

EIP

Variable Views on Confidentiality

In recent months the Local Divisions of Mannheim, Paris and Düsseldorf have given guidance on access to confidential material. These judgments address the procedure for protecting confidential material a party wishes to rely upon, but reach varying conclusions on the requirement for a natural person from a party to access that information.

Panasonic Holding Corporation v. Guangdong OPPO Mobile Telecommunications Corp. Ltd., OROPE Germany GmbH (UPC_CFI_210/2023): Order of 14 February 2024[1]

Starting with the decision of the Mannheim Local Division, where the court set out in detail the procedure to be followed if a party wishes to rely on information they seek to keep confidential referring to this as the “Confidentiality Regime”.

The Confidentiality Regime expands upon the steps required by Rule 262A to protect confidential information, and full details are set out in the Mannheim Division’s decision at paragraphs 1-13. These details do assist somewhat in interpreting Rule 262A, although are not fully clear in parts. In summary the specified steps for protecting confidential information are said to be as follows:

1. The party's representative uploads a document displaying confidential information to the court via the Case Management System (“CMS”), marking it as confidential if necessary. Initially, only the court can access this document. A redacted version of the same document can also be uploaded.
2. A separate “related proceeding” workflow is created on the CMS where the party/applicant makes the application to maintain the confidentiality status of the confidential document. The court reviews the confidentiality application in this workflow.

3. If the court intends not to allow the maintenance of confidentiality in full or in part, they will hear from the applicant in advance of their final decision. The court may also issue a preliminary protective order, granting the opposing party's representative (but not the party itself) access to the unredacted version solely for the purposes of commenting on the confidentiality application.
4. If needed, the opposing party's representative may consult with named others before commenting on the document's confidentiality. However, the applicant is given a chance to comment on those to be consulted before that is permitted.
5. The court will then make a final decision on the document's confidentiality. If the confidentiality application is approved, the document remains confidential; if denied, the applicant decides whether to submit it for use in the action or keep it out of the proceedings.

If the document is deemed confidential, the terms of the confidentiality protection will then need to be addressed.

The Mannheim Local Division also stated that parties should be able to make the initial upload of confidential documents to the Case Management System without the need for a court order or consent of parties whose confidential information was contained within those documents. This statement will be of particular relevance to parties who may seek to rely on confidential licence agreements as it strives to overrule the commonly found licence term which states that licence agreements cannot be produced in proceedings without a court order.

Novawell v. C-Kore Systems Limited (UPC_CFI_397/2023): Order of 26 March 2024[2]

This Paris Local Division decision in the Novawell action arose as a result of documents being seized following a saisie order and both parties agreeing that such documents contained confidential trade secrets. Following a request from C-Kore for a determination of the confidentiality club detailing who were able to view these confidential documents, the Court invited both parties to provide:

“a list of persons for the composition of the confidentiality club according to Rule 262A.6 RoP, on the protection of confidential information: “at least one natural person from each party, and the respective lawyers or other representatives of those parties to the legal proceeding”.”

In response, both parties submitted a list of external legal representatives alone. Neither party requested that a “natural person”, i.e. an in house representative, be in the confidentiality club.

The Paris Local Division considered the application of paragraph 6 of Rule 262A specifically making provision for “at least one natural person” in these circumstances where no “natural person” had been requested by the parties. They concluded that in the instance where there was both no impact on a fair trial and mutual agreement by the parties on the persons who should access the information, then the Rule 262A.6 “natural person” requirement need not be met.

Fujifilm Corporation v. Kodak GmbH, Kodak Graphic Communications GmbH, Kodak Holding GmbH (UPC_CFI_355/2023): Order of 27 March 2024[3]

Following an application made by Kodak under Rule 262A, the Düsseldorf Local Division considered the scope of protection for confidential business and research information in Kodak’s defence to the alleged patent infringement.

Kodak’s proposal was that only a maximum of three “natural persons” who necessarily needed to see the confidential information should have access. They further requested a five-year patent prosecution and research restriction for those accessing the information, along with strict access and document destruction provisions.

In response, following the court’s preliminary decision that the information warranted confidentiality protection, Fujifilm’s external legal representatives were granted access to the information and subsequently argued that it was not sufficiently confidential to justify the level of restriction sought by Kodak and therefore applied for a minimum of nine named natural persons plus prospective instructed experts to be able to view the information without the further impositions on those persons who access the information.

In their final decision, the Düsseldorf Local Division stressed the importance of a “natural person” having access to confidential information as required by paragraph 6 of Rule 262A and went as far as to state:

“the arguments of the defendants referring to a deviating national practice in the Netherlands allowing for attorneys’ eyes-only confidentiality clubs on the basis of the Dutch Code of Civil Procedure are bound to fail as this procedural law is inapplicable here and counter to the sources of law to be respected by the UPC as construed by the panel”

The Local Division also evaluated the significance of the confidential information to the current dispute and the specificity of Kodak’s supporting information for its confidentiality application. Initially, Kodak’s reasons for seeking confidentiality protection were deemed insufficient. However, Kodak later provided more detailed explanations for each redaction sought. The court emphasised that general points, like the competitive relationship

between the parties, were insufficient. Applicants must provide detailed and concrete explanations for each redaction's necessity for confidentiality. This guidance should be considered by future applicants under Rule 262A, along with the Mannheim Local Division's advice in the referenced Panasonic case.

After weighing the right to a fair trial against the need to protect confidential information, the Local Division decided that five Fujifilm individuals should access the confidential information (as Kodak had not specifically objected to these individuals). The court declined to impose additional restrictions on these individuals regarding their future activities in patent prosecution, research and competition. An appeal against this decision has been permitted.

Conclusion

While these decisions provide some clarity on the procedure for seeking confidentiality protection, it is evident that in these early months of the UPC the Local Divisions differ in their views on access to confidential information and the protection to be afforded to it.

Written by Catherine Howell.

[1] <https://www.unified-patent-court.org/en/node/569>

[2] <https://www.unified-patent-court.org/en/node/628>

[3] <https://www.unified-patent-court.org/en/node/623>