular manuals, instructions for use, technical documentation, data sheets and the like, as well as any passwords required to access them, and to hand them over to the expert in copy.

9. The defendant is threatened with a penalty payment of up to EUR 250,000 for each case of infringement of one of the orders pursuant to points 5, 6 or 8 and/or for each day on which such infringement continues.

10. The defendant is obliged to reimburse the applicant for the costs of the proceedings to secure evidence as part of the costs of the legal dispute up to the upper limit set by the Board of Directors, whereby the determination of the amount of the

costs to be reimbursed is reserved for a cost assessment procedure in accordance with R 150 et seq. of the VerfO.

When submitting the application, SWARCO indicated that Yunex would be heard beforehand.

VI. Yunex filed an objection on 3 May 2024:

reject the application, or in the

alternative:

to choose a more lenient means of preserving evidence that is covered by the

application, and or alternatively

only to order the defendant to submit documents under its control on the functioning of the light-collecting optics installed in display panels supplied to the City of Mönchengladbach,

and or alternatively

only order the assessment of one of the four road signs mentioned in the applicant's request,

and, alternatively, to order that the result of the measures to preserve evidence may only be used in the corresponding proceedings in the case,

and or in the alternative,

that the applicant must provide appropriate security for the costs likely to be incurred and possible claims for damages in an appropriate amount by way of a deposit,

and or alternatively

to appoint an expert known to the court from the lists there (Art. 57 para. 2 UPCA) instead of Mr [REDACTED] [REDACTED] to carry out the preservation of evidence,

and or in the alternative,

that a written report by the expert and all other results of the measures to preserve evidence may only be used in the main proceedings,

and or alternatively

order the applicant's representatives, in particular Alexander Koller and [REDACTED] [REDACTED], as well as the expert to be appointed, to disclose the facts that come to their knowledge in the course of the presentation of any order and to inform the

business operations the respondent, also vis-à-vis the applicant and its employees, by ordering severe coercive measures,

and or alternatively

to allow only the representatives of the applicant Alexander Koller and [REDACTED] to be present during the preservation of evidence, subject to confidentiality obligations,

and or alternatively

not be decided without a hearing.

VII. On 2 August 2024, a public oral hearing was held before the rapporteur. In response to the rapporteur's enquiry, SWARCO confirmed that the requested preservation of evidence would be superfluous if Yunex were to expressly and legally admit that the optics examined by SWARCO are identical in design to those in the display panels that Yunex supplied to the City of Mönchengladbach.

The parties subsequently exchanged further written submissions.

VIII. With regard to the question of the identity of the installed optics, Yunex has responded in writing as follows:

Objection # 46, 51, 52, 104

*46: The applicant is actually holding a product in her hands which she wants to have analysed in detail. The applicant does not explain why an examination **of allegedly identical devices** should be necessary. No additional or different insights into the functioning and design of the challenged devices can be gained through a new assessment.*

*51: Irrespective of all this, **the defendant has so far had no reason to doubt the claimant's assertion that the modules of the manufacturer Dianming examined by the expert in the expert opinion in Annex ASt 12 differ in the relevant characteristics of the optical unit consisting of LED, fibre optic rod and lens from those [not (insertion by the court)] examined by the expert.** In the context of an infringement action based on the expert opinion in Annex ASt 12, the applicant and the court would have the opportunity to obtain further information from the defendant without interfering with the defendant's business relationships with its customers. The requested measures are therefore not necessary. **The requested evidence is not relevant.** For this reason, it is also not apparent to the defendant for what reason, other than an intended uncertainty of the defendant's customers, the present application should have.*

52: The applicant has also not submitted any reasonably available evidence to substantiate the allegation that the patent in suit has been infringed. Even if the facts presented as evidence in the request for the preservation of evidence were to be assumed as proven, there would be no infringement of the patent in suit.

before. According to the request, something completely different is also to be proven, namely that the products marketed by the defendant correspond to those examined the expert in his report (Annex ASt 12). **Assuming that the evidence is adduced**, it is evident that the products marketed by the defendant do not infringe the patent applied for (nor do the products examined). This follows from the following considerations.

104: **Even if the requested preservation of evidence were to produce the result desired by the applicant and confirm that the substances contained in the operating sites in Mönchengladbach** (Aachener Straße / federal motorway 61, Holt junction in the direction of Venlo (on the pavement of Aachener Straße in front of house number 582), Aachener Straße / federal motorway 61, Holt junction in the direction of Koblenz (on the central island of Lilienthalstraße), and Kaldenkirchener Straße (on the pavement, at house number 49), Gladbacher Straße (approx.200 (approx. 200 m before the Dahlemer Straße junction, in the direction of the city centre) **contained optics corresponding to the optics examined by the defendant in Annex ASt12**, they would not infringe the patent. Neither the optics set up by the respondent nor the optics examined by the applicant infringe the patent applied for.

Statement from 30/05/2024 #26

26 The products to be assessed **would** be neither highly polished nor sharp-edged **if they complied with the expert opinion**.

Statement from 27.09.2024 # 56

56 The applicant is requesting the destructive testing of all display boards supplied to the City of Mönchengladbach, **although it has already been able to collect and analyse evidence**. There is no risk of the evidence being lost as the LED signs are permanently installed and a service life of at least 10 years. It clearly does not need to fear that evidence will be lost and it clearly does not need to close any final gaps in its evidence.

By order of 27 January 2025, the Rapporteur indicated that the Munich Local Division intended to reject the request for inspection based on Art. 60(1) UPCA because an inspection had become dispensable due to Yunex's procedural conduct.

Both parties have commented on this in writing.

Yunex explained the identity in its statement of 10 February 2025 (#4-6, 8-12):

4. The defendant objects to the potentially judgemental description of its factual submission as "meandering". The defendant is not the manufacturer of the optics in dispute. It knows just as little as the applicant how these optics are constructed in detail and what precise properties they have. The defendant has also stated this and has never deviated from it. Without closer examination, no differences between the applicant's photographs are discernible.

moulds and the defendant's products. The photographed optics and the optics installed by the defendant look the same.

5. In the context of proceedings initiated by the applicant in order to dispel its uncertainty about the mode of operation, the applicant does not see itself obliged to scientifically examine the optics in dispute in detail. Any secondary burden of proof in this respect is also likely to be contrary to the system in proceedings for the preservation of evidence. On the one hand, any contentious civil proceedings become superfluous if the claim is recognised. This should not mean that every denial considered unsubstantiated by the court leads to a settlement of the main case. Secondly, in a legal system that counters the lack of evidence through specially designed measures to secure evidence, which do not exist in German law, for example, the scope for additional facilitation of evidence through the rules of the secondary burden of proof should be significantly limited.

6. In particular, the respondent considers the court's legal opinion that the proceedings to secure evidence in the present case are a "dependent part of the main proceedings" (see provisional order, page 4 under V.3) and that an (alleged) undisputed issue of fact also continues to have an effect on the main proceedings (see provisional order, page 6, V. 4. c) cc)) to be worthy of discussion. This is particularly true against the background of the regulatory system of the UPCA and the UPC Rules of Procedure.

8. We also note that, to the extent that the court states in the preliminary order that, pursuant to Rule 171.2 of the Rules of Procedure, "SWARCO FUTURIT's factual assertion deemed to be undisputed between the parties" (see preliminary order, page 6, under 4. c) aa)), it refers exclusively to the factual question reproduced by the court in advance as to whether the objects examined by the applicant are identical in design to the LED signs to be inspected (see preliminary order, page 3, under III, page 5, under 4.c.).

9. If it exists, the preclusion effect threatened by the court does not include, in particular, factual submissions on circumstances that go beyond the purely constructive (structural) design (size, shape, material) of the optics in dispute.

goes beyond that. The defendant would only be precluded, if at all, by the assertion that the contested optics had a different structural form.

10. In no case is the applicant's factual submission on the alleged characteristics and behaviour resulting from the construction method undisputed.

11. Nor should questions of law capable of preclusion according to any view, i.e. in particular not questions on the interpretation of the claims of the application patent.

12. All other questions of fact (in particular the content of the expert opinion (Annex ASt 12) and the functioning of the defendant's LED signs) are also expressly not undisputed.

IX. SWARCO applied for:

As a precautionary measure, the applicant therefore requests the court to declare that the defendant must reimburse the applicant for the costs of the proceedings to secure evidence, in any event as part of the costs of the legal dispute up to the upper limit set by the administrative disclaimer, in the event that her application to secure evidence is rejected.

X. Yunex applied for:

we look forward to the rejection of the motion to preserve evidence announced by the court. The defendant considers this rejection to be correct.

The applicant's application for costs is not to be granted. Insofar as the court makes a decision on costs with regard to the proceedings to preserve evidence, these would have to be imposed in full on the applicant. In the event that the request to preserve evidence is rejected in its entirety, the applicant, as the unsuccessful party, must bear the entire costs of the proceedings (Art. 69 (1) UPCA).

REASONS

A decision on the motion to preserve evidence has become unnecessary due to Yunex's procedural behaviour. The application must therefore be rejected in accordance with Rule 360 of the Rules of Procedure.

I. Under Art. 60(1) UPCA, the court may, at the request of the applicant who has adduced all reasonably available evidence in support of the allegation that the patent has been infringed or is about to be infringed, order, even before the institution of proceedings on the merits, prompt and effective provisional measures to preserve relevant evidence concerning the alleged infringement, provided that the protection of confidential information is ensured. Such measures may, in accordance with paragraph 2, include the detailed description, with or without the retention of samples, or the seizure in rem of the infringing products and, where appropriate, of the materials and equipment used in the manufacture and/or distribution of those products and of the accompanying documents.

II. In contrast, Art. 59(1) UPCA provides that the court may, at the request of a party who has submitted all reasonably available evidence sufficient to substantiate its claims and has identified the evidence in the possession of the opposing party or a third party to substantiate its claims, order the submission of such evidence by the opposing party or a third party in the proceedings on the merits, provided that the protection of confidential information is ensured. Such an order must not lead to an obligation to incriminate oneself.

III. Both provisions are intended to alleviate the burden of proof on the party with the burden of proof. According to Art. 59 UPCA, the court can compel the other party or third parties to produce evidence. However, the effectiveness of such an order depends on the availability of the unaltered evidence and the willingness of the party obliged to produce it to co-operate. If there are doubts in this respect, interim measures to preserve the evidence pursuant to Art. 60 (1) UPCA may be considered. The procedure for the preservation of evidence pursuant to Art. 60(1) UPCA is organised in the Rules of Procedure as a dependent part of the main proceedings (still to be initiated here). This is reflected in the obligation to initiate the main proceedings on the merits within certain time limits in the event of an order (Rule 198 of the Rules of Procedure), the generally limited usability of the evidence obtained in these main proceedings (Rule 196.2 of the Rules of Procedure) and the absence of a claim for reimbursement of costs to be awarded to the successful inspection creditor in the inspection order. Rather, the latter can only claim reimbursement of costs for the inspection proceedings as part of the main proceedings that must be initiated.

IV. If the lack of evidence no longer applies, such measures are no longer necessary and therefore no longer proportionate. The application is then redundant and must be rejected in accordance with Rule 360 of the Rules of Procedure. This is the case here:

1. The Unified Patent Court must always observe the principle of proportionality under European law (Art. 20, 42 UPCA). One element of is necessity.
2. At the hearing on 2 August 2024, SWARCO confirmed in response to a question from the rapporteur that the requested preservation of evidence would not be necessary if Yunex were to expressly and legally admit that the optics examined by SWARCO are identical in design to those installed in the display panels that Yunex supplied to the City of Mönchengladbach.
3. Yunex has so far refrained from expressly and legally admitting this. However, Yunex has rejected SWARCO's claim that Yunex installed patent-infringing collector optics from the manufacturer Shenzhen Dianming Tech Co, Ltd ("Dianming") in LED display panels that were installed in public traffic areas in the city of Mönchengladbach (Aachener Straße / Bundesautobahn 61, Holt junction in the direction of Venlo (on the pavement of Aachener Straße in front of house number 582, Aachener Straße / Bundesautobahn 61, Holt junction in the direction of Koblenz on the centre island of Lilienthalstraße, and Kaldenkirchener Straße on the pavement, at house number 49, Gladbacher Straße approx. 200 m before the Dahleener Straße junction). m before the Dahleener Straße junction in the direction of the city centre) were in use, were not substantiated with regard to their identity with the test purchase product examined by the private expert:

a. According to Rule 194.1.a.ii of the Rules of Procedure, the objection must contain any denial of facts submitted by the applicant. According to Rule 171.2 of the Rules of Procedure, a factual allegation that is not specifically disputed by either party is deemed to be undisputed between the parties. According to Rule 284 of the Rules of Procedure, representatives of the parties may not misrepresent cases or facts before the court either knowingly or due to negligent ignorance. This includes the prohibition of knowingly or due to negligent ignorance denying true facts presented by the other party.

b. A specific denial requires a substantiated denial insofar as the denying party's own actions are concerned. In the specific case, a substantiated denial would be assumed, for example, if it had been argued that no devices had been supplied to the City of Mönchengladbach at all, that these came from a different manufacturer, or that these differed structurally from the examined devices in this or those points in terms of space and body.

c. Yunex did not do any of this in the statement of defence reproduced above. Rather, Yunex stated at one point in the objection that there was no reason to doubt the accuracy of the applicant's claim. Yunex broadly repeated this in its last pleading. Insofar as Yunex claims that it sees no reason to scientifically analyse the optics in dispute in detail, it should be noted that Yunex, as the importer of the kit and manufacturer of the traffic light system, is obliged to ensure that the manufactured product does not infringe any third-party property rights. Moreover, it would be reasonable for Yunex to first enquire with the supplier, on presentation of the plaintiff's private report, whether an identity exists. Yunex has not stated whether this has been done and if so, with what result.

Consequently, pursuant to Rule 171.2 of the Rules of Procedure, SWARCO FUTURIT's factual assertion is deemed to be undisputed between the parties.

4. This legal consequence continues to have an effect in the subsequent main proceedings. This is because, as explained above, the proceedings to preserve evidence are a dependent part of the main proceedings. In the subsequent main proceedings, Yunex is precluded from making a first substantiated denial of identity or counter-evidence. Such a submission would be late and an abuse of rights. The delay is due to rule 194.1.a.ii VerfO. This is because the opposition must contain any denial of facts submitted by the applicant. The prohibition of abuse of rights is to be derived from the national law applicable under Art. 24(1)(e) UPCA, for example for the Federal Republic of Germany from Section 242 BGB.
5. Rule 360 VerfO accordingly to applications for the preservation of evidence. In this respect, there is a regulatory gap - as there is for proceedings for the issuance of a temporary injunction (see LK München ORD_577734/2023 UPC_CFI_249/2023).

V. However, the decision on costs remains reserved for the main proceedings. It is true that in the event main proceedings do not follow, a basic decision on costs in accordance with Rule 118.5 VerfO could in principle be considered (see LK München ORD_577734/2023 UPC_CFI_249/2023). In the present case, however, main proceedings will follow, see below.

VI. The obligation to initiate the main proceedings follows from the corresponding application of Rule 198.1 VerfO.

1. According to the wording of this provision, the court shall ensure that an order for the preservation of evidence is cancelled or otherwise set aside at the request of the defendant, without prejudice to any claim for damages, if the claimant does not commence the main proceedings on the merits before the court within a period of 31 calendar days or 20 working days, whichever is the longer, from the date specified in the court order, taking due account of the date by which the report is to be submitted in accordance with Rule 196.4.
2. In the circumstances of the present case, this provision must be applied accordingly to cases in which an application for the preservation of evidence is dealt with. In this respect, there is an unintended regulatory gap:
 - a. In accordance with the legal model, no costs are reimbursed when evidence is ordered to be preserved. Instead, care is to ensure that the main proceedings are initiated promptly. As part of these main proceedings, the issue of reimbursement of the costs of the proceedings for the preservation of evidence is also regulated.
 - b. Such a handling is also appropriate for the present case of the settlement of the proceedings for the preservation of evidence. Only in main proceedings can the issues of patent interpretation, validity and patent utilisation still in dispute between the parties be comprehensively investigated - also with the involvement of a technically qualified judge. Depending on the outcome of the main proceedings, the question of reimbursement of the costs incurred in the proceedings for the preservation of evidence can also be regulated, which is more in line with the guiding principle of the statutory provision.
 - c. Without an order to bring an action, there would be no guarantee that there would still be main proceedings or that the present order could be revised after the unsuccessful expiry of the deadline (Rule 198.2 VerfO). A decision on the costs would then have to be made immediately. This would be very time-consuming. This is because this would also require statements on the disputed issues of patent interpretation and patent infringement, among other things. However, there would be a risk that a different decision would be made in the subsequent main proceedings by the panel of judges appointed to make the decision and that different costs would be ordered accordingly. Preventing this is precisely the purpose of the statutory provision in the case of an order to preserve evidence.

VII. This order may be challenged on appeal pursuant to Rules 363.2, 220.1(a) of the Rules of Procedure or Rule 212.6, 220.1(c) of the Rules of Procedure.

ARRANGEMENT

1. The application to preserve evidence has become irrelevant due to Yunex's procedural behaviour. A decision is unnecessary. The application is therefore dismissed.
2. The decision on costs remains reserved for the main proceedings.
3. This order will be vacated or otherwise set aside at Yunex's request if SWARCO does not commence the main proceedings in the case before the court within a period of 31 calendar days or 20 working days, whichever longer, from 20 February 2025.

ARRANGEMENT DETAILS



Order no. ORD_24915/2024 in PROCEDURE NUMBER: Not available UPC number: UPC_CFI_156/2024

Type of operation: Not available

No. of the related proceedings Application no.: 16855/2024

Type of application: Request for preservation of evidence pursuant to Rule 192 of the Regulation

Signed in Munich on 19 February 2025

<p>Dr Zigann Presiding Judge</p>	<p>Matthias ZIGANN  Digitally signed by Matthias ZIGANN Date: 2025.02.19 14:56:19 +01'00'</p>
<p>Mlakar Legally qualified judge</p>	<p>MOJCA MLAKAR  Digitalno podpisal MOJCA MLAKAR Date: 2025.02.19 15:35:22 +01'00'</p>
<p>Pichlmaier Legally qualified judge</p>	<p>Tobias Günther Pichlmaier  Digitally signed by Tobias Günther Pichlmaier Date: 2025.02.19 14:59:52 +01'00'</p>
<p>For the Deputy Chancellor</p>	<p>Anja Mittermeier  Digitally signed by Anja Mittermeier Date: 2025.02.19 15:42:02 +01'00'</p>