



Reference number:
UPC_CoA_70/2025
APL_4377/2025 (Appeal
STRABAG)
PC_CoA_001/2025 (Appeal
Chainzone)

ORDER
of the Court of Appeal of the Unified Patent Court
issued on 26 May 2025
concerning an application for suspensive effect

APPELLANT AND CLAIMANT/DEFENDANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE:

STRABAG Infrastructure & Safety Solutions GmbH, Vienna, Austria
(hereinafter: Strabag)

represented by European patent attorney Dr. Rainer Beetz, SONN Patentanwälte, Vienna, Austria

APPELLANT AND RESPONDENT/CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE:

SWARCO FUTURIT Verkehrssignalsysteme GmbH, Neutal, Austria
(hereinafter: Swarco)

represented by attorney-at-law MMag. Alexander Koller, NOMOS Rechtsanwälte GmbH, Vienna, Austria

INTERVENER FOR THE DEFENDANT AND APPELLANT:

Chainzone Technology (Foshan) Co, Ltd, Foshan City, Guangdong Province, China
(hereinafter: Chainzone)

represented by Dr. Katharina Pehle and other lawyers from the law firm Bird & Bird, Munich, Germany

LANGUAGE OF THE PROCEEDINGS:

German

PANEL AND DECIDING JUDGES:

Panel 2

Rian Kalden, legally qualified judge and presiding judge

Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge and judge-rapporteur

Anders Hansson, technically qualified judge

Klaus Loibner, technically qualified judge

IMPUGNED DECISION OF THE COURT OF FIRST INSTANCE:

Date: 15 January 2025

Reference numbers of the Court of First Instance: ORD_2647/2025, ACT_4261/2024, UPC_CFI_33/2024

PATENT IN SUIT:

EP 2 643 717

SUMMARY OF FACTS

1. Swarco lodged an infringement action against Strabag.
2. Swarco is registered proprietor of patent EP 2 643 717 (patent in suit). The patent in suit, applied for on 17 November 2011 and which claims a priority date of 23 November 2010, relates to a colour-mixing convergent optical system (in German "farbmischende Sammeloptik").
3. Claim 1 reads in the language of the proceedings

„Farb- und lichtmischende Sammeloptik, insbesondere als vollfarbtaugliches Pixel für bildgebende Anzeigetafeln im Freien, für Spotlichter oder Signalisierung, bestehend aus einer LED-Lichtquelle, sowie einem davor angeordneten Lichtleiterstab und einer Sammellinse, wobei die LED-Lichtquelle (1) mehrere LED-Kristalle (R, G, B) enthält, die Lichteintrittsfläche (3) des Lichtleiterstabes (2) vor der Lichtaustrittsfläche der LED-Lichtquelle (1) angeordnet ist und Licht jedes LED-Kristalls einfängt, wobei sich der Lichtleiterstab (2) senkrecht zur Eintrittsfläche (3) erstreckt und wobei sein Querschnitt konstant ist oder allmählich zunimmt, dadurch gekennzeichnet, dass der Lichtaustritt (4) des Lichtleiterstabes (2) sich im Bereich des Fokus (F) der Sammellinse (5) befindet, dass diese das aus dem Mittelpunkt (F) austretende Licht achsparallel bündelt und das Licht, das seitlich des Mittelpunktes (F) aus einem Punkt (P) des Lichtaustritts (4) austritt, in einer zugehörigen Richtungen [sic] parallel bündelt, dass die Mantelfläche des Lichtleiterstabes (2) aus optisch hochglanzpolierten Ebenen gebildet ist, welche scharfkantig aneinandergrenzen und somit jeder Querschnitt die Form eines Polygons aufweist, dass das Material des Lichtleiterstabes (2) frei von lichtstreuenden Komponenten ist, und dass der Lichtaustritt (4) des Lichtleiterstabes (2) in seinem Umriss bereits weitgehend der auf den Kopf gestellten benötigten Lichtverteilung entspricht und das durchtretende Licht durch die vorgeschaltete Sammellinse (5) nach dem optischen Projektionsgesetz in Form des aufrechten Umrisses abgestrahlt wird.“

4. Strabag installed LED variable message signs at the A12 sites (VKP Kundl, RFB Innsbruck) on behalf of a third-party company, which Strabag purchased from Chainzone.

5. Swarco considers this to be an infringement of claims 1 to 5, 10 and 14 of the patent in suit.
6. By order of 30 July 2024, the Vienna Local Division, upon application by Chainzone, granted Chainzone leave to intervene on the side of Strabag on condition that a security for legal costs of the proceedings in the amount of EUR 134,000 be lodged with the UPC by 20 August 2025. Chainzone has deposited the security for legal costs as ordered.
7. In the impugned decision, the Vienna Local Division largely upheld Swarco's claim and essentially ordered Strabag, under the provision of a penalty payment of up to EUR 100,000 for each day of delay, to be determined by the court,
 - to communicate information to Swarco in writing within 14 days on the origin and distribution channels of goods with the characteristics of claim 1 of the patent in suit as set out in the operative part of the judgment, stating
 - the names and addresses and other information necessary or useful for clear identification of all persons involved in their manufacture and distribution, in particular their import into Austria;
 - the names and addresses of all commercial customers who have purchased these items from Strabag; and
 - the quantities of these items ordered, received and/or delivered and the prices paid for them by Strabag;
 - whereby copies of the corresponding purchase and sales documents (invoices, delivery notes, etc.) must be submitted as proof of the information, whereby details requiring confidentiality outside the data subject to disclosure may be blacked out (point 3 of the operative part);
 - to destroy at its own expense within 14 days such items that are in its direct or indirect possession or ownership (point 4 of the operative part);
 - to recall at its own expense within 14 days all such items sold by it, with reference to their patent-infringing condition, and, if necessary, to undertake vis-à-vis the purchasers to do so
 - refund any fees paid by them,
 - necessary dismantling, packaging and transport costs, and
 - to bear the customs and storage costs associated with the return, and to permanently remove them from the distribution channels, by Strabag
 - takes back the recalled items and destroys them in accordance with point 4 of the operative part, or
 - arrange for the destruction of the recalled products at the respective owner (point 5 of the operative part).
8. The Vienna Local Division also ordered Strabag and Chainzone to reimburse¹ Swarco for the legal costs.
9. Strabag and Chainzone appealed the impugned decision.
10. On 28 January 2025, Strabag filed an application for suspensive effect of the appeal. By order of 30 January 2025 (App_4737/2025, ORD_5167/2025) the application was dismissed.
11. In the Statement of grounds of appeal, lodged on 15 May 2025, Chainzone filed a further application for suspensive effect.

¹ In the original: „dem Grunde nach verpflichtet sind Swarco die Kosten des Rechtsstreits zu ersetzen.“

PARTIES' REQUESTS:

12. Chainzone requests, in summary, inter alia, that the suspensive effect of the appeal against the impugned decision be ordered, or alternatively that the enforcement of the decision against "the appellant" be suspended subject to the provision of security in accordance with R. 352.1 VerFO.

PARTIES' SUBMISSIONS

13. Chainzone, in summary, submits as follows:

- The operative part of the impugned decision does not contain any time limit with regard to the information and the claim for damages.
- The Vienna Local Division had interpreted patent claim 1 in a manifestly incorrect manner.
 - The Local Division wrongly assumed that it follows from US 2007/0024971, to which the description of the patent in suit refers, that the patent in suit is not limited to a spherical lens. The Fresnel lens mentioned in US 2007/0024971 relates to an additional projection lens which is provided in addition to an output lens.
 - According to the laws of optics, an aspherical lens cannot be used to focus the light emitted at the center of the light guide rod parallel to the axis.
 - From the fact that in reality there is no "perfect focus/focal point in the sense of a geometric point", the Local Division wrongly concluded that a determination of the focus according to the claim can be omitted. Subsequently, it should have been clarified what the patent in suit understood by the "region of focus".
 - If the center of the light exit is not in the (immediate) "region of the focus" of the convergent lens, it cannot bundle the light emerging from it parallel to the axis. This follows from the laws of optics. The Local Division fails to draw the conclusion from this that a convergent lens according to the claim must be a spherical convergent lens.
 - The Local Division had obviously forgotten the feature according to which the light exit (4) of the light guide rod (2) already largely corresponds to the required light distribution turned upside down.
- The Local Division failed to apply basic rules on the burden of proof and ignored the fact that Swarco had not sufficiently met its burden of proof of patent infringement. In addition, the Local Division drew technically untenable conclusions from the material before it.
- The decision is manifestly wrong in law. As can be seen from the Statement of grounds of appeal, the decision as a whole lacks a substantive examination of the arguments put forward by the parties at first instance. Moreover, it is in many respects based on incomplete assumptions, failing to take account of relevant arguments and facts and failing to provide sufficient reasons for the findings of the Court of First Instance. On the contrary, the findings of fact and legal reasoning relevant to the decision have been shown to be untenable even on summary examination.

REASONS:

14. Pursuant to R. 315.4 RoP, the intervener shall be treated as a party, unless otherwise ordered by the Court. It can be left open whether it follows from this that the intervener is entitled to file an application for suspensive effect of the appeal and in particular whether Chainzone has a legal interest in having the enforcement suspended. It can also be left open whether the admissibility of the application is precluded by the fact that Strabag has already unsuccessfully applied for suspensive effect. Furthermore, there is no need to decide what the consequences are if the

application for suspensive effect is filed in the Statement of grounds of appeal. In any event, the application for suspensive effect pursuant to Art. 74 UPCA, R.223.1 RoP is unfounded.

15. Pursuant to Art. 74 para. 1 UPCA, an appeal shall not have suspensive effect unless the Court of Appeal decides otherwise at the motivated request of one of the parties. The Court of Appeal can therefore only grant the application if the circumstances of the case justify an exception to the principle that the appeal has no suspensive effect. It must be examined whether the appellant's interest in maintaining the status quo until the decision on its appeal outweighs the Respondent's interest by way of exception (UPC Court of Appeal, Order of 18 January 2024, UPC_CoA_4/2024, App_100/2024, *Meril vs Edwards* para. 5; Order of 19 June 2024, UPC_CoA_301/2024, App_35055/2024, *ICPillar*, para. 7; Order of 19 August 2024, UPC_CoA_388/2024, APL_39884/2024, *Sibio et al vs Abbott*, para. 6).
16. In particular, the suspensive effect may be ordered if the Order against which the appeal is directed is manifestly erroneous (UPC CoA, Order of 18 January 2024, UPC_CoA_4/2024, App_100/2024, *Meril vs Edwards*, p. 5; Order of 19 August 2024, UPC_CoA_388/2024, APL_39884/2024, *Sibio et al vs Abbott*, para. 7) or the enforcement of the impugned decision would render the appeal largely irrelevant or devoid of purpose (UPC CoA, Order of 6 November 2023, UPC_CoA_407/2023, App_584588/2023, *Ocado vs Third Party*; Order of 2 May 2024, UPC_CoA_177/2024, APL_20002/2024, *Progress Maschinen & Automation*, para. 10).
17. Furthermore, the infringement of fundamental procedural rights such as the principle of the right to be heard can also justify the ordering of suspensive effect if it cannot be ruled out from the outset that the court would have reached a different conclusion without the infringement (UPC CoA, Order of 29 October 2024, UPC_CoA_549/2024, App_53031/2024, *Belkin vs Philips*, para 61).
18. Chainzone has failed to demonstrate manifest errors in the impugned order. Even taking into account the Statement of grounds of appeal, it cannot be assumed that the findings or legal considerations on which the first instance decision is based will already be found to be untenable in the summary examination to be carried out (see *Philips/Belkin*, para 60). Whether the interpretation of claim 1 is correct and whether Swarco has substantiated and proved infringement on the basis of a correct understanding of claim 1 will have to be reviewed and decided in the appeal proceedings. In the appeal proceedings it will also to be decided whether the interpretation of the operative part of the decision on the basis of the grounds of the decision results in a limitation in time for the order to communicate information.
19. Chainzone has failed to demonstrate an infringement of fundamental procedural rights on which the decision is based. The Local Division considered that there was 'no (further) dispute between the parties as to the location of the focal point of the converged lens' and that this was indicated by a red circle in Figure 8 reproduced in the decision (paragraph 3.4). Chainzone argues in its Statement of grounds of appeal that the opposite is true. Chainzone submits that both Strabag and Chainzone have taken different positions on this, referring generally to the pleadings and the oral hearing, as well as to Strabag's "reply of 19 September 2024, pp. 10 et seq". In its Reply of 19 September 2024 (paragraph 8), Strabag argued that Swarco had arbitrarily marked an area in red in the figure later reproduced in the Local Division's decision. However, it cannot be inferred from Chainzone's submissions in the Statement of grounds of appeal that Swarco or Chainzone have substantiated the correct position. Pursuant to R. 223.2 (b) RoP, the Application for suspensive effect shall set out the facts, evidence and arguments relied on. This means that such an application must in and of itself enable the Court of Appeal to decide on this application. References to text passages in pleadings and documents in the files at first instance are admissible provided they are sufficiently specific (*Belkin v Philips*, para. 62). Chainzone should therefore have explained in detail what Swarco specifically argued with regard to the position of the region of focus in figure 8 and that, on the basis of that position, the Vienna local division would have come

to a different conclusion. Such a specific submission is lacking. In support of its assumption that the focus area is located at the indicated position, the Local Division did not rely solely on the fact that the submission of Swarco was undisputed, but also referred to the caption of Figure 18 of the IOSB measurement report submitted by Strabag as Exhibit 13, stating: "This corresponds to the caption of (original) Figure 18 on page 13, which reads: 'The ray tracing simulation shows that the focus areas are within the light guide rod' (whereby the light emission of the light guide rod at the location of the red line is not correctly depicted/defined by Strabag). Chainzone does not deal with this in a substantiated manner either.

ORDER:

The Application is rejected.

Issued on 26 May 2025

Rian Kalden, legally qualified judge and presiding judge

Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge and rapporteur

Anders Hansson, technically qualified judge

Klaus Loibner, technically qualified judge