



Appeal n°:

APL_588420/2023, UPC_CoA_433/2023

APL_588422/2023, UPC_CoA_435/2023

APL_588423/2023, UPC_CoA_436/2023

APL_588425/2023, UPC_CoA_437/2023

APL_588426/2023, UPC_CoA_438/2023

ORDER

of the Court of Appeal of the Unified Patent Court

issued on 3 April 2024

HEADNOTES:

1. If the claimant has not correctly named the defendant in the statement initiating the proceedings, the Court may allow the claimant to rectify the error. The request can be granted if the defendant is not unreasonably prejudiced by the incorrect statement of name and its rectification. As a rule, there will be no unreasonable prejudice if, despite the incorrect statement of name, it must have been clear to the defendant and to the Court, based on the circumstances of the case, that the claimant intended the statement for revocation to be directed against the defendant.
2. Rule 242.1 RoP is to be interpreted to mean that if the decision of the Court of Appeal is not a final order or decision concluding an action, the Court of Appeal, in the case at hand, will not issue an order for costs in respect of the proceedings at first instance and at appeal. However, the outcome of the appeal must be considered when, in the final decision on the action at hand, the Court determines whether and to what extent a party must bear the costs of the other party because it was unsuccessful within the meaning of Article 69 UPCA.

KEYWORDS:

Rectification of the name of a party; Order for costs in the decision of the Court of Appeal.

DEFENDANT AND APPELLANT

Juul Labs International, Inc.

560 20th Street, Building 104, San Francisco, CA 94107, United States of America

represented by European patent attorneys Bernhard Thum, Dr. Jonas Weickert and Andreas Mötsch (Thum & Partner), and attorney-at-law Dr. Tobias Wuttke (Bardehle Pagenberg Partnerschaft mbB)

CLAIMANT AND RESPONDENT

NJOY Netherlands B.V.

Westerdoksdiijk 423, 1013 BX Amsterdam, The Netherlands

represented by attorney-at-law Hon.-Prof. Dr. Henrik Holzapfel (McDermott Will & Emery)

PATENTS AT ISSUE

Appeal n°	Patent n°
APL_588420/2023 UPC_CoA_433/2023	EP 3 498 115
APL_588422/2023 UPC_CoA_435/2023	EP 3 504 990
APL_588423/2023 UPC_CoA_436/2023	EP 3 504 989
APL_588425/2023 UPC_CoA_437/2023	EP 3 504 991
APL_588426/2023 UPC_CoA_438/2023	EP 3 430 921

PANEL AND DECIDING JUDGES

Panel 1a:

Klaus Grabinski, President of the Court of Appeal

Françoise Barutel, Legally qualified judge

Peter Blok, Legally qualified judge and judge-rapporteur

LANGUAGE OF PROCEEDINGS

English

IMPUGNED ORDERS OF THE COURT OF FIRST INSTANCE

- Orders of the Court of First Instance of the Unified Patent Court, Central Division (Paris Seat), in five actions, dated 3 November 2023
- Action numbers attributed by the Court of First Instance:

Appeal n°	Court of First Instance action n°	Court of First Instance order n°
APL_588420/2023 UPC_CoA_433/2023	UPC_CFI_309/2023 ACT_571669/2023	ORD_585201/2023
APL_588422/2023 UPC_CoA_435/2023	UPC_CFI_314/2023 ACT_571795/2023	ORD_585184/2023
APL_588423/2023 UPC_CoA_436/2023	UPC_CFI_312/2023 ACT_571761/2023	ORD_585190/2023
APL_588425/2023 UPC_CoA_437/2023	UPC_CFI_315/2023 ACT_571801/2023	ORD_585141/2023
APL_588426/2023 UPC_CoA_438/2023	UPC_CFI_316/2023 ACT_571808/2023	ORD_585129/2023

ORAL HEARING OF:
14/2/2024

DELIVERED ON:
03/04/2024

FACTS AND REQUESTS OF THE PARTIES

1. The respondent brought five revocation actions at the Central Division (Paris Seat) of the Unified Patent Court relating to the five patents listed above under “Patents at issue” (hereinafter: patents at issue).
2. The statements for revocation were first filed on 11 September 2023. Amended versions of the statements of revocation were filed a few days later. All versions of the statements indicate in the heading and in one of the first paragraphs that the defendant is “Juul Labs, Inc.”. All versions of the statements contain in sections B. (The Parties) and C. (The patent in suit) the statement that the defendant is registered as the sole proprietor of the patent at issue.
3. The appellant is the registered proprietor of the patents at issue.
4. On 25 October 2023, a preliminary objection within the meaning of Rule 48 in connection with Rule 19.1(b) of the Rules of Procedure of the Unified Patent Court (hereinafter: RoP) was filed. It was argued that the revocation actions were brought against Juul Labs, Inc., which is not the proprietor of the patents at issue. Consequently, the Central Division would not be the competent division in the case at hand since an action against an entity other than the patent proprietor is not an action which fulfils all the requirements set out in Art. 33(4) of the Agreement on a Unified Patent Court (hereinafter: UPCA) in combination with Art. 32(d) UPCA and Rule 42.1 RoP.
5. The respondent argued that the appellant and Juul Labs, Inc. operate under similar names and have the same registered address. This led to confusion and to a clerical error in indicating the name of the defendant in the statements for revocation. The defendant which the claimant intended to refer to is evidently the registered proprietor of the patents at issue. This is also clear from the statements of revocation in which the respondent states that it attacks the patent proprietor. The respondent requested that the name of the defendant be rectified. In the event of the Court not allowing said rectification, the respondent requested that the Court apply its discretion under Rule 305.1(c) RoP and substitute “Juul Labs International, Inc.” for “Juul Labs, Inc.” as the defendant in the revocation actions. In any event, the revocation actions remain admissible, since, in the view of the respondent, whether the correct defendant has been sued is not an admissibility issue.

6. By orders of the judge-rapporteur dated 3 November 2023 in all five revocation actions, the Court of First Instance rejected the preliminary objection and ordered the Registry to rectify the name of the defendant to read “Juul Labs International, Inc.” as soon as the case management system (hereinafter: CMS) software allows this to be done. The Court of First Instance granted leave to appeal.
7. The appellant has brought an appeal against the orders of the Court of First Instance. The appellant requests that the Court of Appeal i) set aside the orders of the Court of First Instance, ii) issue an order rejecting the revocation actions as inadmissible, and iii) order the revocation actions stayed until a decision on the appeal is rendered.
8. The respondent defends the orders of the Court of First Instance. At the oral hearing, the respondent brought forward a claim for reimbursement of the costs of the proceedings at first instance and at appeal.

GROUNDS FOR THE ORDER

Panel

9. A procedural appeal such as this one, involving no technical issues, can be adjudicated by three legally qualified judges (UPC Court of Appeal 18 December 2023, UPC_CoA_472/2023, App_594327/2023).

Admissibility

10. The appeal is admissible. Pursuant to Rule 21.1 RoP an order of the judge-rapporteur rejecting a preliminary objection may be appealed in accordance with Rule 220.2 RoP. Since a direct appeal of the order of the judge-rapporteur is explicitly provided for, no prior review by the panel is required in this particular case (UPC Court of Appeal 21 March 2024, UPC_CoA_486/2023, APL_595643/2023, paragraph 40).
11. Rule 220.2 RoP allows an appeal against an order either together with the appeal against the decision or with the leave of the Court of First Instance. In the present case, the Court of First Instance granted leave to appeal.

Rectification of name

12. The appeal and the appellant’s request to set aside the orders of the Court of First Instance to rectify the name of the defendant to read “Juul Labs International, Inc.” must be rejected.
13. If the claimant has not correctly named the defendant in the statement initiating the proceedings, the Court may allow the claimant to rectify the error. The request can be granted

if the defendant is not unreasonably prejudiced by the incorrect statement of name and its rectification. As a rule, there will be no unreasonable prejudice if, despite the incorrect statement of name, it must have been clear to the defendant and to the Court, based on the circumstances of the case, that the claimant intended the statement for revocation to be directed against the defendant.

14. Applying this standard, the Court of First Instance could grant the rectification of the statement of name requested by the respondent. In light of the circumstances of the case as presented below, it must have been clear to the appellant that the respondent intended the statements for revocation to be directed against the appellant, despite the fact that the statements referred to "Juul Labs, Inc." as the defendant.

14.1. Firstly, the combination of the name "Juul Labs, Inc." and the registered office mentioned by the respondent in the statements for revocation differs only to a limited extent from the appellant's actual name and registered office. The only difference is the absence of the word "International" after "Juul Labs" in the name. Not all versions of the statements for revocation provide an address for the defendant, but where they do, the address provided is that of the appellant's registered office.

14.2. Secondly, the content of the statements for revocation makes it clear that the respondent intended the statements to be directed against the registered proprietor of the patents at issue. Each statement expressly provides that the defendant is registered as the sole proprietor of the patent at issue. It is not disputed that the appellant is the registered proprietor of the patents at issue.

14.3. Thirdly, to comply with Rules 44(a) and 13(1)d RoP, the respondent stated in the statements for revocation that they could be served on Mr Thum under Rule 271(3) RoP because Mr Thum was registered as the patent proprietor's representative for the patents at issue. This confirms that the respondent intended the statements for revocation to be directed against the patent proprietor.

15. The appellant's argument that there is also a legal entity named Juul Labs, Inc. cannot lead to a different judgment. In view of the circumstances described above, it is clear that the statements were not directed against Juul Labs, Inc. That Juul Labs, Inc. was not intended is confirmed by the fact that Juul Labs, Inc. is not the proprietor of the patents at issue and that Mr Thum is not registered as a representative for Juul Labs, Inc.

16. The appellant argues that a claimant may have good reason to direct its revocation action against a person other than the registered proprietor, for example because the claimant believes that that other person is entitled to the patent at issue. In the present case, however, the content of the statements for revocation and the circumstances of the case do not give the

appellant any reason to believe that the respondent had made a conscious decision to direct the statements for revocation against Juul Labs, Inc., for example because the respondent took the view that Juul Labs, Inc. is entitled to be registered as the proprietor of the patent, rather than against Juul Labs International, Inc. as the registered proprietor of the patent (see Rule 8.5(a), (c), 8.6 and Rule 42 RoP). The mere fact that the respondent's parent company has initiated proceedings against Juul Labs, Inc. before the International Trade Commission and that Juul Labs, Inc. is the proprietor of US patents is not sufficient for this purpose, since the revocation actions do not concern these activities or patents of Juul Labs, Inc. The same applies to the fact that Juul Labs, Inc. is the entity competing with the respondent. The revocation actions do not relate to the market activities of Juul Labs, Inc.

17. The appellant's argument that the respondent has consistently referred to Juul Labs, Inc. as the sole defendant in all five cases in three versions of the statement for revocation, in the CMS and in comments on a request for term extension, cannot succeed. The repetition of the incorrect statement of name, even after the CMS provided the respondent with information about the patents at issue, including the fact that the appellant is the registered proprietor, does not negate the fact that the appellant should have been aware from the circumstances of the case that the statements were directed against the appellant.
18. Given that, despite the incorrect statement of name, it must have been clear to the appellant that the statements for revocation were directed against it, the appellant was not unreasonably prejudiced by the incorrect statement of name and by the rectification ordered by the Court of First Instance. The Registry also served the statements on the appellant's representative and that representative accepted the service on the appellant's behalf.

The requests

19. The appellant's request to declare the revocation actions inadmissible must be rejected. The request is based solely on the assumption that the revocation actions are not directed against the patent proprietor. It follows from the reasons above that this assumption is incorrect. The revocation actions are directed against the appellant and the appellant is the registered proprietor of the patents at issue.
20. During the interim conference, the appellant withdrew its request to stay the proceedings at first instance until the decision on the appeal has been issued. There is therefore no need for the Court to decide on this request.
21. Since the Court of Appeal rejects the appeal against the order to rectify the defendant's name, there is no need to decide on the respondent's auxiliary request for substitution.

Costs

22. No decision on the reimbursement of legal costs will be made in this appeal, since this order of the Court of Appeal is not a final order or decision, i.e. not an order or decision concluding the revocation actions.
23. The RoP provide that the principal decision on the obligation to bear the costs of the proceedings will be made in the final order or decision, in particular the decision on the merits (Rule 118.5 RoP), optionally in combination with an interim award of costs (Rule 150.2 RoP). The final decision is also the best stage of the proceedings to assess whether and to what extent a party can be considered unsuccessful within the meaning of Article 69 UPCA.
24. The concept laid down in Rule 118.5 RoP that the principal decision on the costs of proceedings is made in the final order or decision is in line with Rule 150.1 RoP, according to which it is only after the decision on the merits that the successful party may seek a cost decision, meaning a decision for the determination of the costs to be borne by the unsuccessful party (Rule 150.1 RoP). This concept is also confirmed by the fact that the scale of ceilings for recoverable costs adopted by the Administrative Committee, which the Court must take into account when determining the reimbursement of representation costs, indicates ceilings based on the value of the proceedings as a whole (Rule 152.2 RoP).
25. As this concept also applies at appeal, Rule 242.1 RoP is to be interpreted to mean that if the decision of the Court of Appeal is not a final order or decision concluding an action, the Court of Appeal, in the case at hand, will not issue an order for costs in respect of the proceedings at first instance and at appeal. However, the outcome of the appeal must be considered when, in the final decision on the action at hand, the Court determines whether and to what extent a party must bear the costs of the other party because it was unsuccessful within the meaning of Article 69 UPCA.

ORDER

The appeal is rejected.

This order was issued on 3 April 2024.

Klaus Grabinski President of the Court of Appeal	
Françoise Barutel Legally qualified judge	
Peter Blok Legally qualified judge and judge-rapporteur	
Eurico Igreja Employee of the Registry	