UPC Court of Appeal, 11 December 2024, Magna v Valeo



PATENT LAW – PROCEDURAL LAW

Suspension of provisional injunction to cover PI carveout for BMW supplies

The effect of the <u>impugned order</u> suspended insofar as the injunction covers the BMW 2 Series Gran Coupé car model (<u>Article 74 UPCA, R. 223 RoP</u>)

• From the Statements lodged by Magna it was therefore already clear that there were six car models already on the market or soon to be introduced on the market that were fitted with the attacked embodiment.

17. There is no valid reason given or apparent why the 2-series Grand Coupé model should be excluded from the list of car models that were exempted from the injunction due to proportionality considerations. These considerations apply equally to that car model about to be introduced to the market.

18. The Court at First Instance could and should have deducted from the above mentioned documents – and if uncertain in the alternative should have asked Magna at the hearing which models should be included if such a list with exempted car models was going to be drawn up, and would thus have learned – that also the 2-series Grand Coupé should be on that list.

• For that same reason it was obviously wrong not to correct the impugned order by adding the 2-series Grand Coupé to the list of exempted cars.

20. For this reason, the Court of Appeal is of the opinion that the order must remain suspended insofar as the injunction covers the 2-series Grand Coupé car model

Source: Unified Patent Court

UPC Court of Appeal,

(Kalden, Simonsson, Rombach, Meewisse, Tilmann) UPC_CoA_719/2024

App_62076/2024

ORDER

of the Court of Appeal of the Unified Patent Court issued on 11 December 2024

concerning an application for suspensive effect (<u>R.223.4</u> <u>RoP</u>)

APPLICANTS AND DEFENDANTS IN THE MAIN PROCEEDINGS BEFORE THE CFI

1. Magna PT B.V. & Co. KG, Untergruppenbach, Germany

2. Magna PT s.r.o., Kechnec, Slovak Republic

3. Magna International France, SARL, Biévres,

France

hereinafter jointly referred to as "Magna"

all represented by:

Klaus Haft, Attorney-at-law, Hoyng ROKH Monegier, Düsseldorf, Germany

Sabine Agé, Caroline Levesque, Lonni Bas, Laurène Borey, Attorneys-at-laws, Hoyng ROKH Monegier, Paris, France

Sebastian Kratzer, Sven Krause, Max von Leitner, Elisa In den Birken, Chiara Prinz, Attorneys-at-laws, Hoyng, ROKH, Monegier, Düsseldorf, Germany

Dr. Wolfgang Kellenter, Dr. Matthias Rothkopf, David Rüther, Nina Mackenstedt, Attorneys-at-laws Hengeler Mueller, Düsseldorf, Germany

RESPONDENT AND APPLICANT IN THE MAIN PROCEEDINGS BEFORE THE CFI

Valeo Electrification, Cergy, France

hereinafter also referred to as "Valeo"

represented by: Tilmann Felix Roediger, Jonas Smeets and Fabian Saupe, Attorneys-at-law, Bird & Bird LLP, Düsseldorf, Germany

PATENT AT ISSUE

EP 3 320 602

LANGUAGE OF THE PROCEEDINGS English

DECIDING JUDGES

This order was issued by panel 2

Rian Kalden, presiding judge and judge-rapporteur Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge

Jeroen Meewisse, technically qualified judge

Max Tilmann, technically qualified judge

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

□ ORD_56545/2024 in the main proceedings concerning provisional measures in ACT_37931/2024 <u>UPC_CFI_347/2024 issued by the Local Division</u> Düsseldorf on 31 October 2024

□ ORD_60265/2024 in the main proceedings concerning the App_59991/2024 UPC_CFI_347/2024_issued by the Local Division Düsseldorf on 20 November 2024 FACTS AND PARTY'S REQUEST

1. In the **impugned order of 31 October 2024**, the Court of First Instance, Düsseldorf Local Division, issued a preliminary injunction against Magna but exempted thereof Magna's supply obligations of the accused embodiments I and II (existing on 8 October 2024) regarding 5 BMW models listed in the order.

2. On 6 November 2024, Magna filed an application for rectification of the impugned order under **R.353 UPC Rules of Procedure** (RoP) arguing, insofar as relevant in the context of this order, that there is an obvious slip in the list because the impugned order intended to list all BMW models currently equipped with the accused embodiments for which delivery obligations existed on 8 October 2024 but forgot to mention the "BMW 2 Series Gran Coupé" model.

3. On 14 November 2024, Magna filed an appeal from the impugned order (APL_60971/2024). It also filed an application for suspensive effect regarding the

impugned order insofar as the exception to the injunction issued therein does not include the "BMW 2 Series Gran Coupé" model.

4. On <u>the same day, the Standing Judge of the Court</u> of <u>Appeal issued a respective order</u> with effect until the Court of First Instance has decided on the application for rectification.

5. On 20 November 2024, the Court of First Instance, Düsseldorf Local Division, dismissed the application for rectification of the impugned order. The Court essentially stated that there is no obvious slip as the model "2 Series Gran Coupé" was not introduced into the preliminary injunction proceedings by Magna. In these proceedings Magna in its submissions explicitly only referred to the 5 BMW models listed in the impugned order. Insofar as Magna referred to the "2 Series" in general, it did, until the end of the oral hearing, neither dispute Valeo's understanding that this meant the "2 Series Active Tourer", nor did it mention model "2 Series Gran Coupé" or link the internal vehicle code of the model mentioned in exhibit HRM 24a to the model. 6. On the same day, Magna filed again an application for suspensive effect.

7. Magna objects the reasoning of the Court of First Instance in its <u>order of 20 November 2024</u> that the model "BMW 2 Series Gran Coupé" was not introduced as such and the internal vehicle code "F74" was not linked to it by stating that the Court of First Instance never indicated that it wanted to include a list of exempted models in its order. Respectively, the significance of Manga's list and BMW specific vehicle codes or model names never came up. Magna also argues that the preliminary injunction as issued in the impugned order is based on the Court of First Instance's own reasoning which is too broad and needs to be limited by way of extending the exemption to the model "BMW 2 Series Gran Coupé". Valeo has served the enforcement security on 13 November 2024.

8. Magna asked the standing Judge of the Court of Appeal to order that the appeal shall have suspensive effect

- 1) to the extent that the order prohibits Magna from supplying the accused embodiments I and II towards their customer BMW within the framework and the scope of the existing delivery obligation (status 8 October 2024) for model "BMW 2 Series Gran Coupé" or, in the alternative,
- 2) asset out under 1), at least until the panel of the Court of Appeal responsible and competent to decide on this application has reviewed the application and issued an order to the contrary.

9. The standing judge in the <u>order of 21 November</u> 2024 ordered that the effect of the impugned order remains suspended as decided in the <u>order of 14</u> <u>November 2024</u>, until the Court of Appeal has decided on Magna's request to suspend the effect of the impugned order.

10. Valeo was given the opportunity to respond on Magna's request for suspensive effect, which it did on 29 November 2024.

11. Magna has responded to these comments on 2 December 2024. The Court of Appeal has only taken notice of this further response insofar as the exhibits referred to in the Application of 20 November 2024 were further identified.

REASONS

12. The BMW 2 Series Gran Coupé (F74) was already mentioned in par. 297 of Magna's Objection. There it was stated that "Beside the MINI Countryman application (U25), further vehicle applications have been adopted for customer BMW with Magna 48V system, i.e. BMW vehicles F70 ("1-series") and F74 ("2-series") in a total of 8 variants. Necessary development and testing / verification effort for the HDT equipping these other vehicles would also take approximately 2 years, which would not match the planned respective SOP in 2024 or March 2025."

13. Par. 1 of the affidavit and written witness statement of Alexander Strube (Exh. 18a) states: "MAGNA PT has developed and launched 48V systems for the hybridized dual clutch transmission (HDT) besides others for the BMW MINI Countryman (U25). Several other BMW vehicles(e.g. vehicles F70 ("1-series") and F74 ("2series")) in a total of 8 variants are in launch phase or will be launched until latest Q1 2025."

14. In Par. 5 of the second affidavit and written witness statement of Alexander Strube (Exh. 24a) it is stated: "Besides known vehicle codes (e.g. U06, U25, U11), entirely new BMW vehicles with new vehicle codes (e.g. F70, F74) are part of these applications using the Magna 48V mild hybrid system."

15. Exhibit 24d sets out the projected quantities annual production of BMW vehicles with the Magna 48V system for the EU market for 2025, stating both the BMW internal codes F70, F74, U25, U11, U12 and U10 as well as the model names 1-series, 2-series Active Tourer, 2-series Grand Coupé, Countryman, X1 and X2. 16. From the Statements lodged by Magna it was therefore already clear that there were six car models already on the market or soon to be introduced on the market that were fitted with the attacked embodiment. 17. There is no valid reason given or apparent why the

2-series Grand Coupé model should be excluded from the list of car models that were exempted from the injunction due to proportionality considerations. These considerations apply equally to that car model about to be introduced to the market.

18. The Court at First Instance could and should have deducted from the above mentioned documents – and if uncertain in the alternative should have asked Magna at the hearing which models should be included if such a list with exempted car models was going to be drawn up, and would thus have learned – that also the 2-series Grand Coupé should be on that list.

19. For that same reason it was obviously wrong not to correct the <u>impugned order</u> by adding the 2-series Grand Coupé to the list of exempted cars.

20. For this reason, the Court of Appeal is of the opinion that the order must remain suspended insofar as the injunction covers the 2-series Grand Coupé car model. ORDER The effect of <u>the impugned order</u> insofar as the injunction covers the BMW 2 Series Gran Coupé car model is suspended until the Court of Appeal has decided on Magna's appeal against the impugned order pending under APL_60971.

Issued on 11 December 2024

NAMES AND SIGNATURES

Rian Kalden, presiding judge and judge-rapporteur Ingeborg Simonsson, legally qualified judge Patricia Rombach, legally qualified judge Jeroen Meewisse, technically qualified judge Max Tilmann, technically qualified judge
