

Splitting proceedings in respect of multiple defendants in different jurisdictions

Panasonic Holdings Corporation v Xiaomi Inc et al UPC_CFI_218/2023, 219/2023 and 223/2023

Orders of 6 May 2024[1]

Panasonic has sued multiple defendants from the Xiaomi group of companies for patent infringement in the UPC local division in Mannheim. Three patents are asserted, EP 3096315, EP 2568724, and EP 2207270, in three parallel actions.

The service of the statement of claim on the defendants located within the EU has already taken place. In respect of those defendants, the time period for filing their defence is already running. However, the first named defendant Xiaomi Inc is located in China, as are two other defendants, and the seventh named defendant, Xiaomi H.K. Limited, is located in Hong Kong. Service on those defendants must be carried out under the Hague Convention on service and can take many months. Those defendants have not yet been served, and the time period for filing their defence has not yet started.

Panasonic had previously requested that the Chinese and Hong Kong defendants be deemed served by service on the German company in the group, but this was refused, and Panasonic was ordered to supply the documents required for service under Hague Convention, in particular, translations.[2]

As can be envisaged, running a single infringement proceedings with markedly different timelines for different defendants is quite a challenge. For the first time of which we are aware, the UPC has addressed this by the judge-rapporteur ordering of his own motion

that the proceedings be split, with the existing action continuing with the defendants that have been served, while requiring two new procedures to be created in the case management system in respect of the Chinese defendants, on the one hand, and the Hong Kong defendant, on the other. Should Panasonic wish to pursue the case against those defendants, a further court fee (including value based fee) will need to be paid in respect of each of the two new actions.

However, the judge-rapporteur has indicated that the provisional valuation of the further cases is lower than was originally declared for all the defendants together (€ 4 million), namely € 1.2 million for the Chinese defendants together and € 400,000 for the Hong Kong defendant, so the further court fees due will be a little lower than those already paid.

The judge-rapporteur has issued three identical orders to this effect, one in respect of each of the patents being asserted, Panasonic having filed a separate infringement action in relation to each patent. Therefore should all three actions be continued against both the Chinese and Hong Kong defendants, six additional cases and six additional court fees will be needed.

It will be interesting to see whether this solution to the service problem is generally adopted by the UPC, and in particular other divisions. Patentees may be better advised to commence separate actions from the outset against defendants for whom service is expected to be slow.

[1] <https://www.unified-patent-court.org/en/node/696>, <https://www.unified-patent-court.org/en/node/697> and <https://www.unified-patent-court.org/en/node/698>

[2] <https://eipamar.com/en/knowledge-hub/article/service-on-defendants-outside-the-jurisdiction/>