



No. ACT_22729/2024 and 22744/2024
UPC_CFI_26/2024

ORDER
of the President of the Court of First Instance
in the proceedings before the Local Division DÜSSELDORF
pursuant to R. 323 RoP (language of the proceedings)
issued on 30/05/2024

APPLICANTS (DEFENDANTS IN THE MAIN PROCEEDINGS):

- 1- Samsung Electronics GmbH**
Am Kronberger Hang 6, 65824 Schwalbach/Taunus
Germany
- 2- Samsung Electronics France, S.A.S.**
6 Rue Fructidor, CS 2003, 93400 Saint-Ouen-Sur-Seine
France
- 3- Samsung Electronics Benelux B.V.**
Evert van de Beekstraat 310, 118 CX Schiphol
The Netherlands
- 4- Samsung Electronics Co. Ltd.**
129, Samseong-ro, Yeongtong-gu, Suwon-si 16677, Gyeonggi-do
Republic of Korea

Represented by: Martin Köhler - Hoyng Rokh Monegier

RESPONDENT (CLAIMANT IN THE MAIN PROCEEDINGS):

Headwater Research LLC

110 North College Avenue, Suite 1116, Tyler, TX 75702,
USA

Represented by: Michael Schneider, Jochen Ehlers - Eisenführ Speiser

PATENT AT ISSUE:

Patent n° EP3110069

SUMMARY OF FACTS - SUBJECT - MATTER OF THE PROCEEDINGS:

By a statement of claim filed on 26 January 2024, Headwater Research LLC. brought an infringement action against Samsung Electronics GmbH, Samsung Electronics France, S.A.S., Samsung Electronics Benelux B.V. and Samsung Electronics Co. Ltd (hereinafter collectively referred to as "Samsung") based on EP3110069 entitled "*Device-assisted service for protecting network capacity*" before the Local Division Düsseldorf.

By an application dated 25 April 2024, the abovementioned defendants, referring to R. 323 RoP, requested that the language of proceedings be changed from German to English (hereinafter the "Application"). The Application was forwarded by the Presiding Judge on behalf of the Judge-rapporteur to the President of the Court of First Instance of the UPC pursuant to R. 323.1. RoP.

An English version of the Application was submitted by Samsung as Exhibit 1.

By an order dated 3 May 2024, the Claimant in the main action (No. ACT_3932/2024 UPC_CFI_26/2024) was therefore invited in accordance with R. 323.2 RoP to state within 10 days its position on the admissibility of the Application and on the use of the language in which the patent was granted (namely English) as language of the proceedings.

Headwater Research LLC. submitted its written comments on the Application on 13 May 2024.

The panel of the LD Düsseldorf has been consulted according to R. 323.3 RoP.

REQUESTS OF THE PARTIES:

Samsung:

- requests that pursuant to R. 323.3 RoP the President of the Court of First Instance order that the language in which the patent was granted shall be the language of the proceedings.
- does not seek any translation of documents already lodged in German for which an English translation has not yet been lodged pursuant to R. 324 RoP.

Headwater Research LLC requests the Court:

- to reject the Application under R. 323.3 RoP of 25 April 2024 to change the language of the proceedings.

POINTS AT ISSUE:

In support of the Application, Samsung argues that the choice of German as the language of the proceedings places it at an undue disadvantage and is not justified by any objective reason, stating that:

- The Application is admissible, as the wording of R. 323.1 RoP allows for its filing at an earlier stage of the proceedings, indeed Art. 49 (5) UPCA does not provide for any specific timeframe and a more restrictive interpretation would run counter to the requirement to apply the RoP in a flexible and balanced manner;
- A change of the language of the proceedings to the language in which the patent was granted must be allowed for reasons of fairness and taking into account all circumstances, in particular the interests of the parties. A disproportionate disadvantage is not required, and particular account must be taken of the Defendants' position. This focus on the Defendants' interest establishes a balance with the Claimant's procedural option, in addition the Claimant must bear the consequences of the choice of the language of the patent from which it wishes to derive rights;
- The relevant circumstances to be considered should primarily relate to the specific case and the position of the parties, including the language most commonly used in the technical field at hand, the nationality and domicile of the parties, whereas the language spoken by a representative should not be relevant;
- Samsung is significantly impaired by the language of proceedings, indeed Defendants 2) to 4) do not have their registered offices in Germany while Defendant 1) can not contribute to the technical issues in dispute, in addition the coordination and preparatory work of the Defendants must be carried out in English;

- English is also the general language in the relevant technical field regarding the Android operating system which is the subject-matter of the case;
- There are in contrast no obvious significant disadvantages for Headwater Research LLC. – being a US Company – to change the language of the proceedings, as essential documents have already been submitted in English and their current representatives also represented them before the EPO;
- Finally, the change of the language of proceedings is also likely to serve the interests of the Court.

Headwater Research LLC. states that the Application must be rejected for the following reasons:

- According to Art. 49(5) UPCA, a change of the language of the proceedings may be considered if the language originally chosen by the Claimant significantly impairs the defendant. Although the Court of Appeal has held that the use of the language of the patent in suit is typically not considered unfair to the Claimant unless significant circumstances point in a different direction, all relevant items in the specific individual case still need to be weighed up;
- Samsung is not significantly affected by the current language of the proceedings, given that all the defendants belong to an international group and none is based in a location where English is an official language;
- Since, for all the Defendants with the exception of Defendant 1), German is a “neutral” procedural language, the Claimant does not derive any “*structural procedural advantage*” from its choice, which differs from the situation addressed by the order of the Court of Appeal dated 17 April 2024, where the applicant claimed to be a small solely US company needing to defend itself within narrow time limits;
- Samsung does not in fact invoke any significant or unfair disadvantage resulting from the current language of the proceedings, rather they consider English to be “*more suitable*” which is not sufficient to justify the requested change. Art. 49(5) UPCA does not include considerations of expediency and efficiency as relevant factors in the balancing of interests, and should these criteria be taken into account, it is not advantageous to use English in this regard as it is not an official or court language in any of the participating Member States hosting a local or regional division;
- The Defendants and their legal representatives are already conducting infringement proceedings in German within a closely related technical and legal domain;
- The interest and efficiency of the Court and judge’s framework are further arguments in favour of retaining the official language of the Division in question.

Further facts and arguments as raised by the parties will be addressed below if relevant to the outcome of this order.

GROUNDINGS FOR THE ORDER:

It is firstly noted that in the present case the admissibility of the Application is not disputed.

According to Art. 49(1) UPCA, the language of the proceedings before a local division must be an official language of its hosting Member State or alternately the other language designated pursuant to Art. 49 (2). It is further provided by R. 323 RoP that *“1. If a party wishes to use the language in which the patent was granted as language of the proceedings, in accordance with Article 49(5) of the Agreement (...) The President, having consulted [the other parties and] the panel of the division, may order that the language in which the patent was granted shall be the language of the proceedings and may make the order conditional on specific translation or interpretation arrangements”*.

Regarding the criteria that may be considered to decide on the Application, Art. 49 (5) UPCA specifies that *“(...) the President of the Court of First Instance may, on grounds of fairness and taking into account all relevant circumstances, including the position of parties, in particular the position of the defendant, decide on the use of the language in which the patent was granted as language of proceedings. In this case the President of the Court of First Instance shall assess the need for specific translation and interpretation arrangements”*.

It has furthermore been stated that Art. 49 (5) UPCA must be interpreted in such a way that the decision on whether or not to change the language of the proceedings to the language in which the patent was granted must be determined considering the respective interests at stake, without requiring it to constitute a disproportionate disadvantage. It is thus sufficient that – amongst all relevant circumstances also to be considered – the language initially chosen is significantly detrimental to the Applicant (UPC CFI 225/2023 LD The Hague, order of 18 October 2023, UPC CFI 373/2023 LD Düsseldorf, order of 16 January 2024, UPC CFI 410/2023 LD Mannheim, order of 15 April 2024).

By an order dated 17 April 2024, to which both parties refer, the UPC Court of Appeal (hereinafter “CofA”) ruled that when deciding on a request to change the language of the proceedings to the language of the patent for reasons of fairness, all relevant circumstances must be taken into account. These circumstances should primarily relate to the specific case, such as the language most commonly used in the relevant technology, and the position of the

parties, including their nationality, domicile, respective size, and how they could be affected by the requested change (UPC_CofA_101/2024, Apl_12116/2024, para. 28).

A question addressed in previous applications is whether the position of the defendant must be decisive in this overall assessment, in the event that the result of the balancing of interests is the same. In this respect, the CofA found that the emphasis given *“in particular”* to the position of the defendant under Art. 49 (5) UPCA is justified by the flexibility afforded to the claimant which frequently has the choice of where to file its action – since any local or regional division in which an infringement is actually threatened or taking place is competent – and can choose the most convenient timeframe to draft its statement of claim while the defendant is directly bound by strict deadlines.

Based on the above – while considering that the claimant may also be in a critical situation and obligated to respond promptly for economic reasons – it follows that the position of the defendant (s) prevails in the event that both parties are in a comparable situation.

In the present case, Headwater Research LLC. is a US company while the Samsung entities are located in Korea, France, the Netherlands and Germany. They have stated that English is their common working language, which is not disputed by the Claimant.

In the abovementioned decision, the CofA also held that *“for a claimant, having had the choice of language of the patent, with the ensuing possibility that the claimant/patentee may have to conduct legal proceedings in that language, as a general rule and absent specific relevant circumstances pointing in another direction, the language of the patent as the language of the proceedings cannot be considered to be unfair in respect of the claimant”* (para. 34).

Regarding the consequences of the *“local”* language initially chosen towards the Samsung companies involved, the Applicants argue that the distribution entity located in Germany cannot provide support on technical points, and that other companies within the group are also being sued by Headwater Research LLC. in the US which implies a need for coordination. Considering the latter, the existence of other parallel proceedings conducted before the Munich Regional court against Defendants 1) and 4) appears irrelevant, as each party is confronted with similar issues stemming from these ongoing disputes.

According to Headwater Research LLC., the use of the language in which the patent was granted would not lead to efficiency gains, but instead would affect the conditions under which the case is handled by the Court. Nevertheless, their arguments concerning the official languages of the Contracting Member States hosting a division fail to mention that English –

broadly used in most of these countries – is the sole available language to the Nordic-Baltic RD, and that the language of the patent as indicated in the abovementioned order dated 17 April 2024, remains a significant factor especially before the UPC, as it is one of the three languages used by the central division. It is moreover obvious – and not disputed here – that due the technology at issue, most, if not all, prior art documents and relevant literature will be in English.

It can be inferred from all these observations that the current use of German, although impairing both parties, is more detrimental to Samsung which did not choose the language in which it is being sued and needs to organize its defence in English before the submissions are translated.

In contrast, adopting the language in which the patent was granted does not result in any inconvenience for Headwater Research LLC. which uses English in its communications and preparatory work on the case, as do the Defendants.

Lastly, it should be noted that the nationality and native language of the judges overseeing the case cannot be considered in relation with the quality of the decision to be delivered and the efficiency of the proceedings. This is in line with the general framework of the UPC where English is an official language of the Division concerned, and the language most generally used by the judges to communicate and work as can be expected of users in any supranational environment (UPC_CFI_373/2023 LD Düsseldorf, order of 16/01/2024).

It results from the above that the Application shall be granted and that the present order shall not be conditional on specific translation or interpretation arrangements.

ON THESE GROUNDS

- 1- The Application shall be granted and the language of the proceedings shall be changed to the language in which the patent at issue has been granted, namely English.
- 2- The present order shall not be conditional on specific translation or interpretation arrangements.
- 3- An appeal may be brought against the present order within 15 calendar days of its notification to the Applicants pursuant to Art. 73. 2 (a) UPCA and R.220 (c) RoP.

INSTRUCTIONS TO THE PARTIES AND TO THE REGISTRY:

The next step is for the Applicants to file the Statement of Defence within the time period as set by the Judge-rapporteur.

ORDER

Issued on 30 May 2024

NAME AND SIGNATURE

Florence Butin
President of the UPC Court of First Instance