UPC Court of Appeal, 18 September 2024, Apple v Ona

PATENT LAW – PROCEDURAL LAW

On grounds of fairness to defendant Apple the language of the proceedings is changed from German to English, the language in which the patent was granted (Article 49(5) UPCA)

- **In addition to the circumstances stated by the Court of Appeal in its order of 17 April 2024 [Curio Bioscience v 10x Genomics] the internal working language of the parties, the possibility of internal coordination and of support on technical issues are relevant circumstances**

23. The language of the patent and the underlying field of technology is English. The evidence relied on by Ona and Apple is almost exclusively in English and Ona has requested that no translation of the exhibits into the language of proceedings be required.

24. Ona's registered office is in Spain. Consequently, its nationality or domicile does not inherently favour either German or English as the language of the proceedings.

25. The majority of the defendants are not based in Germany. Apple submitted that the internal company language of the entire Apple group is English. Ona has not raised any arguments in substance against this claim. The fact that two of the defendants are domiciled in Germany and that personnel in Apple retail stores located in Germany speak German, as noted by Ona, are not indicative of the language generally used in the communication between the Apple employees involved in the proceedings, such as the inhouse-lawyers and technical experts discussed below.

26. As previously mentioned, the language qualifications of the representatives are not a circumstance related to the parties themselves and are not relevant. Similar considerations apply to the in-house lawyer with German language skills, that Apple appointed to coordinate its European – especially German language – litigation before the national courts and the UPC. Having a German speaking inhouse lawyer to coordinate litigation in Europe may facilitate communication with a local German speaking representative on legal issues. However, as Apple has submitted and Ona has not disputed, the department where Apple's technical experts are located is in the USA, where the company language is English. Therefore, such coordination by the in-house lawyer still does not eliminate the need for translation of Statements from German to English (and vice versa for Apple's Statements) in order to obtain technical input from Apple employees with the relevant technical expertise, that is typically required in patent cases. These internal technical experts would still need translations to the Statements and provide their input to Apple's representative, either through the in-house lawyer or directly. The same applies to strategic coordination, which, as has also remained uncontested, is typically conducted by the headquarter company Apple Inc., which is situated in the USA.

27. The President CFI failed to take these circumstances into account in this specific case, even though the internal working language, the possibility of internal coordination and of support on technical issues only accessible in a location within the corporate group where the working language was English, were – rightly - taken into account as relevant circumstances in **the Order of 30 May 2024 (App_22729/2024; UPC_CFI_26/2024).**

Source: **Unified Patent Court**
Same decision on same grounds at same date in **Google v Ona**

UPC Court of Appeal,
18 September 2024
(Kalden, Simonsson, Rombach)
UPC_CoA_354/2024
APL_38948/2024
ORDER
of the Court of Appeal of the Unified Patent Court
issued on 18 September 2024
concerning language of proceedings
HEADNOTE
- In addition to the circumstances stated by the Court of Appeal in its **order of 17 April 2024 (APL_12116/2024, UPC_CoA_101/2024)**, when deciding on a request to change the language of proceedings into the language of the patent on grounds of fairness:
o the internal working language of the parties, the possibility of internal coordination and of support on technical issues are relevant circumstances;
o the fact that other proceedings between the parties are pending before a national court does not relate to the dispute, nor to the parties, and is as such of less relevance.
KEYWORDS
- Change of language of proceedings (**Art.49(5) UPCA**)
APPELLANT (AND DEFENDANT IN THE MAIN PROCEEDINGS BEFORE THE CFI)
1. **Apple Retail Germany B.V. & Co. KG**, Munich, Germany
2. **Apple Distribution International Ltd.**, Cork, Ireland
3. **Apple GmbH**, Munich, Germany
4. **Apple Retail France EURL**, Paris, France
5. **Apple Inc., Cupertino,** CA, USA
hereinafter jointly referred to as 'Apple';
all represented by: Prof. Dr. Tilman Müller-Stoy, Dr. Tobias Wuttke, Saskia Mertsching and Dr. Ronja Schregle,

attorneys-at-Law, Bardehle Pagenberg, Munich, Germany

RESPONDENT (AND CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE CFI)

Ona Patents SL, Barcelona, Spain
hereinafter referred to as Ona;
represented by Dr. Christof Augenstein, Dr. Melissa Lutz, und Nicole Schopp, attorneys-at-law, Kather Augenstein, Düsseldorf, Germany

PATENT AT ISSUE

EP 2 263 098

PANEL AND DECIDING JUDGES

Second panel:
Rian Kalden, presiding judge and judge-rapporteur
Ingeborg Simonsson, legally qualified judge
Patricia Rombach, legally qualified judge

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

□ Order ORD_27452/2024 of the President of the Court of First Instance dated 18 June 2024

□ Action number attributed by the Court of First Instance: ACT_11910/2024, App_26610/2024, UPC_CFI_99/2024

LANGUAGE OF PROCEEDINGS

German

ORAL HEARING ON

23 August 2024 (online), together with the oral hearing in UPC_CoA_349/2024; APL_38206/2024

SUMMARY OF FACTS

1. The parties are parties to infringement proceedings before the Court of First Instance, Düsseldorf Local Division, initiated by Ona ( ).

2. On 10 May 2024 Apple made an Application to change the language of the proceedings from German to English (App_26610/2024). This application was rejected on 18 June 2024 by the President of the Court of First Instance (hereafter: the President CFI). The order (ORD_27452/2024), issued in English, inter alia contains the following considerations:

Regarding Ona Patents which is a medium-size company founded in 2023, the choice to file its action in German is made in the context of parallel disputes between the same parties before the regional court of Munich involving, according to the claimant, technically comparable issues. Ona Patents also raises that its main contact person is able to discuss and approve its representative written submissions in German, being indeed fluent in this language.

It appears from these circumstances that Ona Patents had relevant reasons to file its infringement action in German although the language of the patent and relating technology is English, namely the language skills of the contact person likely to follow-up the proceedings on its behalf, the location of the registered offices of two defendants and the existence of parallel proceedings handled in German with limited resources compared to those of Apple.

It results in substance from the above that the requested change would represent a significant drawback for the Claimant, while being in contrast a slight advantage in favor of the Defendants.

Consequently, the outcome of balancing of the respective interests of the parties with regard to all relevant circumstances of the case, leads the Court to reject the Application to change the language of the proceedings to the language in which the patent was granted.

PARTIES' REQUESTS

3. Apple has appealed and requests the Court of Appeal to revoke the impugned order and to order the change of language of the proceedings from German to English.

4. Ona is requesting that the appeal be dismissed and that Apple be ordered to pay the costs.

POINTS AT ISSUE

Request pursuant to Art. 49(5) UPCA that the language in which the patent was granted be used as language of proceedings (R.323 RoP).

SUBMISSIONS OF THE PARTIES

Apple – insofar as relevant – states as follows.

5. The language of the patent is English, which is also the language almost exclusively used in the relevant field of technology of the patent. This is confirmed by the prior art cited in the patent at issue. The majority of the exhibits in the proceedings are available only in English. Ona requested that these documents not be required to be translated into German.

6. The majority of the Apple companies are not domiciled in Germany, but in Ireland, France and the USA respectively. Their headquarters are located in the USA and the corporate language of the group is English. The responsible engineers who work on the challenged functionality are based in the USA and speak English.

7. Apple as a defendant is significantly and disproportionally disadvantaged by having to conduct its defence within very short time limits in German, due to the need for translations between German and English. The alleged smaller size of Ona relative to the size of Apple does not eliminate this disadvantage.

8. Ona is domiciled in Spain and its managing director, responsible for litigation, is proficient in English. A change of language would not disadvantage Ona, as it would not require translations.

9. A change of language does not unreasonably delay the proceedings.

Ona – insofar as relevant – states as follows:

10. Apple is a very large group of companies, with considerable resources and an extensive legal department. The majority of the defendants are not domiciled in an English-speaking country. Two of the five Apple group companies who are parties in the case are domiciled in Germany.

11. Apple has specifically prepared and organized itself for patent infringement proceedings before national European courts – in particular in Germany – and for handling proceedings in German before the UPC courts, by appointing a native German-speaking in-house lawyer responsible for coordinating such proceedings.

12. Ona on the other hand is a medium-sized start-up founded in 2023 with only a few employees. Only one person within Ona is involved in the proceedings and he is proficient in German. All Statements are drafted in

German and they are not translated for internal coordination.
13. The parties are involved in parallel proceedings before the Regional Court of Munich which are conducted in German. Although the patents are different, the field of technology is the same. It would require less effort if both proceedings were conducted in the same language.
14. Taking into account the significant size and resources of the Apple group of companies and its preparation for German language proceedings, the use of the German language cannot be deemed unfair to Apple. The number of procedural applications Apple has lodged in German demonstrates that it is well-equipped to litigate in German. Ona, as a medium-sized start-up, would be disproportionately disadvantaged if the language were changed to English. This is particularly the case as Ona is already in the process of preparing its Statement of reply.
15. The claimant has the right to choose the language of proceedings. A change of language should be an exception. The language of the patent cannot be binding on Ona, as it did not choose that language but merely acquired the patent after grant. If the language of proceedings were the language of the patent as a rule, it would undermine the claimant's right to choose the language of proceedings.
16. The right to choose the language of proceedings also includes the option to choose the language spoken by the majority of the judges at the Local Division seized.

GROUNDS FOR THE ORDER

17. At the request of one of the parties and after having heard the other parties and the competent panel, the President CFI 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 CFI shall assess the need for specific translation and interpretation arrangements (**Art. 49(5) UPCA** and **R.323.3 RoP**).
18. Unlike in **Art. 49(4) UPCA**, where with the agreement of the parties the competent panel may, on grounds of convenience and fairness, decide on the use of the language in which the patent was granted as the language of proceedings, **Art. 49(5) UPCA** does not mention convenience as a criterion. Only fairness is mentioned.
19. The President CFI has a margin of discretion when assessing fairness. On appeal, the scope of review is therefore limited. However, even with this limited scope, the order must be set aside, because it is based on an incorrect interpretation of what constitutes fairness and which circumstances are relevant under **Art. 49(5) UPCA**.
20. In **its order of 17 April 2024 (APL 12116/2024, UPC CoA 101/2024**) the Court of Appeal held that, when deciding on a request to change the language of proceedings into the language of the patent on grounds of fairness:
a. all relevant circumstances shall be taken into account;
b. relevant circumstances should primarily be related to the specific case and the position of the parties;
c. relevant circumstances related to the specific case would, for example, be the language mostly used in the field of technology involved and, of particular relevance, the language in which the evidence (including prior art) is primarily written;
d. relevant circumstances related to parties include the nationality or domicile of the parties;
a party must be able to fully understand what is submitted and if the language of the proceedings is not the company language, this is not compensated by the fact that its representative is proficient in the language of the proceedings;
e. relevant circumstances related to parties include their size relative to each other; a multinational company with a substantial legal department has more resources to deal with and coordinate international disputes in different languages than a small company with limited resources that is only active on a limited number of markets;
f. due attention should be paid to how a change of language will affect the course of the proceedings and lead to delays, especially in relation to the urgency of the case;
g. whether a representative has specific language skills is in general of no significance;
h. the nationality of the judges hearing a case is in general not a relevant circumstance;
i. by choosing the language of the patent, the applicant also (should) anticipate(s) that he may have to conduct proceedings in that language; this rationale applies equally to a patent holder who has acquired the patent (or patent application).
j. for a claimant, as a general rule, using the language of the patent as the language of the proceedings cannot be considered unfair in respect of the claimant;
k. if the outcome of balancing of interests is equal, the position of the defendant is the decisive factor.
21. In its **decision of 5 September (UPC CoA 207/2024, par. 18) the Court of Appeal** further clarified that other proceedings pending between the parties do not relate to the specific case and are therefore less relevant.
22. Applying the general principles set out above to the present case, the Court of Appeal is of the opinion that Apple's request to change the language of proceedings into the language of the patent, i.e. English, should have been allowed. The reasons for this are as follows.
23. The language of the patent and the underlying field of technology is English. The evidence relied on by Ona and Apple is almost exclusively in English and Ona has requested that no translation of the exhibits into the language of proceedings be required.
24. Ona's registered office is in Spain. Consequently, its nationality or domicile does not inherently favour either German or English as the language of the proceedings.
25. The majority of the defendants are not based in Germany. Apple submitted that the internal company language of the entire Apple group is English. Ona has not raised any arguments in substance against this claim. The fact that two of the defendants are domiciled in

Germany and that personnel in Apple retail stores located in Germany speak German, as noted by Ona, are not indicative of the language generally used in the communication between the Apple employees involved in the proceedings, such as the inhouse-lawyers and technical experts discussed below.

26. As previously mentioned, the language qualifications of the representatives are not a circumstance related to the parties themselves and are not relevant. Similar considerations apply to the in-house lawyer with German language skills, that Apple appointed to coordinate its European – especially German language – litigation before the national courts and the UPC. Having a German speaking inhouse lawyer to coordinate litigation in Europe may facilitate communication with a local German speaking representative on legal issues. However, as Apple has submitted and Ona has not disputed, the department where Apple's technical experts are located is in the USA, where the company language is English. Therefore, such coordination by the in-house lawyer still does not eliminate the need for translation of Statements from German to English (and vice versa for Apple's Statements) in order to obtain technical input from Apple employees with the relevant technical expertise, that is typically required in patent cases. These internal technical experts would still need translations to the Statements and provide their input to Apple's representative, either through the in-house lawyer or directly. The same applies to strategic coordination, which, as has also remained uncontested, is typically conducted by the headquarter company Apple Inc., which is situated in the USA.

27. The President CFI failed to take these circumstances into account in this specific case, even though the internal working language, the possibility of internal coordination and of support on technical issues only accessible in a location within the corporate group where the working language was English, were – rightly - taken into account as relevant circumstances in **the Order of 30 May 2024 (App_22729/2024; UPC_CFI_26/2024).**

28. From the above it follows that there is a clear disadvantage for Apple if the language of the proceedings is different from its company language, as it needs translations to properly prepare its Statements and hearing(s). The fact that Apple filed applications related to the main action in the German language does not imply that Apple is unaffected by the disadvantages associated with the use of the German language. Apple does not have the choice to lodge these in English.

29. On the other hand, Ona faces no such burden, because no translations would be required for Ona at all if the language of the proceedings were English. According to Ona, only its managing director is involved in the legal proceedings (both internally and externally). As stated by Ona (para. 20 Statement of response), it decided to conduct the proceedings in German on the basis of the language skills of its managing director. However, it is undisputed that he is proficient in both English and German, making the choice of language merely one of convenience. As previously mentioned and as Ona itself acknowledged (para. 34 Response in proceedings at first instance) this is not a relevant criterion under **Art. 49(5) UPCA**. The President CFI failed to recognise this in the impugned order.

30. The fact that other proceedings between the parties are pending before a national German court, as Ona submits, does not relate to the dispute, nor to the parties involved, and is therefore of less relevance. The President CFI therefore erred in giving considerable weight to these other pending proceedings between the parties.

31. The same applies to the financial recourses of Apple compared to those of Ona. It is not decisive in this case that Apple is a very large company with many subsidiaries worldwide, including Germany, and that Ona considers itself to be an SME. For Apple – if the language is not changed - the need for translations is not only a financial burden, but also a disadvantage in view of strict time limits that must be met. For Ona there is no need for translations, whether the language of the proceedings is German or English, and therefore it would not incur any translation costs due to a change of the language of proceedings.

32. Ona's argument that a language change should not be ordered at this stage of the proceedings, as it is already preparing its Statement of reply, must be dismissed. **R.323 RoP** foresees that a request can be made by the defendant in its Statement of defence, thus at a stage when the Statement of reply is being prepared. A change in the language of proceedings at that stage cannot therefore be considered unreasonable.

33. The Court of Appeal has consulted the panel of the Local Division by way of analogy with **R.323.3 RoP**. The Local Division has not indicated that a change of language would cause undue delays at this stage of the proceedings.

34. The language skills of the judges of the Local Division seized is, contrary to Ona's submission, not a relevant circumstance here.

35. On the basis of the relevant circumstances the President CFI could not have reasonably concluded that changing the language of proceedings from German to English would represent a significant drawback for the claimant, while offering only a slight advantage to the defendants. In fact, Ona does not face any disadvantage if the language is changed to English, while not changing the language poses a considerable disadvantage for Apple. Fairness therefore requires that English shall be used as the language of the proceedings.

36. In contrast to what Ona is suggesting, this decision does not mean that a claimant's right to choose the language of proceedings is without value. This right should be exercised in such a way that it is not unfair for the defendant. In evaluating the fairness of a choice, the language of the patent is not decisive, but remains an important factor when weighing up all relevant circumstances. In this balancing exercise, it is taken into account that, as a general rule, using the language of the patent as the language of the proceedings cannot be considered unfair to a claimant, since a patent owner should anticipate and be prepared to litigate its patent in

the language in which it was granted. This principle applies equally in situations where the patent was acquired after grant, in particular in cases where a special purpose company set up by external funders acquired the patent specifically with a view to engaging in global patent enforcement, as is the case here.

37. The Court of Appeal reached its decision on the basis of the facts and circumstances relied on by the parties during the proceedings before the President CFI and based on undisputed facts. Therefore, there is no need to consider whether Apple should be permitted to rely on facts and circumstances other than those raised before the Court of First Instance.

38. In conclusion, the appeal is well-founded and the order of the President CFI must be set aside. The Court of Appeal shall order that English be used as the language of the proceedings.

ORDER

The language of the proceedings shall be English.

Issued on 18 September 2024

Rian Kalden, Presiding judge and judge rapporteur

Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge
