Unified Patent Court
Einheitliches Patentgericht
Juridiction unifiée du brevet

Düsseldorf Local Division
UPC_CFI_347/2024

Order
of the Court of First Instance of the Unified Patent Court
delivered on 31 October 2024
concerning EP 3 320 602 B1

Headnotes:

1. In case of European Patents, the material proprietor is deemed to be the patent proprietor for the purposes of proceedings before the UPC. However, if the patent proprietor is registered in the European Patent Register or in the national register(s), it may initially rely on a rebuttable presumption (R. 8.5 (c) RoP). This rebuttable presumption attached to the registered patent is a strong presumption which can only be rebutted in PI proceedings if the title is manifestly erroneous.

2. If the defendant claims that the applicant is not acting in good faith because the applicant has unlawfully appropriated the patent in suit to its detriment, this cannot be taken into account in favour of the defendant in the weighing of interests if the defendant has failed to bring a vindication action in due time before the national courts.

3. In answering the question of whether the patent in suit is more likely to be invalid than not, no conclusions can be drawn from the general revocation rates of patents. Only relevant is the patent in suit.

4. Whether a delay is unreasonable within the meaning of R. 211.4 RoP depends on the circumstances of the individual case. There is no fixed deadline by which the applicant must submit its application for provisional measures. The question is always whether the applicant's conduct as a whole justifies the conclusion that the enforcement of its rights is not urgent.

Keywords:

Application for provisional measures; entitlement; rebuttable presumption; good faith; weighing of interests; urgency; preliminary injunction; exceptional damage

APPLICANT:

Valeo Electrification, represented by the President Thierry Kalanquin, 14 avenue des Béguines, 95800 Cergy, France

Represented by:	Attorney-at-law Felix Rödiger, Attorney-at-law Jonas Smeets, Attorney-at-law Fabian Saupe, Bird & Bird LLP, Carl-Theodor-Straße 6, 40213 Düsseldorf, Germany
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Contributing European patent attorneys:	Nicolas Cardon, Amandine Ricard, Florian Saadi, Valeo Electrification, Cergy, France

DEFENDANTS:

1. **Magna PT B.V. & Co. KG,** represented by its general partner, Magna PT Management B.V., which is jointly represented by the managing directors Thomas Klett and Sandro Gildo Morandini, Herrmann-Hagenmeyer-Str. 1, 74199 Untergruppenbach, Germany

2. **Magna PT s.r.o.,** represented by its managing directors Martin Hluchý und Katarína Vaškovičová, Perinska cesta 282, Kechnec 044 58, Slovakia

3. **Magna International France, SARL,** represented by its managing directors Thierry Servouse and Franz Trummer, 4 route de Gisy Bâtiment 26, Biévres 91570, France

All Defendants represented by:	Attorney-at-law Klaus Haft, Attorney-at-law Sabine Agé, Attorney-at-law Sebastian Kratzer, Hoyng, ROKH, Monegier, Steinstraße 20, 40213 Düsseldorf, Germany
Collaboratoring attorney:	Attorney-at-law Dr Wolfgang Kellenter, Hengeler Müller, Benrather Straße 18-20, 40213 Düsseldorf, Germany
Collaboratoring European Patent attorney:	European Patent Attorney Jan Ackermann, European Patent Attorney Felipe von Heereman, European Patent Attorney Dr Margarete Rittstieg, Cohausz & Florack, Bleichstraße 14, 40211 Düsseldorf, Germany

PATENT IN SUIT:

EUROPEAN PATENT NO EP 3 320 602 B1

PANEL/DIVISION:

Panel of the Local Division in Düsseldorf

DECIDING JUDGES:

This order was issued by Presiding Judge Ronny Thomas acting as judge-rapporteur, by the legally qualified judge Dr Bérénice Thom, the legally qualified judge Mélanie Bessaud and the technically qualified judge Alessandro Sanchini.

LANGUAGE OF THE PROCEEDINGS: English

SUBJECT: R. 209.1 RoP – Application for provisional measures

DATE OF ORAL HEARING: 8 October 2024

SUMMARY OF THE FACTS:

By way of an Application for provisional measures, the Applicant seeks an injunction and provisional measures against the Defendants in respect of an alleged infringement of EP 3 320 602 B1 (thereinafter: the patent in suit).

The patent in suit was filed on 7 July 2016 under the application number 16745795.1 in French language. It claims the priority of the French patent FR 1556541 (10 July 2015). The grant of the patent in suit was published by the European Patent office in the Patent Bulletin on 24 August 2022. At this point of time, the patent in suit is in force in the Federal Republic of Germany, the French Republic and the Slovak Republic. No opposition was filed against the grant and the patent in suit has not yet been subject of proceedings before the UPC or any other national courts.

On 2 August 2024, the Applicant filed an infringement action against the Defendants at the Düsseldorf Local Division (ACT_44727/2024, UPC_459/2024) with respect to the patent in suit. With regard to the French part of the patent in suit, Defendant 1) filed a vindication action before the Paris Court of First Instance on 22 August 2024 (see Exhibits HRM 21a-1 – 21a-71). Furthermore, on 4 October 2024, Magna Automotive Holding (Germany) GmbH filed a revocation action at the Central Division in Paris (ACT_54334/2024, UPC_CFI_580/2024) seeking revocation of the patent in suit with effect in France and Germany.

Since 1 June 2024, the Applicant has been operating under the name Valeo Electrification with its registered address of business in Cergy, France. Valeo Equipements Electriques Moteur SAS, the former registered assignee of the patent in suit, was merged into Valeo Systèmes de Controle Moteur in a first step on 31 May 2024. Subsequently, Valeo Systèmes de Controle Moteur was renamed to Valeo Electrification, the current name of the Applicant.

The patent in suit is titled “Machine electrique tournante munie d’un reservoir de lubrifiant pour la lubrification d’un roulement et le refroidissement de la machine” (“Rotary electric machine provided with a reservoir of lubricant for lubricating a rolling bear and for cooling the machine”). Its patent claims 1, 2, 6 and 13 read in the decisive French version as follows:

Claim 1:

“Machine électrique tournante (10), comportant,

- un stator (11),
- un rotor (12),
- un carter (16),

- un arbre (13), et
- au moins un roulement (38) monté entre ledit carter (16) et ledit arbre (13),

le carter (16) comportant un réservoir (88) configuré pour recevoir un lubrifiant destiné à la lubrification dudit roulement (38),

la machine (10) comportant un circuit de refroidissement (68) agencé pour permettre l'écoulement d'un liquide de refroidissement, par exemple une huile, pour refroidir le stator (11) et/ou le rotor (12),

ledit réservoir (88) étant délimité par un fond (89), un premier rebord (91) formé dans ledit carter (16) et un deuxième rebord formé par une bague externe dudit roulement (38)."

Claim 2:

"Machine électrique tournante selon la revendication 1, **caractérisée en ce que** ledit réservoir (88) est configuré de façon à favoriser un écoulement d'un surplus de lubrifiant en direction dudit roulement (38) lorsque ledit réservoir (88) est plein, **en ce que** le premier rebord (91) est configuré pour permettre l'écoulement du lubrifiant depuis le réservoir 88 vers le roulement 38, par gravité."

Claim 6:

"Machine électrique tournante selon l'une quelconque des revendications 1 à 5, **caractérisée en ce que** ledit arbre (13) comporte au moins une sortie de lubrifiant agencée pour remplir ledit réservoir (88)."

Claim 13:

"Ensemble **caractérisé en ce qu**'il comporte une enveloppe (21) d'un élément hôte (20) et une machine électrique tournante (10) telle que définie selon l'une quelconque des revendications précédentes insérée dans ladite enveloppe (21)."

In the registered English version, the aforementioned claims read as follows:

Claim 1:

"Rotary electric machine (10) having:

- a stator (11),
- a rotor (12),
- a casing (16),
- a shaft (13), and
- at least one rolling bearing (38) mounted between said casing (16) and said shaft (13),

the casing (16) having a reservoir (88) configured to receive a lubricant intended to lubricate said rolling bearing (38), the machine (10) having a cooling circuit (68) designed to allow the flow of a cooling liquid, for example an oil, for cooling the stator (11) and/or the rotor (12), said reservoir (88) being delimited by a base (89), a first rim (91) formed in said casing (16)

and a second rim formed by an external ring of said rolling bearing (38)."

Claim 2:

"Rotary electric machine according to Claim 1, **characterized in that** said reservoir (88) is configured so as to promote a flow of a surplus of lubricant in the direction of said rolling bearing (38) when said reservoir (88) is full, **in that** the first rim (91) is configured to allow the flow of the lubricant from the reservoir (88) towards the rolling bearing (38) by gravity."

Claim 6:

"Rotary electric machine according to any one of Claims 1 to 5, **characterized in that** said shaft (13) has at least one lubricant outlet designed to fill said reservoir (88)."

Claim 13:

"Assembly **characterized in that** it has an enclosure (21) of a host element (20) and a rotary electric machine (10) as defined in any one of the preceding claims inserted into said enclosure."

The following scaled-down figures, taken from the patent in suit, illustrate the invention. According to the description of the patent in suit, Figure 1 is a longitudinal sectional view of a rotary electric machine according to the present invention:

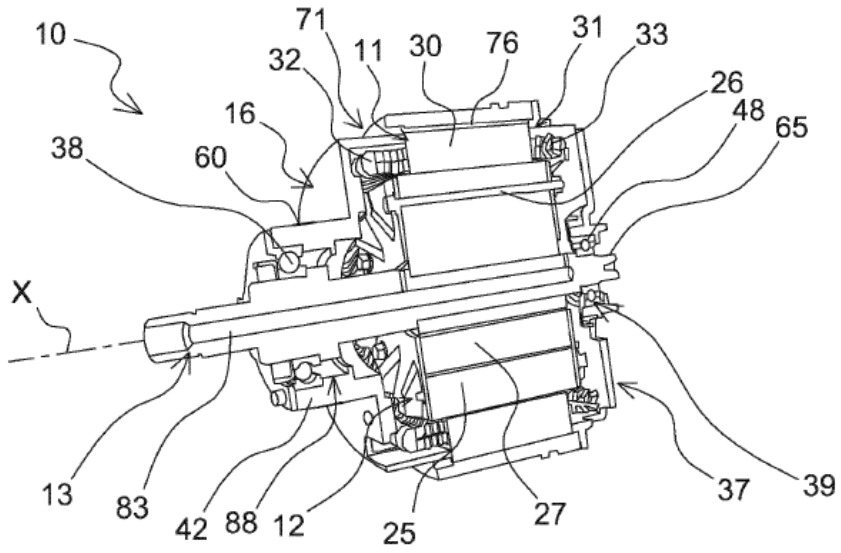


Fig.1

Figure 2 is a longitudinal sectional view of such a rotary electric machine without the active parts installed inside the host element:

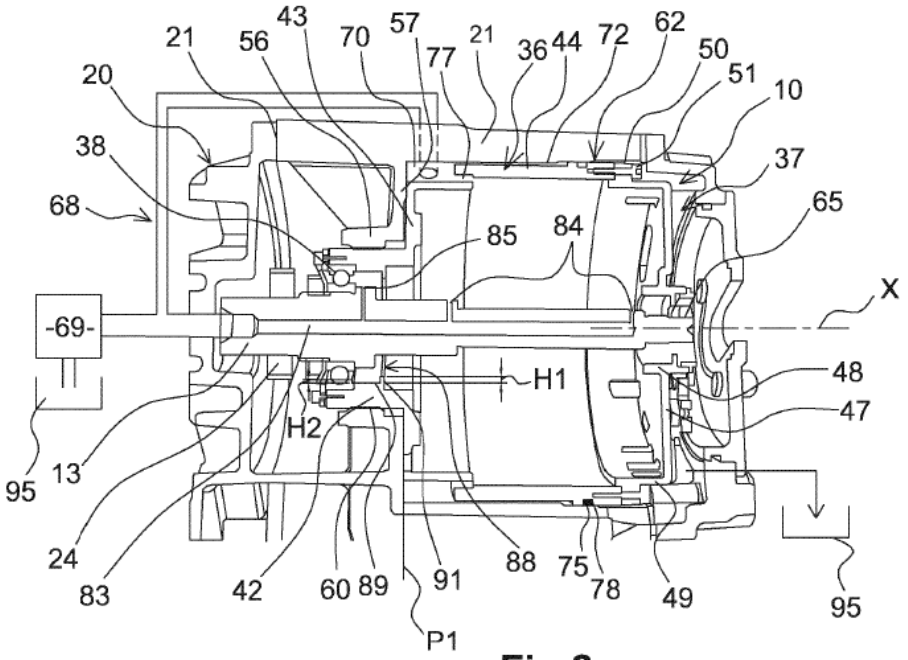
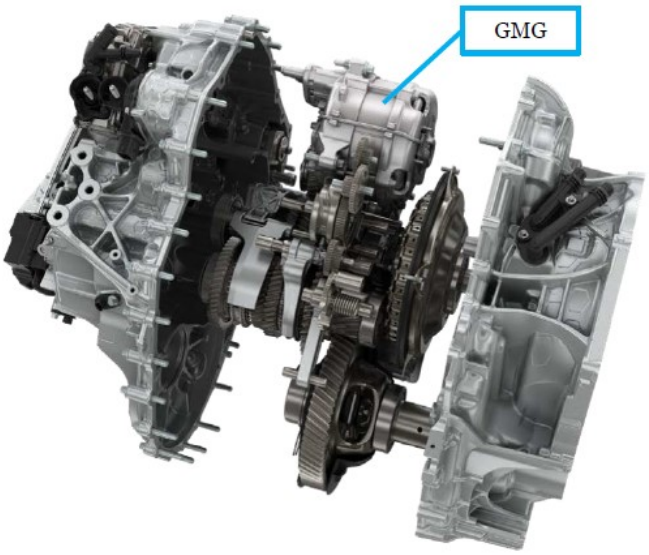


Fig.2

In particular, it can be seen a stator (11) which is carried by a casing (16) configured to support the shaft (13) rotationally. The casing (16) comprises front and rear brackets (36, 37) assembled together. The brackets (36, 37) are hollow in shape and each carry at their centre a ball bearing (38, 39) for the rotational mounting of the shaft (13). Moreover, as can be seen in Figure 2, the electric machine (10) is cooled by means of a cooling circuit (68) arranged to allow, in particular, the flow of a cooling liquid between the casing (16) and the stator body (30), in the direction of the axis X. The shaft (13) includes at least one oil outlet (85) opening opposite a reservoir (88) provided in the casing (16). This reservoir (88) is adapted to receive the cooling liquid which also plays the role of a lubricant to ensure lubrication of the front rolling bearing (38). It is delimited by a base (89), a first rim (91) formed by an annular radial orientation collar which comes from an inner periphery of the nose (42), and a second rim formed by the outer ring of the rolling bearing (38).

The Applicant belongs to the Valeo Group and is, inter alia, a manufacturer of transmissions and transmission components. Defendants belong to the Magna Group and are also manufactures of transmissions and transmission components. The parties have recently become competitors in the field of manufacturing and distributing mild hybrid technologies for motor vehicles, specifically electric motor generators to support conventional drives and for energy recovery. These electric motor generators can be referred to as “gearbox motor generators” (thereinafter: GMGs). GMGs can be integrated into transmissions, in particular the HDTs mentioned above. In the past, the Applicant supplied such GMGs to the Defendants. Defendants 1) and 2) then incorporated the GMGs into the HDTs, and in particular into the hybridised gearbox 7HDT400, and supplied them to the vehicle manufacturer (as a Tier 1 supplier), which installed these HDTs in its vehicles (OEM).

The picture below shows such a 7HDT400 gearbox, manufactured by Defendants 1) and 2):

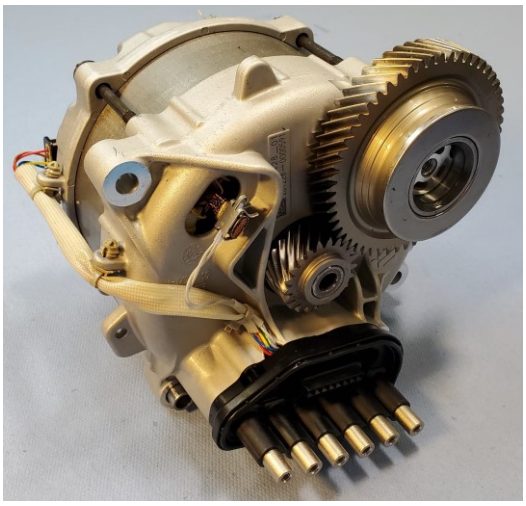


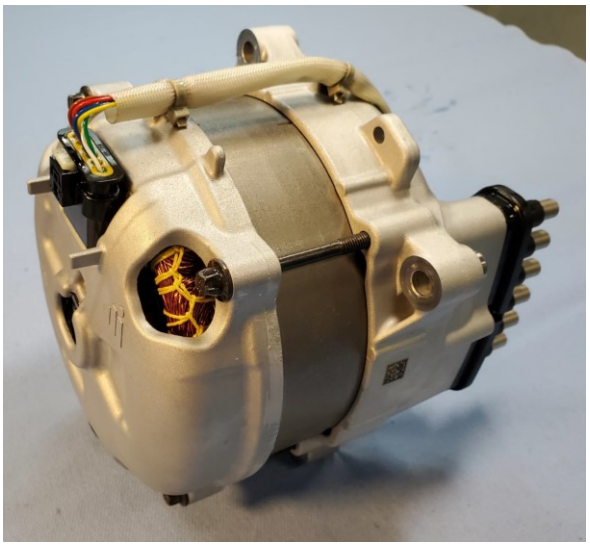
Defendant 1) supplies, among others, its customer BMW with the 7HDT400 gearboxes produced and delivered by Defendants 1) and 2). Among other things, these 7HDT400 gearboxes are installed in the BMW Mini Countryman model. Defendant 3) is a corporate office based in France. Its exact role is in dispute.

The Applicant challenges the offer and distribution of the electric motor generators (GMG), as installed, for example, in the gearbox of the vehicle model BMW Mini Countryman (U25) (OEM market) as well as the replacement parts supplied by the Defendants for the spare parts business (OES market) (hereinafter: challenged embodiment I). In addition, the Applicant challenges the offer and distribution of the 7HDT400 gearbox as an assembly comprising one of the aforementioned electric motor generators (GMG), which is inserted, for example, into the gearbox of the vehicle model BMW Mini Countryman (U25) (OEM market) (hereinafter: challenged embodiment II). Both parts together, for example such electric motor generators (GMG) and such gearboxes containing said electric motor generators (GMG), are the challenged embodiments of the present application for provisional measures.

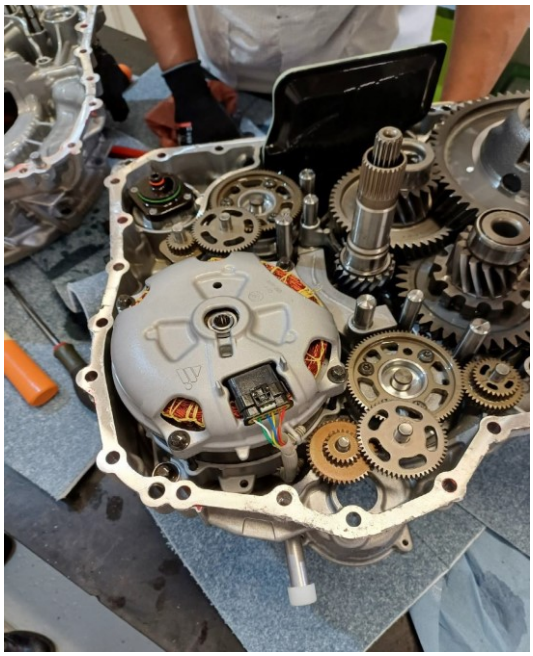
The challenged embodiments are manufactured by Defendant 2) at the production plant in Slovakia, imported into Germany by Defendants 1) and 2) in coordination with BMW and sold there for installation in the BMW Mini Countryman (U 25) model series at the BMW plant in Leipzig.

The following photos show the challenged embodiment I (Magna Gearbox Motor Generator, GMG):





In addition, the following photo shows the GMG inserted in a 7HDT400 gearbox (challenged embodiment II):



INDICATION OF THE PARTIES REQUESTS:

The Applicant finally requests:

I. The Defendants are ordered to refrain from,

in

the Federal Republic of Germany and/or
the French Republic and/or
the Slovak Republic,

making, offering, placing on the market or using, or importing or storing the product for those purposes,

1. rotary electric machines having

- a stator,
- a rotor,
- a casing,
- a shaft, and
- at least one rolling bearing mounted between said casing and said shaft,

the casing having a reservoir configured to receive a lubricant intended to lubricate said rolling bearing,

the machine having a cooling circuit designed to allow the flow of a cooling liquid, for example an oil, for cooling the stator and/or the rotor, said reservoir being delimited by a base, a first rim formed in said casing and a second rim formed by an external ring of said rolling bearing,

wherein said shaft has at least one lubricant outlet designed to fill said reservoir,

(claim 6 of the patent in suit)

in the alternative:

wherein said reservoir is configured so as to promote a flow of a surplus of lubricant in the direction of said rolling bearing when said reservoir is full, in that the first rim is configured to allow the flow of the lubricant from the reservoir towards the rolling bearing by gravity,

(claim 2 of the patent in suit)

2. an assembly that has
a host element with an enclosure and
a rotary electric machine as defined in I. 1. inserted into said enclosure.

(claim 13 of the patent in suit);

II. The Defendants are further ordered to deliver up to a bailiff, appointed by the Applicant, at their own expense, any rotary electrical machines referred to in section I. in stock and/or otherwise held, owned, or in the direct or indirect possession of the Defendants in the Federal Republic of Germany, the French Republic, or the Slovak Republic, within one week after service of this order, and to provide the Applicant's counsel with proper evidence of the full and timely compliance with this order within 10 days after the delivery up to the bailiff, for the purpose of safekeeping, which shall continue until a final decision has been made on the existence of a claim for destruction between the parties or an amicable settlement has been reached (Art. 62(3) UPCA; R.211.1(b) RoP).

III. For each individual case of non-compliance with the orders under I. or II., the respective Defendant must pay a recurring penalty payment of up to EUR 250,000 to the Court (repeatedly if necessary). These penalties will be determined by this Local Division of the court upon request by the Applicant (Art. 63(2) UPCA; R. 354.3 RoP).

IV. The Defendants are ordered, as joint and several debtors, to provisionally bear a share of the costs of the proceedings in the amount of EUR 21,000 until the claim for reimbursement of costs has been finally decided upon, or until an amicable settlement has been reached (Art. 69 UPCA; R. 211.1(d) RoP).

V. The orders are immediately effective and enforceable;

in the alternative:

against the provision of security by Applicant in the amount of 500.000 EUR, whereby the security can be provided in the form of a bank guarantee.

The Defendants request,

1. The application for provisional measures dated 1 July 2024 is refused.

2. Applicant is ordered to pay the costs of the proceedings.

3.a *In the alternative:*

The alleged infringement is allowed to continue subject to the provision of a security of not more than EUR 500.000 by the Defendants within two weeks, whereby the security can be provided in the form of a bank guarantee;

3.b *In the most alternative:*

The enforcement of the order for provisional measures is dependent on the provision of security by Applicant in the amount of at least EUR 2.0 billion, whereby the security can be provided in the form of a bank guarantee.

POINTS AT ISSUE:

In the view of the Defendants, the Applicant is not entitled to commence proceedings because Valeo Equipements Electriques Moteur, which was merged into the Applicant, has unlawfully extracted the subject matter of at least claims 1, 6 and 13 of the patent in suit from an early collaboration between Defendant 1) and the Applicant. According to the Defendants, Defendant 1) proposed to the Applicant the use of oil for the internal cooling of the electrical machine in question, whereas the Applicant so far only used cooling (in particular external cooling) with water or air. Defendant 1) presented the subject matter of the asserted claims to the Applicant as requirements for this project. At least two of the named inventors of the patent in suit participated in this project at that time. Therefore, Defendants assert that Defendant 1) is the true proprietor of the patent in suit, at least as far as claims 1, 6 and 13 are concerned, and the Applicant is therefore not entitled to commence the present proceedings.

Defendants also dispute the infringement of the patent in suit. On the one hand, according to the Defendants, Defendant 3) does not offer or sell Magna products. The company's activities relate to consulting and services for the other Magna International entities. On the other hand, the technical teaching protected by the patent in suit is also not implemented in the challenged embodiment. Feature 7 requires a dedicated supply line to achieve the claimed configuration. Furthermore, feature 9 claims that this is implemented by means of a dedicated lubricant outlet of the shaft (colours and labelling added by the Defendants):

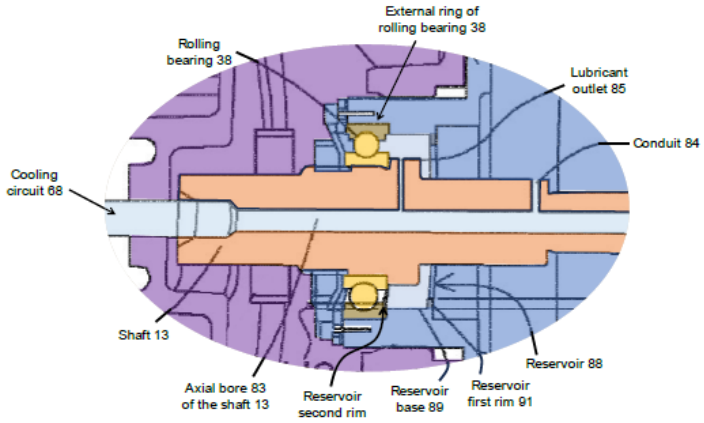
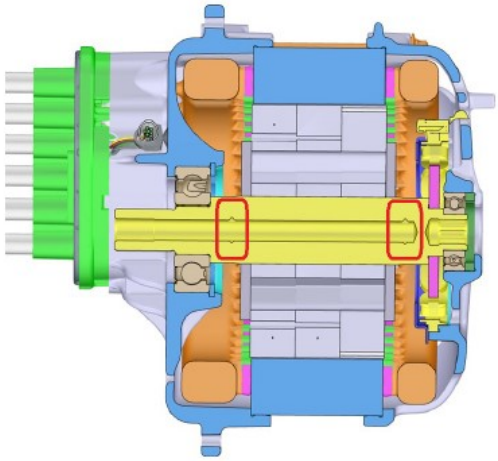
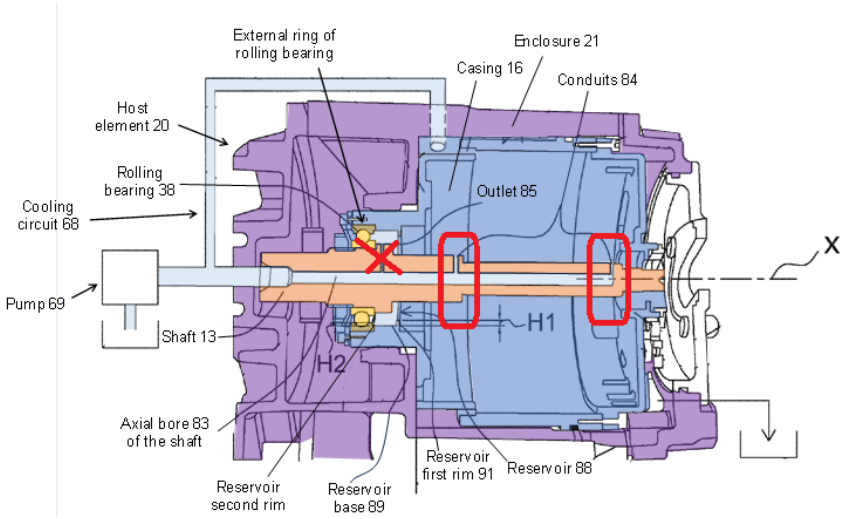


Figure 8 : Detail Fig. 2 of the patent in suit (coloring, labeling added)

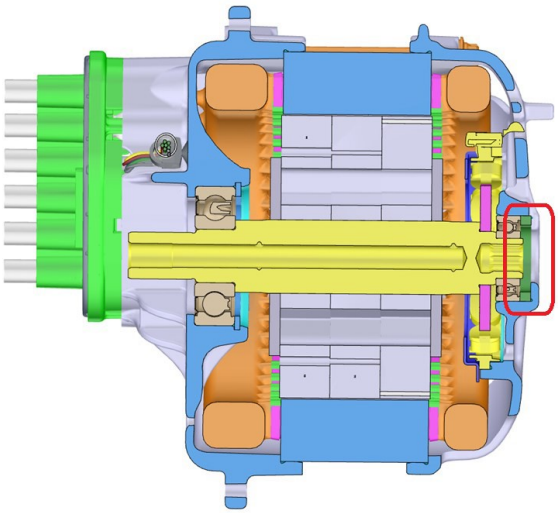
In contrast, the challenged embodiment has no such dedicated supply line in form of a lubricant outlet in the shaft which is designed to fill said reservoir. Instead, oil outlets of the shaft are in different positions, as can be seen in the following cross section of the challenged embodiment (oil outlets framed red):

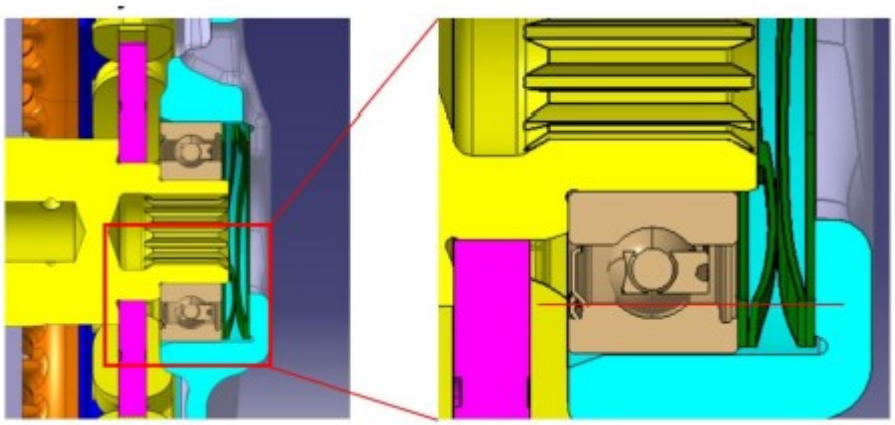


From that position, oil can be supplied to the rotor and the stator, but not, at least not directly, into the alleged reservoir which corresponds to the green ring on the right hand side. Comparing that to Figure 2, this corresponds to only having “conduits 84”, but not “sortie d’huile” (or “outlet”) 85 (colours and labelling added by the Defendants):



Furthermore, there is a “spring ring” (“disc ring”) in the alleged reservoir, which is located at the green-marked position on the right-hand side of the cross-sectional view of the challenged embodiment (framed in red in the following illustration):





When assembled, this “spring ring” is under pressure and exercises a force against both the side wall of the casing and the external ring of the rolling bearing. The spring ring has two circular side parts between which there is a wavy spring element. Thus, if at all, there is a reservoir within the spring ring (= inside the two side parts of the spring ring), with the surface of the side parts of the “spring ring” forming at least part of the first rim and entirely the second rim. Therefore, the Defendants consider that feature 7.1. is also not fulfilled.

Defendants challenge the validity of the patent in suit at least with respect to asserted claims 1, 6 and 13. With regard to the “more likely than not” standard, it must be borne in mind that it is generally more likely than not that a European patent is not valid as granted. Apart from that, in the present case, the Defendants consider that there are strong novelty-destroying prior art documents which unambiguously anticipate the subject matter of claims 1 and 6 and imply or at least render obvious the simple additional feature of placing the rotary electric machine in an enclosure. In particular, the Defendants consider that US 2008/0024020 A1 (D1), US 2007/0273228 A1 (D2) and US 2012/0049669 A1 (D 3) are novelty destroying. Moreover, the Defendants content that the patent in suit is also invalid under Art. 65(2) UPCA with Art. 138(1)(e) EPC, because the Applicant is not entitled to the patent in suit. In their Rejoinder, Defendants have challenged the validity of claim 13 on the basis of lack of inventive step, taking into account combinations of D1/D2 with common general knowledge, with document D4 (US 6 087 744 A1) and document D5 (DE 10 2012 022 453 A1).

The Defendants further argue that the Applicant does not have a legitimate interest that outweighs the Defendants’ interests, taking into account the Applicant’s abusive behaviour, its breach of fiduciary duties and the disproportionality in the light of the potential harm that the granting of an injunction would cause to the Defendants and their customer BMW by threating to stop production of a complex product (a car) based on a single “trivial” patent, as well as the harm which would be caused to numerous completely “innocent” third parties such as other suppliers of BMW, not to mention the harm caused to BMW’s customers.

In addition, Defendants content that the Applicant has unreasonably delayed the filing of the Application for provisional measures. In particular, Defendants assert that the Applicant has been aware that Magna’s e-machine would equip Magna’s HDTs for BMW vehicles since April 2023 and has alleged infringement of its IP rights since June 2023 without establishing the facts, for instance by using its contacts at BMW, requesting disclosure from the Defendant or order for inspection from the UPC or a national Court. Rather, the Applicant has waited until production has started so that it could do as much damage as possible.

Furthermore, in Defendants' view the Applicant failed to establish jurisdiction of the Court for Slovakia.

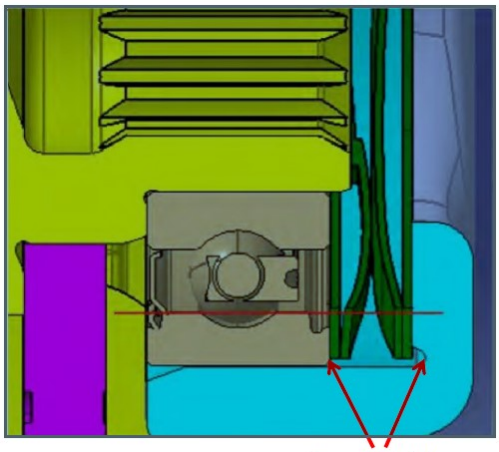
Finally, as a precautionary pleading, the Defendants should at least be allowed to continue allegedly infringing acts subject to the provision of a security of not more than EUR 500.000. As utmost precautionary pleading, the Applicants should in case of an injunction provide adequate security in the amount of EUR 2.0 billion.

The Applicant contested the Defendants arguments.

Contrary to the Defendants' assertion, the patent in suit is not the result of "unlawful extraction". According to the Applicant, the subject matter of the invention of the patent in suit is exclusively and entirely based on an invention made by the Applicant who disputes that Defendant 1) made any contribution to the invention. This is because the invention relating to an oil-cooled machine was made by the Applicant in another project. The Applicant asserts that the patent in suit is the result of developments in the "Essencyele" mild-hybrid R&D program which started already in July 2011.

On the matter of validity, the Applicant contends that the patent in suit is valid and enforceable and withstands all the challenges raised by the Defendants.

With regard to infringement, the Applicant asserts that Defendants 1) and 2) are already involved in the development, production and ultimately sales of the challenged embodiments, while Defendant 3) is involved in supporting said sales of Defendants 1) and 2). Apart from that, Applicant contests Defendants' interpretation of the features relating to the reservoir and the lubricant outlet. Applicant asserts that Defendants present evidence showing that the rims delimiting the reservoir do in fact come into contact with the lubricant regardless of the presence of a spring ring:



Furthermore, the Applicant contents that this spring ring is not technically required to maintain the reservoir: The Applicant's technical understanding is that, should the spring ring be removed, this would not collapse the reservoir. Such an effect would also not result in non-infringement: How the reservoir is created is irrelevant to assess infringement of a product claim as long as the reservoir is created and present in the product. In any event, the presence of a spring ring does, according to the Applicant, not result in non-infringement. The technical purpose of the reservoir is to hold lubricant and allow it to flow into the bearing when it reaches a certain level. The Applicant considers this is the case with the challenged embodiments regardless of the presence of said spring ring, as this technical effect is not prevented by the use of the spring. As far as Defendants

contest infringement of feature 9 on the basis that the patent in suit allegedly differentiates between “conduits 84” and “sortie d’huile 85” (“outlet 85”), the Applicant describes such a distinction as artificial. According to the Applicant, such an interpretation results in an artificial splitting of a coherent technical process. According to the Applicant, there is no technical reason to require a “dedicated” exclusive lubricant outlet to fill the reservoir. With respect to Defendants’ argument that the lubricant outlet in the challenged embodiments is supposedly not “designed” to fill the reservoir, but it is rather the casing, the Applicant emphasises that oil will flow through the outlet and find its way into the reservoir. Therefore, by its function, the outlet is “designed” to cool the stator and the rotor, and fill the reservoir.

As for the order of provisional measures, the Applicant seeks immediate and effective relief to prevent the ongoing and imminent infringement by the Defendants. The Applicant considers that the Defendants’ argument that they and their customers will have to cease production is not supported by any affidavit, nor are any alleged damages substantiated in the Defendants’ affidavits. According to the Applicant, provisional measures are necessary due to the infringement of the patent in suit, both in terms of substance and in time, while the weighing of interest is in the Applicant’s favour. Therefore, the Applicant does not see any legitimate interest of the Defendants in making, offering or placing on the market or using or importing the challenged embodiment or storing it for these purposes in Germany or France, whether with or without providing security. Without a preliminary injunction, Defendants and their customers (OEMs) will continue to utilize the infringing products, thereby causing further damages to the Applicant. Consequently, BMW vehicles will not incorporate the Applicant’s non-infringing product, posing a threat of irreparable harm to the Applicant losing market shares inevitably. Taking a closer look to the Defendants allegations, the harm is not substantiated nor would it be irreparable. Should an injunction be granted, it is possible that BMW may need to re-organise production in a way that disruption of the production does not occur. Further, the end customers (of mild-hybrid cars) may experience a delay in receiving their vehicles. However, ultimately, the vehicles will still be sold, but this time without the inclusion of the challenged embodiment, which, in turn, benefits both BMW and the (commercial) end costumer by avoiding patent infringement of the Applicant’s rights. In such a situation, the Applicant’s interest in enforcing the patent in suit takes precedence.

According to the Applicant, it is ready to re-start production for BMW and in particular for the Mini Countryman, the X1 and the 2 Series Active Tourer at short time frames. Applicant’s GMG device was available for various BMW car models as within the Defendants’ predecessor products of the challenged embodiments and can therefore still be used in such BMW cars. BMW currently has about 36 combustion engine variants for the 1 Series, 2 Series Active Tourer, X1, X2 and the Mini Countryman. Only 17 currently make use of the challenged embodiments, while 11 of these 17 were originally produced by the Applicant and can therefore be delivered by the Applicant. Therefore, the Applicant asserts that BMW will thus still be able to produce at their factories and a production stop is far off.

The Applicant was supplying GMGs for the BMW car models 2 Series Active Tourer, the X1 and the Mini Countryman until March 2024. For these car models already having the Applicant’s GMG in the past, also the homologation should be available (or can only be updated) and Valeo could timely re-start the production of GMG suitable to be implemented in the respective BMW cars. This is different for the X2 and the 1 Series with Defendants’ GMGs and HDTs as these are new models that have been launched only in 2024. BMW most likely has never homologated the Applicant’s GMG machine on these vehicles, but such homologation should be possible, given that the GMG have been homologated for the other car models. Once the homologation is available, the Applicant could re-start the production of GMGs suitable to be implemented in all these respective

BMW cars. Thus, the Applicant assesses that BMW would not face a production stop in 2025 should the patent infringement injunction be granted to Valeo. In such a scenario, according to the Applicant, it is far more likely that BMW would re-organise its production and focus on those car models not implementing the Defendants' GMG.

Finally, the Applicant has treated the matter with the necessary urgency. The Applicant first learned of the infringement on 4 June 2024. It did not know what construction and design the Defendants had intended for this. Moreover, the Applicant did not know of any certain IP right that the Defendants were using or could be using. Much more, Magna intentionally withheld information about the competing product from Valeo despite explicit inquiries by Valeo. Therefore, the Applicant did not have knowledge of the infringement, and it thus could not investigate, take the necessary measures to clarify it and obtain documents required to support its claims. Apart from that, the Applicant took measures far exceeding its obligations in a very early stage of commercial discussion. The Applicant confronted the Defendants in April 2023 with its knowledge that the Defendants take over GMG production. As the Defendants have rejected any infringement scenario and described their new technical solution as their "own development", the Applicant could not verify through commercial communication and exchange with the Defendants' whether any IP rights are actually infringed. As a next step, the Applicant tried to gain further insights through Mr […] in December 2023, who was R&D Product Technical Leader within the Valeo Group and who became "Resident Engineer, responsible Quality interface between BMW production plants in Munich and Regensburg and European Valeo sites" in March 2024. Mr […] had the opportunity to visit the BMW plant in Leipzig and to look into the produced cars. But at this time, these cars were still produced with Valeo's GMG. On 7 May 2024, the Applicant succeeded in purchasing a BMW Mini Countryman (U25) with the challenged embodiment, which was immediately taken to the Applicant's R&D facilities. The Applicant required a total of nine days, from 15 May 2024 to 24 May 2024, to properly dismantle and dissemble the vehicle's transmission, including the necessary securing of corresponding evidence. The Applicant then reviewed its intellectual property portfolio and sent a preliminary selection to its attorneys on the evening of 31 May 2024 to prepare a meeting on 4 June 2024. In this meeting, the disassembled HDT was then reviewed, analysed, and discussed for the first time by the Applicant's patent attorneys and the R&D staff. The Applicant then found that the patent at issue had been infringed and is now asserting this by way of an Application for provisional measures.

Reference is also made to the submissions of the parties and to the audio recording of the oral hearing.

GROUNDS FOR THE ORDER:

The Application for provisional measures is admissible. On the merits, however, the Application is only partially successful.

I.
As the Applicant is the registered proprietor of the patent in suit, it can be assumed for the purposes of the PI proceedings that it is entitled to bring actions and thus also Applications for preliminary injunctions and other provisional measures before the Court under Art. 47(1) UPCA in conjunction with R. 8.5 (a) and (c) RoP.

1.
R. 211.2 RoP, in conjunction with Art. 62(4) UPCA (see also Art. 9(3) Directive 2004/48/EC), provides that the Court may invite the applicant for provisional measures to provide reasonable evi-

dence to satisfy the Court to a sufficient degree of certainty that the applicant is entitled to institute proceedings under Art. 47 UPCA, that the patent in suit is valid and that it is infringed, or that such an infringement is imminent.

Such a degree of certainty requires that the Court considers it at least more likely than not that the applicant is entitled to initiate the proceedings and that the patent is infringed. A sufficient degree of certainty is lacking if the Court considers it more likely than not on the balance of probabilities that the patent is invalid.

The burden of presentation and proof with respect to the facts allegedly establishing the right to institute proceedings and the infringement or imminent infringement of the patent, as well as other circumstances allegedly supporting the applicant's request, lies with the applicant, whereas, unless the subject matter of the decision is the ordering of measures without hearing the defendant pursuant to Art. 62(5) UPCA, the burden of presentation and proof to the facts concerning the lack of validity of the patent and other circumstances allegedly supporting the defendant's position lies with the defendant (UPC_CoA_335/2023, Order of 26 February 2024 – NanoString Technologies v. 10x Genomics; UPC_CoA_182/2004, Order of 25.09.2024, para. 104 – Mammut Sports v. Ortovox Sportartikel).

2.
Based on these principles, the burden of presentation and proof is on the Applicant to show that its entitlement is more likely than not.

a)
Pursuant to Art. 47(1) UPCA, the patent proprietor is entitled to bring an action before the Court. With respect to European patents, R. 8.5 (a) RoP further provides that the person entitled to be registered as proprietor under the law of each Contracting Member State in which such European patent has been validated shall be treated as the proprietor whether or not such person is in fact recorded in the register of patents maintained in such Contracting Member States. In case of European patents, therefore, the material proprietor is deemed to be the patent proprietor for the purposes of proceedings before the UPC (Tilmann/Plassmann, Einheitspatent, Einheitliches Patentgericht, Regel 8 EGPVerfO, Rz. 12; Luginbühl/Hüttermann/Klopmeier, Einheitspatentsystem, Regel 8 Rz. 5). However, if the patent proprietor is registered in a national register or in the European Patent Register, it may initially rely on a rebuttable presumption (R. 8.5 (c) RoP).

b)
Following these principles, if the Applicant is entered in the national register, it is to be regarded as proprietor and thus as the person entitled within the meaning of Art. 47(1) UPCA, unless and until the Defendants prove that the Applicant is not actually entitled to the patent in suit, despite its registration in the national registers.

The rebuttable presumption attached to the registered patent is a strong presumption which may be rebutted in PI proceedings if the title is manifestly erroneous. Under the circumstances of the present case, the Applicant is definitively designated as the proprietor of the patent in suit in Germany in the absence of any vindication action to justify this within the period of two years from its publication (Art. II § 5 IntPatÜG).

Although a vindication action was filed with the Paris Court of First Instance, it was filed more than six years after the publication of the patent application naming Valeo as the proprietor. The Court noted that the Defendants had never challenged Valeo's entitlement to the patent prior to the filing of the Application for provisional measures and the infringement action on the merits.

The attachment to the Nomination Letter is irrelevant on this point, as the Defendants were not relieved of their duty in order to take care of the Applicant's rights.

With regard to those elements, the Defendants do not seriously dispute the strong presumption of the Applicant's entitlement to apply for a preliminary injunction and further provisional measures pursuant to Art. 47 UPCA and R. 8.5 and 211.2 RoP.

II.
Insofar as the Applicant applies for provisional measures in respect of Slovakia, this is only relevant to the manufacture of the challenged embodiments.

The Düsseldorf Local Division has already decided that companies which are members of a group and play a key role in a distribution network for the infringing product – such as a sole manufacturer or a European sales and marketing hub – may be considered as infringers even if they are located outside the Contracting Member States but supply their products to other members of the group located in the Contracting Member States, while those companies distribute those products on the European market, including at least one Contracting Member State where the patent in suit is valid (UPC_CFI_165/2024 and UPC_CFI_166/2024 (LD Düsseldorf), Orders of 6 September 2024 – Novartis v. Celltrion). On this basis, Defendant 2) is liable for the offering and delivering of the challenged embodiments, even if the order does not cover the territory of Slovakia.

A more extensive order covering manufacture in Slovakia, which is not a Contracting Member State yet, is not considered in the case at hand. The Defendants objected in this respect. It would therefore have been for the Applicant to provide a more detailed statement of reasons for its request for an order covering the territory of Slovakia as well. The Applicant did not do so. Instead, it merely pointed out at the oral hearing that its application might not have much prospect of success at present. On this basis, an order covering Slovakia cannot be considered.

III.
The Panel is of the opinion that it is more likely than not that the patent in suit is infringed by the offer and distribution of the challenged embodiments in the territory of the Contracting Member States Germany and France (R. 211.2 RoP). On summary examination, the challenged embodiments make direct and literal use of the technical teaching of claims 6 (challenged embodiments I and II) and 13 (challenged embodiment II).

1.
As stated in the introduction to the patent in suit, a rotary electric machine comprising a stator and a rotor secured to a shaft is known per se. The rotor may be secured to a driving and/or driven shaft and may belong to a rotary electric machine in the form of an alternator, an electric motor, or a reversible machine capable of operating in both modes (para. [0002]).

The stator is mounted in a casing configured to support the shaft rotationally, for example through rolling bearings. The rotor includes a body formed by a stack of sheet metal laminations held in a bundle by means of a suitable fastening system, such as rivets that axially traverse the rotor body from one end to the other. The rotor includes poles formed, for example, by permanent magnets housed in cavities in the rotor's magnetic mass, as described, for example, in EP 0 903 962. Alternatively, in an architecture known as "salient pole", the poles are formed by coils wound around arms of the rotor. Other examples of prior art can be found in documents US 2010/175933 and FR2740853 (para. [0004]).

Furthermore, the stator has a body constituted by a stack of thin laminations forming a crown, the

inner face which is provided with notches open inward to receive phase windings. These windings pass through the notches of the stator body and form protruding winding ends of the stator body. The phase windings are obtained, for example, from a continuous wire coated with enamel for from pin-shaped conductive elements connected by welding. These windings are polyphased windings connected in star or delta configuration, with outputs connected to a voltage rectifier bridge (para. [0004]).

In the context of vehicle hybridisation, a high-power reversible rotary electric machine can be integrated into various elements of a drivetrain. Thus, the machine can be coupled to a gearbox, clutch, or a vehicle differential. The electric machine is then able to operate in alternator mode to provide energy to the battery and the vehicle's on-board network, and in motor mode, not only to ensure the start of the internal combustion engine but also to contribute to the vehicle's propulsion, alone or in combination with the internal combustion engine [para. [0005]).

Against this background, according to the description the objective of the patent in suit is the improvement of this type of electric machine (para. [0005]).

As a solution, the patent in suit provides in claims 1 and 6 a rotary electric machine characterised by the following features:

1. Rotary electric machine (10).

2. The machine (10) has a stator (11).

3. The machine (10) has a rotor (12).

4. The machine (10) has a casing (16).

5. The machine (10) has a shaft (13).

   5.1. Said shaft (13) has at least one lubricant outlet designed to fill said reservoir.

6. The machine (10) has at least one rolling bearing (38) mounted between said casing (16) and said shaft (13).

7. The casing (16) has a reservoir (88) configured to receive a lubricant intended to lubricate said rolling bearing (38).

   7.1. The reservoir (88) is delimited by a base (89), a first rim (91) formed in said casing (16) and a second rim formed by an external ring of said rolling bearing (38).

8. The machine (10) has a cooling circuit (68) designed to allow the flow of a cooling liquid, for example an oil, for cooling the stator (11) and/or the rotor (12).

The feature which is the subject of sub-claim 6 is underlined.

In addition, claim 13 protects an assembly, characterised in that it has an enclosure (21) of a host element (20) and a rotary electric machine (10) as defined in any one of the preceding claims inserted into said enclosure. A separate feature analysis is therefore unnecessary for this claim.

2.
Some of these features require interpretation.

a)
Pursuant to Art. 69 EPC in conjunction with the Protocol on its interpretation, the claim is not only the starting point but also the decisive basis for determining the scope of protection of a European patent. The interpretation of a claim is not based solely on its exact wording in the linguistic sense. Rather, the description and the drawings must always be consulted as aids to interpreting the patent claim, and not only to clarify any ambiguities in the patent claim. However, this does not mean that the patent claim serves merely as a guideline and that its subject-matter also extends to what, after examination of the description and drawings, turns out to be the patentee's claim for protection (UPC_CoA_335/2023, Order of 26 February 2023 in connection with Order of 11 March 2024 – 10x Genomics v. NanoString; UPC_CoA_182/2024, Order of 25 September 2024 – Mammut Sports v. Ortovox Sportartikel; UPC_CFI_165/2024 (LD Düsseldorf), Order of 6 September 2024 – Novartis v. Celltrion).

b)
As the Defendants correctly point out, the technical field in question is the field of electric machines, in particular electric machines for automotive applications. While electric machines comprise electric parts, they also comprise mechanical parts. The patent in suit focuses on certain technical aspects of a rotary electric machine, in particular on the lubrication and cooling of certain parts of the machine. Ensuring that certain parts of a machine are cooled and lubricated in a sufficient manner is a typical risk for a mechanical engineer. Thus, the skilled person is the technical field in question would be a mechanical engineer which is experienced in the field of mechanical engineering, in particular in the field of drivetrain engineering.

c)
Having said that, the following applies in the case at hand:

aa)
According to the invention, the rotary electric machine has a stator (11), a rotor (12), a casing (16) and a shaft (13) (features 1. to 5.). To enable the shaft (13) to rotate, the machine also has at least one rolling bearing (38) mounted between said casing and said shaft (feature 6.).

bb)
As such a rolling bearing needs to be lubricated, the casing also has a reservoir (88) (features 7. and 7.1.).

Regarding the technical design of such a reservoir, the person skilled in the art derives two things from claim 1: Firstly, the reservoir is delimited by a base (89), a first rim (91) formed into the casing (18) and a second rim formed by an external ring of said rolling bearing (feature 7.1.). The fact that the second rim must be formed by an external ring of said rolling bearing indicates that the rolling bearing must be located in the immediate vicinity of the rolling bearing. Secondly, the reservoir is configured to receive a lubricant intended to lubricate said rolling bearing.

Insofar as the Defendants would like to deduce from the latter that there has to be a dedicated supply line for transportation of the lubricant to the receiving reservoir where the lubricant is stored, the Court does not follow this argument. Claim 1 which is decisive for the scope of the patent in suit does not require such a dedicated supply line. Rather, it is sufficient, but also necessary, that the reservoir is configured to receive a lubricant intended to lubricate said rolling bearing. In other words, the reservoir must be arranged in such a way that, on the one hand, it can be supplied with lubricant by whatever means. On the other hand, it must not be just any lubricant, but the lubricant that lubricates the rolling bearing. Claim 1 does not require more in this respect. To the extent that paragraph [0054] mentions that the shaft (13) also includes at least one oil

outlet (85) opening opposite the reservoir (88), such a design is only the subject of sub-claim 7. As a rule, sub-claims merely describe preferred embodiments, on which the invention must not be reduced. The same applies to paragraphs [0055] and [0058], where the reservoir is described as being configured to allow the lubricant to be stored there by gravity and to promote the flow of excess lubricant towards the rolling bearing from the reservoir. This is also a preferred embodiment, which does not limit the scope of protection of claim 1.

cc)
Nothing different follows from feature 5.1., according to which said shaft (13) has at least one lubricant outlet designed to fill said reservoir.

Feature 5.1. does neither require a direct connection between the outlet of the shaft and the reservoir, nor does it require the lubricant to be fed directly from the shaft opening into the reservoir. The important thing is that the opening is positioned in such a way that the lubricant can flow into the reservoir through the shaft opening.

IV.
On the basis of such an understanding of the scope, the validity of the patent in suit is reasonably certain.

1.
As confirmed by the Court of Appeal a sufficient degree of certainty regarding the validity of the patent in suit lacks if the Court considers it on the balance of probabilities to be more likely than not that the patent is invalid. The burden of presentation and proof for facts concerning the lack of validity of the patent in suit lies with the defendant (UPC_CoA_335/2023, Order of 26 February 2024 - NanoString/10x Genomics, see p. 26-27; UPC_CoA_182/2024, Order of 25 September 2024 – Mammut Sports v. Ortovox Sportartikel). It should be noted that the assessment of these probabilities is based on an examination of how the Court – consisting of a panel including a technical qualified judge – would probably decide about the revocation of the patent in the event of a counterclaim on the merits. Decisions of other European Courts or decisions of the EPO concerning the same patent do not bind the Court but may provide helpful indications which the Court may take into account.

2.
Based on these principles, the validity of the patent in suit is more likely than its invalidity.

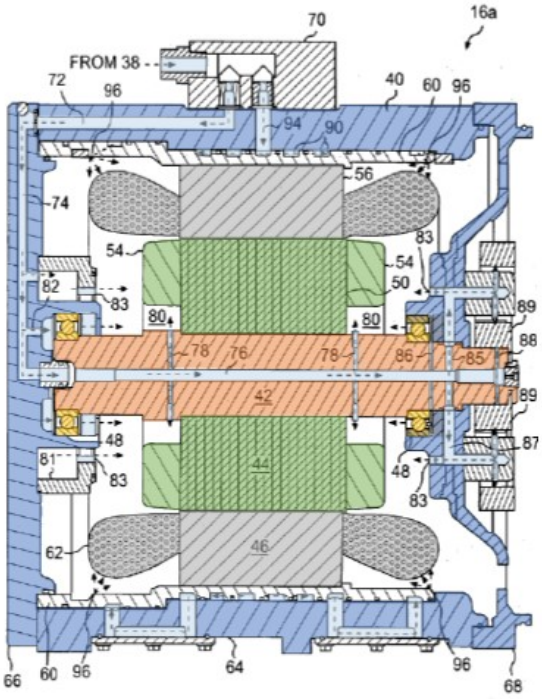
a)
Insofar as the Defendants refer to the revocation rates of patents, such general statistical considerations cannot be accepted simply because no conclusions can be drawn from them. Only relevant is the validity of the patent in suit (see R. 211.2 RoP “patent in question”). Moreover, the figures provided by the Defendants only show high revocation rates of patents challenged by opposition or revocation proceedings. However, these are only of patents granted (UPC_CFI_2/2023 (LD Munich), Order of 15 September 2023, p. 58 = GRUR 2023, 1513, 1520, para. 151 – 10x Genomics v. NanoString; UPC_CFI_452/2023 (LD Düsseldorf), Order of 9 April 2024 = GRUR 2024, 932, para 82 – Ortovox Sportartikel v. Mammut Sports).

b)
With regard to claim 6, the patent in suit is more likely to be valid than invalid.

aa)
In order to assess novelty within the meaning of Art. 54(1) EPC, the entire content of the prior art

document must be determined. The question is whether the subject-matter of the patent, with all its features, is directly and unambiguously disclosed in the prior art document (UPC_CoA_182/2024, Order of 25 September 2024, para. 123 – Ortovox Sportartikel v. Mammut Sports; UPC_CoA_335/2023, Order of 26 February 2024, p. 33 – NanoString v. 10x Genomics).

(1)
The Applicant does not dispute that D 1 (US 2008/0024020 A1) discloses features 1. to 5., 6. and 8. As to the other features, Defendants refer in particular to Figure 2 of D 1. The following image shows this figure in a version coloured by the Defendants:



It is not necessary to decide whether, and to what extent, this Court has to take account of the EPO Board of Appeal Guidelines in its examination of validity. According to the principles established by the Court of Appeal, D 1 would also have to directly and unambiguously disclose a reservoir within the meaning of the patent in suit in order to be novelty destroying (features 7. and 7.1.). Whether such a reservoir can be derived from the figure alone in the absence of a corresponding disclosure in the description seems at least so questionable that invalidity of the patent on the basis of this prior art document is not more likely than not.

It is not disputed that the electric motor (16a) has a rolling bearing (48) shown in yellow in the figure above. However, without knowledge of the patent in suit, the person skilled in the art would have no reason, on the basis of Figure 1 in its original dimensions, to regard the area to the right of the rolling bearing as a gap which fulfils, due to its technical design, the requirements of a reservoir in the sense of the patent in suit, i.e. an area which is used or can be used at least for temporary storage and not merely for the passage of a lubricant. To the extent that the Defendants refer to enlarged and coloured extracts from Figure 1, these are not part of D 1 and therefore not part of the disclosure.

Although claim 6 does not specify any further requirements for the technical design of the reservoir other than those mentioned in features 5.1., 7. and 7.1, it is clear from the fact that the reservoir must be filled (see feature 5.1) that it must have at least some storage function, as this is

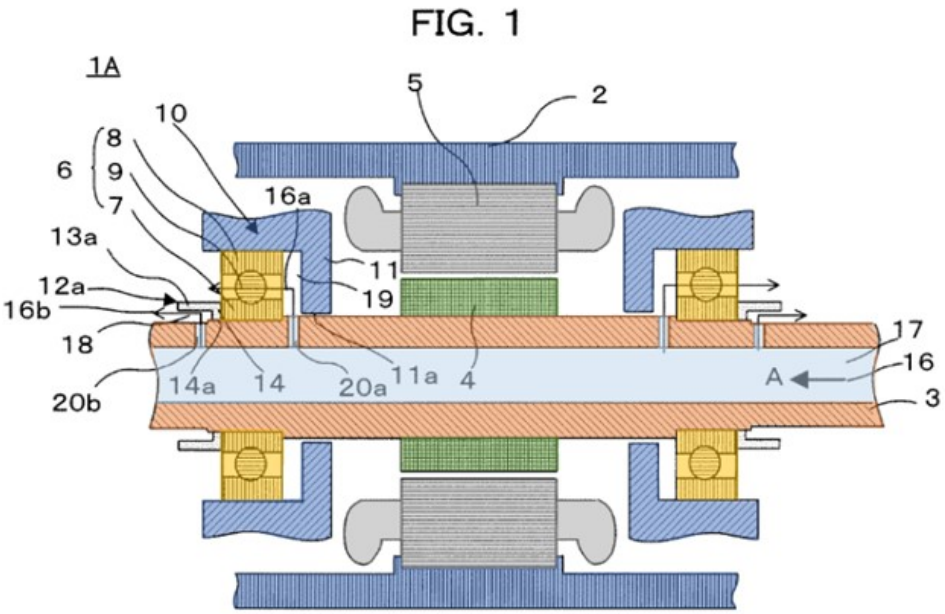
also a characteristic of a reservoir according to natural language usage. The mere flow of the lubricant is therefore not sufficient. On this basis, it is at least not more likely than not that the person skilled in the art would understand the cavity to the right of the rolling bearing as reservoir within the meaning of claim 6.

Insofar as the Defendants refer in this context to para. [0028] of D 1, this does not imply anything different.

As the Defendants have explained, it is technically necessary to have a gap between the bearing (48) and the second end cap (68) in order to direct the heat transferring medium from the axial bore (76) to the bearing (48). Otherwise, it would not be possible to direct the heat-transferring medium from the axial bore (76) to the bearing (48) in the second end cap (68). The direction of flow of the heat-transferring medium is explicitly indicated in Figure 2 of D 1. The heat-transferring medium flows from the axial bore (76) to the passageways (86). From there it flows on the gap and then through the bearing (48) from the right-hand side to the left-hand side as explicitly indicated by an arrow in Figure 2 of D 1. However, nothing is said about the technical design and the dimensions of this gap. Without knowledge of the patent in suit, the person skilled in the art has no reason to regard this gap as a reservoir within the meaning of the patent in suit.

(2)
Claim 6 is also new compared to D 2 (US 2007/0273228 A1).

The following illustration is taken from page 69 of the Objection. However, the liquid in the lower part of the space (19), which was added by the Defendants but not shown in the original Figure 1, has been removed.



What can be seen is an electric motor (1A) including a casing (2) in which there are individually arranged a rotor shaft (3), a cylindrical rotor (4), a cylindrical stator (5), a pair of bearings in the form of ball bearings (6), a pair of bearing fixing parts (10), and a pair of bearing cooling devices in the form of a pair of cooling rings (12a) (para. [0022]). The rotor shaft (3) has a hollow bore (17) formed therethrough in a coaxial relation therewith through which lubricating oil (16) is caused to flow (para. [0023]).

The mounting of the bearings is described in para. [0027] to [0029] as follows:

> "The bearing fixing parts 10 are fixedly attached to the inner wall of the casing 2 at the opposite ends thereof in the direction of the axis of rotation of the rotor 4 in such a manner that they are arranged to extend to the individual sides of the rotor 4, respectively. […] The bearing fixing part 10 is arranged in coaxial relation with the rotor shaft 3 with its first bottom portions 11 being directed to one end face of the rotor 4, and the rotor shaft 3 is inserted through the first bore 11a with a slight gap being formed between the rotor shaft 3 and an inner wall of the first bore 11a.
>
> In addition, each of the ball bearings […] 6 is formed of a thick-wall cylindrical inner race 7, a thick-wall cylindrical outer race 8, and a plurality of rolling elements in the form of balls 9 which are arranged between the inner and outer races 7, 8 and spaced from each other at a predetermined distance or interval in a circumferential direction thereof. […]
>
> The ball bearing 6 is arranged at a location spaced a predetermined distance from the corresponding first bottom portion 11 to a side opposite to the rotor 4 in coaxial relation with each other. At this time, the rotor shaft 3 is press-fitted into the inner race 7 of each ball bearing 6, and the outer race 8 thereof is press-fitted into and fixedly secured to an opening of a corresponding bearing fixing part 10. In other words, the ball bearing 6 is fixedly secured to the corresponding bearing fixing part 10 in coaxial relation with the rotor shaft 3 while being clamped between the inner peripheral wall surface of the bearing fixing part 10 and the outer peripheral wall of the rotor shaft 3." […]
>
> (Underlining added by the Court)

As can be seen from the figure above, there is a space (19) between the bearing (6) and the bearing mounting parts (10). It is not necessary for the purposes of this PI proceeding to decide whether the bearing mounting parts (10) are part of the casing (2). This could be supported by the fact that claim 6 of the patent in suit also allows for a multi-part design of the housing. In any case, given the description of D 2, there is no disclosure of a reservoir as defined by the patent in suit.

The Defendants regard space (19) as such a reservoir. However, the flow of liquid is described in D 2 as follows:

> "The lubricating oil 16, being cooled by an oil cooling system (not shown) arranged in the casing 2 and further pressurized by an oil supply system (not shown) arranged in the casing 2, is supplied to the hollow bore 17 in the rotor shaft 3 so as to flow to one axial end side of the rotor shaft 3 from the other axial end side thereof […]. In addition, a part of the lubricating oil 16 directed to the hollow bore 17 in the rotor shaft 3 after being cooled and pressurized is further directed from the first through hole 20a and the second through hole 20b to the radial outside of the rotor shaft 3 under the action of the pressurization.
>
> A lubricating oil 16a, being directed from the first through hole 20a to the outside of the rotor shaft 3, flows through between the inner race 7 and the outer race 8 of the ball bearing 6 after passing the space 19, and it is then directed to an opening in the ball bearing 6 at the side opposite to the rotor 4, and is discharged from the ball bearing 6. Here, note that the lubricating oil 16a serves to absorb the heat of the inner race 7 and the outer race 8 of the ball bearing 6 and the heat of the balls 9, and to reduce the friction between the inner race 7 and the balls 9, and the friction between the outer race and the balls 9 in the ball bearing 6, whereby friction loss can be suppressed from increased."
>
> (Underlining added by the Court)

On that basis, the person skilled in the art will derive from the description of the patent in suit that the lubricating oil flows under pressure through the space (19) and the bearing (6).

Insofar as the Defendants wish to focus on the idle state, i.e. the situation when the engine is switched off, D 2 does not deal with this state. The fact that the space (19) nevertheless constitutes

a reservoir within the meaning of the patent in suit is at least not disclosed in a manner sufficiently clear and unambiguous to make it more likely than not that the patent in suit would be invalidated on the basis of D 2 for lack of novelty.

(3)
With respect to D 3 (US 2012/00499669 A1), it is also not more likely than not that the patent in suit is invalid for lack of novelty.

The following figure is taken from page 76 of the Objection. It shows Figure 1 of this prior art document coloured and partially labelled by the Defendants:

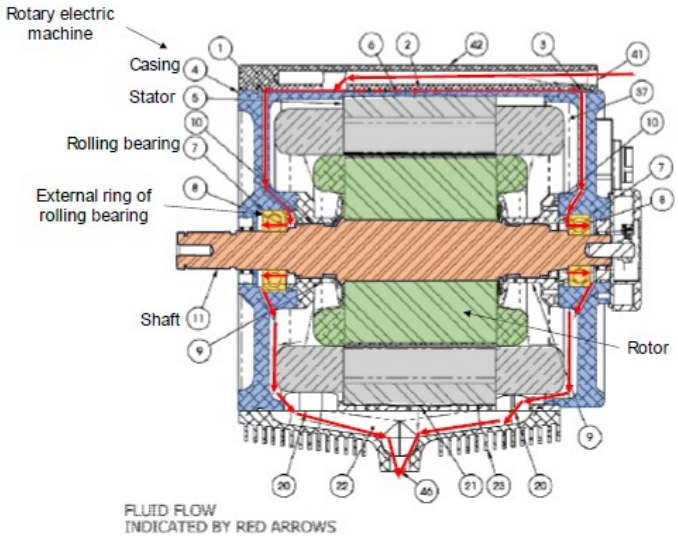
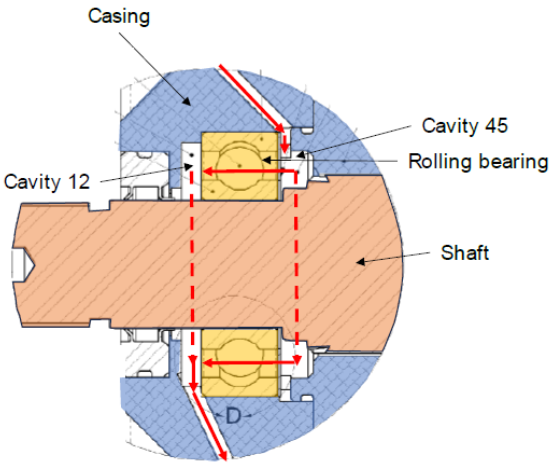


Figure 1 shows an embodiment in which a fluid is supplied to various passages within an electric machine. The fluid may or may not be pressurised and may enter the machine through an inlet port (41) of a fluid distribution manifold (42) and may be distributed to passages at locations (1), (2) and (3). These passages may direct the fluid to one or more bearings (7) at location (8), to one or more injector nozzles surrounding a machine shaft (11) at location (10) and a stator assembly (5) at location (6). Thus, a manifold may distribute fluid flow pathway respectively (para. [0040]). The fluid entering the passages at locations (1), (2) and (3) may be split into multiple paths within the machine. One path may direct some of the fluid to flow through the bearings (7), which may lubricate and cool the bearings, and may be to also direct some of the fluid to flow through the gap (10) between the injector nozzle (9) and the machine shaft (11) towards the rotor and stator. The fluid which has been split to flow through a bearing fluid flow pathway and a rotor fluid path-way may complete each path respectively by flowing through the main internal cavity (37) of the machine housing (4) to an exhaust passage (20) and into an exhaust sump (22).

The following figure is taken from page 79 of the Objection. It shows the area of the bearings in Figure 1, enlarged and coloured by the Defendants. The labelling was provided by the Defendants. It is reproduced for illustrative purposes without the Court adopting it at as its own.



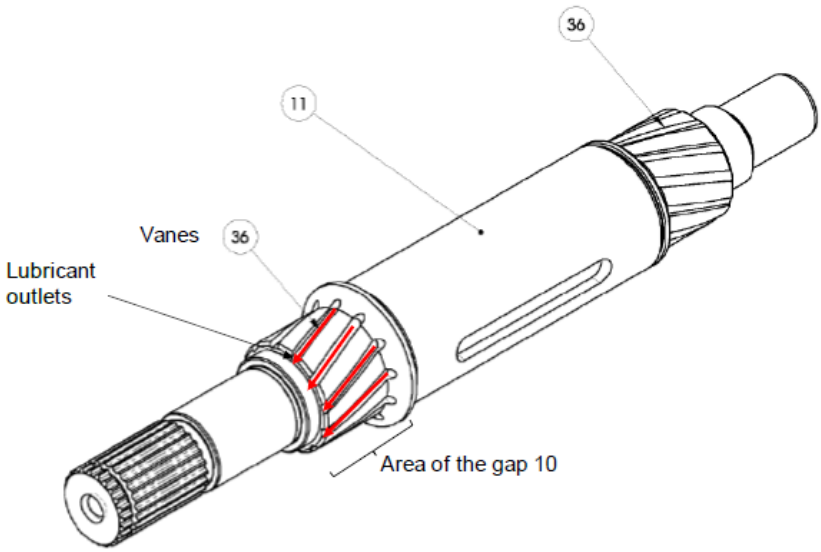
Whether the cavity (12) is a reservoir within the meaning of the patent in suit is not necessary for a final decision. In any case, the suitability of this area for at least temporary storage of the lubricant is not explicitly stated in D 3. Rather, paragraph [0082] merely states:

> "FIG. 2A provides magnified views of the bearing fluid flow pathway and bearing assembly in accordance with an embodiment of the invention. The fluid may enter into a cavity 45 on one side of a bearing 7, then may flow through a metering device 29, through gaps in the bearing assembly, and into a cavity 12 on the other side of the bearing 7 between the bearing and a shaft seal 13."
>
> (Underlining added by the Court)

This could indicate that the area in question is only being crossed, but is not forming a reservoir to hold the lubricant that is supposed to lubricate the bearing.

Ultimately, this is not decisive. In any case, feature 5 is not disclosed, whereas the shaft has at least one lubricant outlet designed to fill said reservoir.

Figure 5 of D 3 is shown below in a version again coloured and labelled by the Defendants. Again, the Court does not adopt the labelling. It does, however, make the Defendants' position clear. The Court therefore has refrained from removing it.



Insofar as the Defendants wish to see such an opening in the vanes (36), the Court does not share that view. On the one hand, the vanes are not openings in the shaft, but structures on the surface

of the shaft (see para. [0115] “vanes 36, on the machine shaft 11”, underlining added by the Court). On the other hand, the Court cannot find that the vanes are intended to fill the cavity (45) and thus, ultimately, the reservoir, if the cavity (45) can be classified as such. Paragraph [0115] says only the following on this point:

> “These vanes 36 may act to pump the fluid through the gap 10. The vanes may be angled to assist with directing the fluid in a desired direction. For example, the vanes may be angled such that fluid flows toward the center of the electric machine (i.e., through a first gap 10 and then transitioning to a second gap 16).”

This is not sufficient for a disclosure of feature 5.1.

bb)
To the extent that the Defendants also challenge the validity with regard to Art. 65(2) UPCA in conjunction with Art. 138(1)(e) EPC, it should also be noted that the Applicant is the registered proprietor of the patent in suit. As explained in detail above, the register gives rise to a strong presumption which can be rebutted in PI proceedings only if the title is manifestly erroneous. Only then is it more likely than not that the patent in suit invalid due to lack of entitlement.

In order for the ground of invalidity of Art. 138(1)(e) EPC, the Defendants would have to prove that the Applicant is not entitled under Art. 60(1) EPC despite being entered in the registers. It should also be noted that the Defendants in Germany did not file a vindication action within the two-year period (Art. II § 5 IntPatÜG). In France, the vindication action was filed more than six years after the publication of the patent application naming Valeo as proprietor, so that the Defendants never challenged Valeo’s entitlement to the patent before filing the Application for provisional measures and the infringement action.

Taking all these circumstances into account, it is at least not more likely than not that the patent in suit is invalid on the basis of Art. 138(1)(e) EPC. This is sufficient for the PI proceedings. Whether the Applicant is neither an inventor nor a co-inventor under Art. 60(1) EPC will have to be decided in detail in the proceedings on the merits.

c)
Insofar as the Defendants challenge the validity of claim 13 in the light of D 1, the considerations relating to claim 6 apply mutatis mutandis. Claim 13 in conjunction with claim 6 protects an assembly characterised in that it comprises an enclosure (21) if a host element and a rotary electric machine (10) as defined in claim 6. Since the assembly must contain a rotary electric machine as defined in claim 6, the above remarks apply accordingly. Since the assembly must contain a rotary electrical machine as defined in claim 6, the above remarks apply accordingly. If D 1 is not novelty destroying with respect to claim 6, the same applies with respect to claim 13.

The question raised for the first time by the Defendants in the Rejoinder under the aspect of lack of inventive step as to whether claim 13 is to be interpreted as requiring a host element to be a component of a powertrain of a vehicle and whether this feature is disclosed in D1 or D2 is therefore not decisive.

3.
Defendants’ written statement of 25 October 2024 (including annexes HRM 25a and HRM 25b) was submitted after the end of the oral hearing. It could therefore not be taken into account in this order (UPC_CoA_182/2024, Order of 25 September 2024, para 221 – Mammut Sports v. Ortovox Sportartikel).

V.

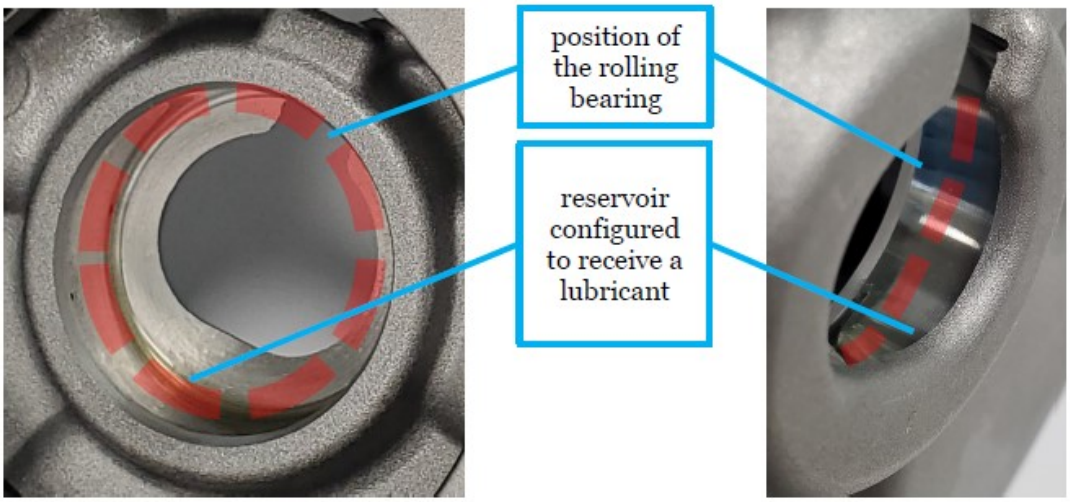
The Panel also finds that it is more likely than not that that the patent in suit is infringed by the Defendants' offer and distribution of the challenged embodiments I and II in the Contracting Member States Germany and France (Art. 25(a) UPCA). The challenged embodiments make use of the technical teaching of claims 1 and 6 of the patent in suit. In addition, all features of claim 13 are implemented in the challenged embodiment II.

1.

Defendants rightly do not dispute that features 1. to 5., 6. and 8. are implemented, so that no further explanation is necessary in this respect. The remaining features are also implemented in the challenged embodiments.

2.

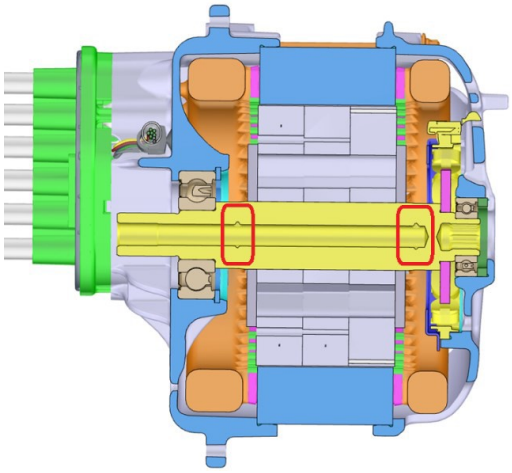
That the housing of the challenged embodiments has a reservoir configured to receive a lubricant has been demonstrated by the Applicant by the following pictures (features 7. and 7.1.):



The position of the rolling bearing is symbolically shown in red only to make the reservoir visible.

a)

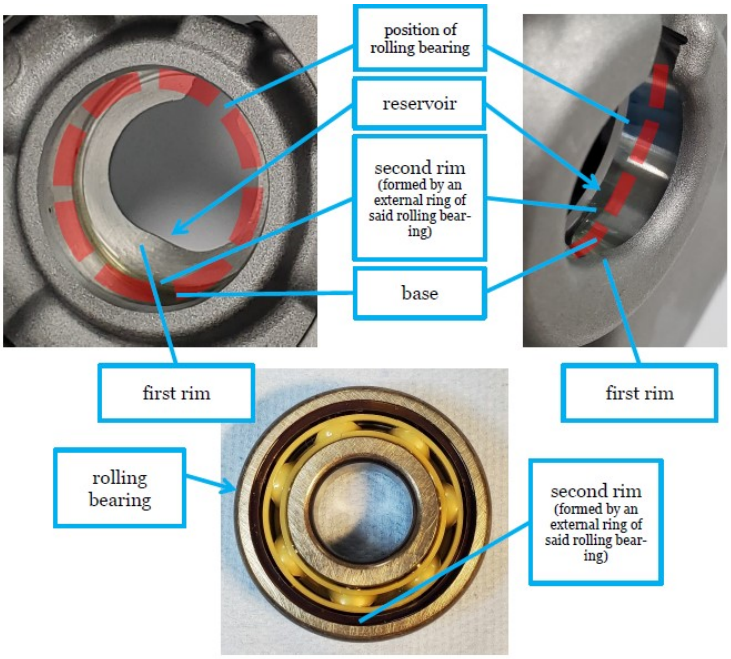
To the extent that the Defendants contest the implementation of feature 7. on the ground that there is no dedicated supply line to transport the lubricant to the receiving reservoir, the Court has already explained in detail that such a dedicated supply line is not necessary. Rather, it is sufficient, but also necessary, that the reservoir is configured to receive a lubricant intended to lubricate said rolling bearing. The Defendants do not claim that this is not the case in the challenged embodiments. According to the Defendants, the oil outlets of the shaft are in different positions, as can be seen in the following cross-section of the challenged embodiments:



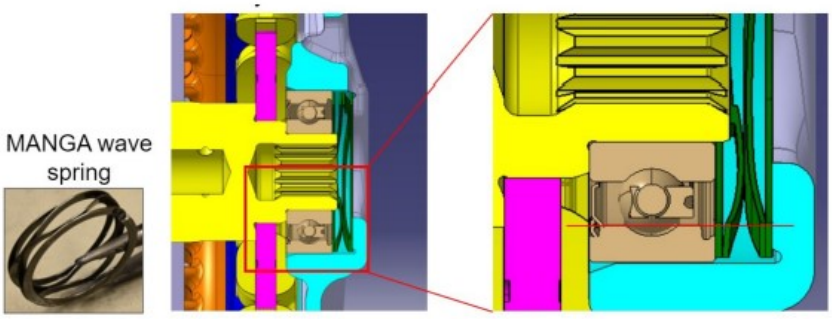
From this position, oil can be supplied to the rotor and the stator, but at least not directly into the reservoir corresponding to the green ring on the right (underlining added by the Court). If the oil acting as lubricant reaches the reservoir at least indirectly or via detours, the reservoir is designed to receive a lubricant intended to lubricate the rolling bearing. Feature 7 is thus implemented. It is not necessary for the lubricant to be fed directly to the reservoir.

b)

The reservoir of the challenged embodiment is also delimited by a base, a first rim formed in said casing and a second rim formed by an external ring of said rolling bearing (feature 7.1.):



The “spring ring” located in the reservoir is not excluded from the scope of claims 1 and 6:

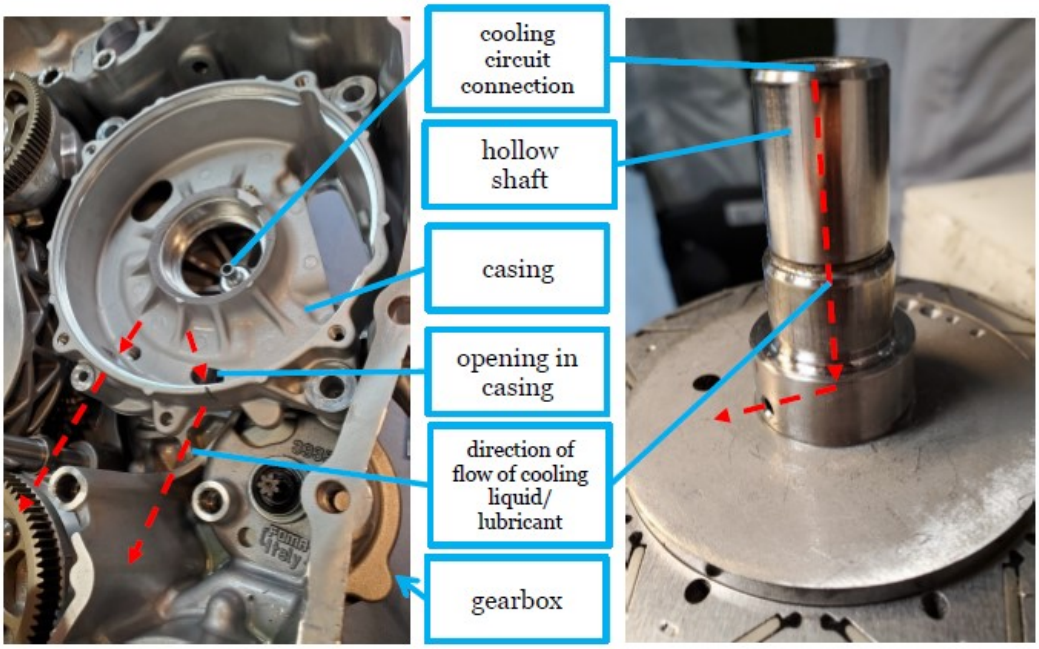


Even if there is a spring ring in the reservoir, it can be delimited by a base, a first rim formed in this casing and a second rim forming an external ring of said rolling bearing. Feature 7.1. does not require direct contact between the lubricant contained in the reservoir and the respective rim. Consequently, claim 1 does not exclude the presence of other components between the reservoir and the first and second rims. Even if such components are present, the reservoir may be limited by the first and the second rims as required by feature 7.1. The technical purpose of the reservoir is to hold lubricant and allow it to flow into the bearing when it reaches a certain level. The Defendants have not disputed Applicant’s assertion that this is the case in the challenged embodiments, notwithstanding the presence of this spring ring, since this technical effect is not prevented by the use of the spring ring.

c)

Based on the understanding elaborated in detail above, the shaft of the challenged embodiments has at least one lubricant outlet designed to fill the reservoir (feature 5.1.).

As shown in the pictures below, the shaft has an opening from which the oil can be dispensed as a lubricant:



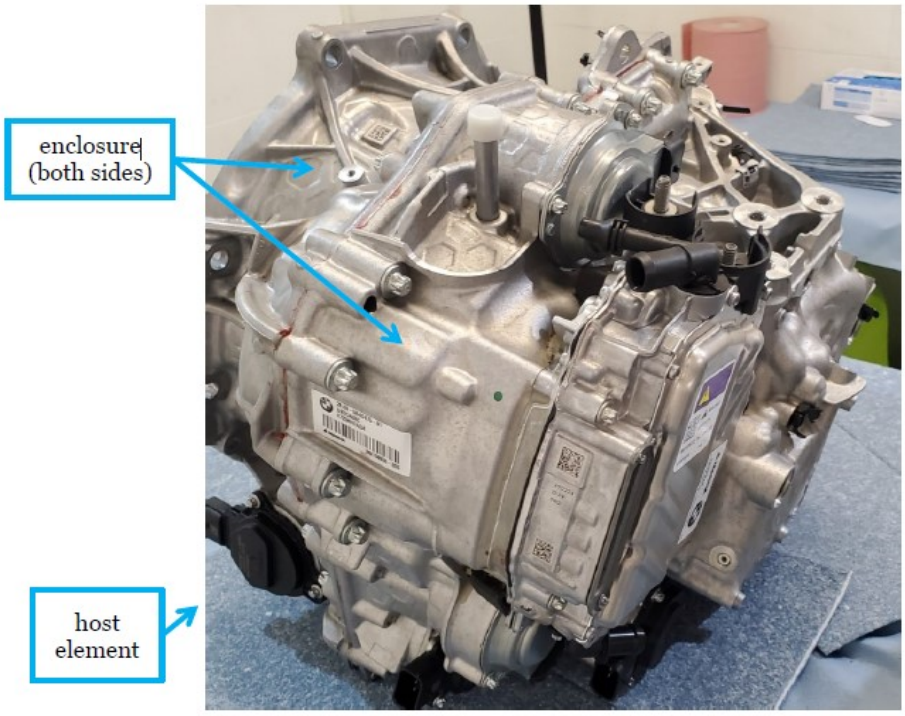
The fact that the oil is not fed directly from this opening into the reservoir does not prevent the

feature from being implemented. Feature 5.1 does not require such a direct feed. For the avoidance of doubt, reference is made to the explanation of claim construction.

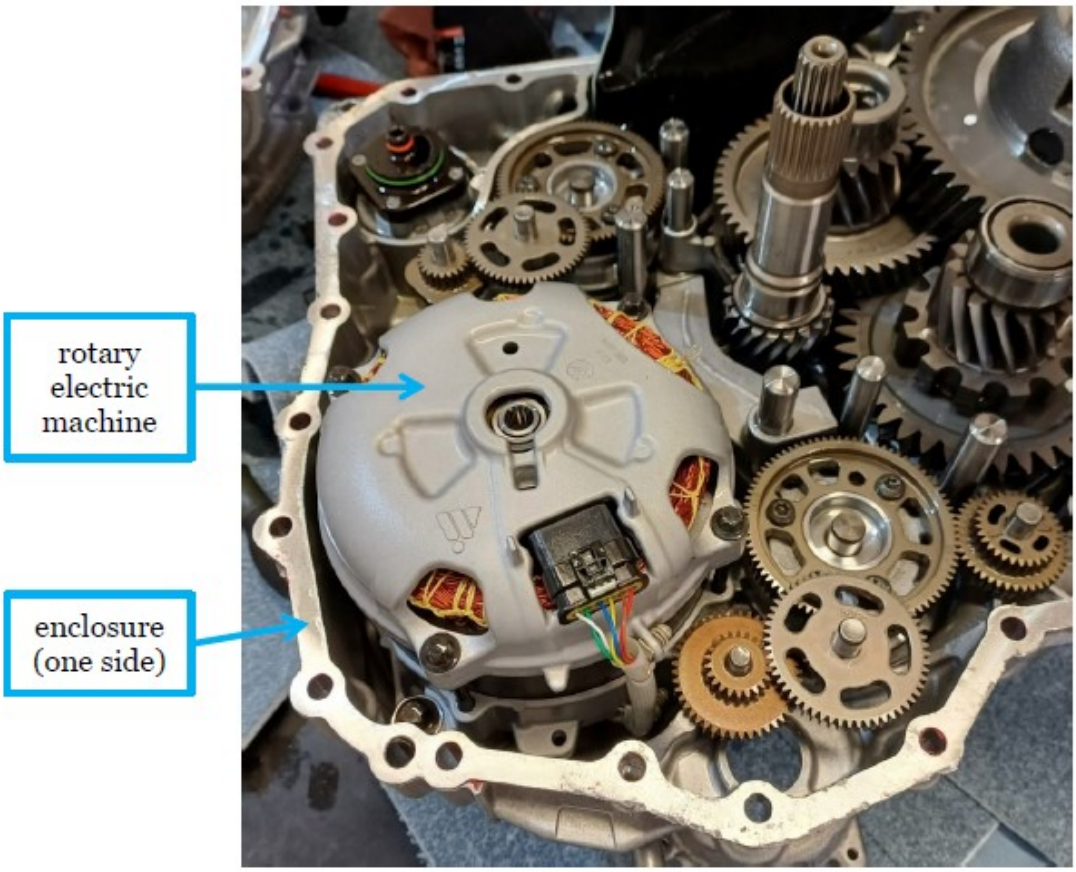
d)

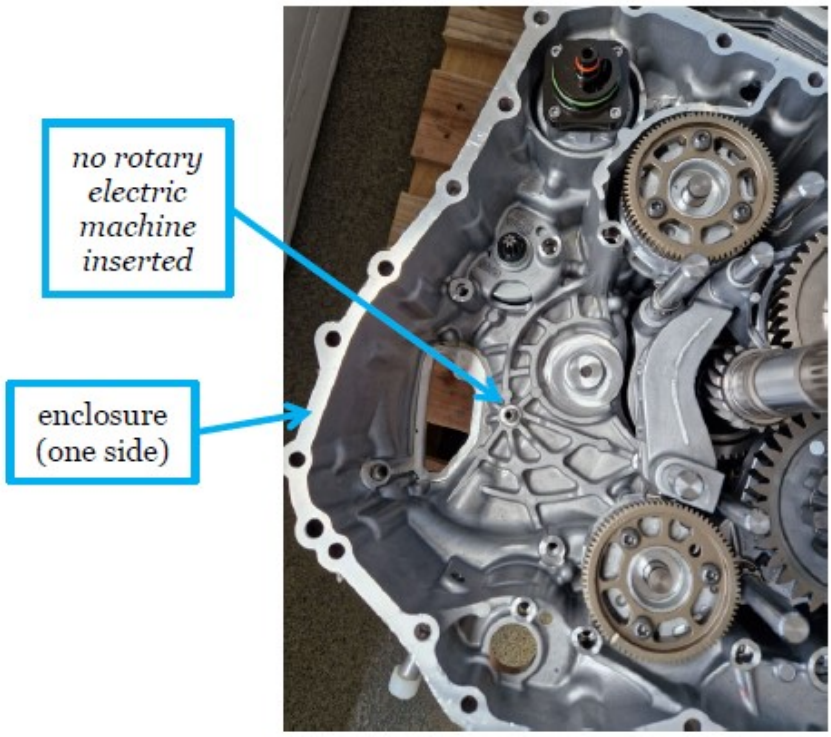
Rightly, Defendants have not independently disputed that the challenged embodiment II makes use of claim 13 of the patent in suit.

Insofar as claim 13 requires that the assembly to have a host element with an enclosure, the challenged embodiment II has such a host element – the complete 7HDT400 gearbox – with such an enclosure (consisting of two sides):



The assembly is further characterised in that it comprises a rotary electric machine as defined in claim 1 in said enclosure, as can be seen from the pictures below:





3.

The Defendants are cumulatively liable because they act in a close and interdependent relationship due to their structure as a large group of companies (UPC_CFI_165/2024 and UPC_CFI_166/2024 (LD Düsseldorf), Order of 6 September 2024 – Novartis v. Celltrion).

Defendant 1) supplies various automobile manufacturers with transmissions, in particular with so-

called “Hybridized Dual Clutch Transmissions” (HDTs). It is also undisputed that Defendant 1) significantly developed the challenged embodiments in Germany and manufactured the products in its plant in Neuenstein, Germany, until series production later begun in the newly opened plant of Defendant 2) in Slovakia.

Defendant 2) manufactures these HDTs on behalf of Defendant 1) at its plant in Kecnec, Slovakia. It remained undisputed that the challenged embodiments manufactured by Defendant 2) in Slovakia are imported to Germany by Defendants 1) and 2) in coordination with BMW and sold there for installation in the BMW plant in Leipzig.

Even if Defendant 3) has no direct sale and marketing activity (underlining added by the Court), as alleged by the Defendants, it provides sales support to Magna International business divisions (see Exhibit HRM 1). It thus actively supports the offer and distribution of the challenged embodiments in Germany and France and is therefore also responsible for the infringement of the patent in suit.

VI.
According to Art. 62(2) UPCA in conjunction with R. 211.3 RoP, the Court has discretion to weigh the interests of the parties against each other, taking into account in particular any harm that might be caused to one of the parties by the granting of provisional measures or the dismissal of the application (UPC_CoA_182/2024, Order of 25 September 2024, para. 225 – Ortovox Sportartikel v. Mammut Sports). In the present case, this weighing up of interests is in favour of the Applicant. However, the interests of the Defendants make it necessary in the case at hand, as a very special exception, to limit the scope of the preliminary injunction.

1.
In weighing the interests, the Court will take into account any unreasonable delay in applying for provisional measures under R. 211.4 RoP in conjunction with R. 209.1 (b) RoP. This is based on the fact that the patentee, by acting in such a way, shows that the enforcement of its rights is no longer urgent for him. In such a situation, there is no need to order provisional measures. In the case at hand, however, there is no indication of such unreasonable delay on the part of the Applicant.

a)
The temporal urgency required for the order of provisional measures is lacking only if the infringed party has been so negligent and hesitant in pursuing its claims that, from an objective point of view, it must be concluded that the infringed party has no interest in the prompt enforcement of its rights and that it is therefore not appropriate to order provisional measures (cf. also UPC_CFI 2/2023 (LD Munich), Order of 19 September 2023, 1513, 1524 – Nachweisverfahren; UPC_CFI_452/2024 (LD Düsseldorf), Order of 9 April 2024, p. 27, GRUR-RS 2024, 7207, para. 126; UPC_CFI_151/2024 (LD Hamburg), Order of 3 June 2024 – Ballinno v. UEFA).

Pursuant to Rule 213.2 RoP, the Court may, as part of its decision-making process, require the Applicant to submit all reasonably available evidence to ensure that it can be sufficiently certain that the Applicant is entitled to initiate proceedings under Art. 47 UPCA, that the patent in question is valid and that its right is being infringed or threatened with infringement. In urgent proceedings, the Applicant must typically respond to such an order within a short period of time, which requires appropriate preparation of the proceedings. The Applicant therefore only needs to apply to the Court if it has reliable knowledge of all the facts that make legal action in the proceedings for provisional measures promising and if they can substantiate these facts. The Applicant may prepare for any possible procedural situation that may arise, based on the circumstances, in such a way that it can present the requested information and documents to the Court upon such an order and successfully rebut the arguments of the Defendants’ side. In principle, the Applicant

cannot be instructed to carry out any necessary subsequent investigations only during ongoing proceedings and if necessary to obtain the required documents after the fact. On the other hand, the Applicant must not delay proceedings unnecessarily. As soon as it has knowledge of the alleged infringement, it must investigate it, take the necessary measures to clarify it and obtain the documents required to support its claims. In doing so, it must diligently initiate and complete the required steps at each stage (UPC_CFI_452/2023 (LD Düsseldorf), Order of 9 April 2024, GRUR-RS 2024, 7207, para. 128; UPC_CFI_151/2024 (LD Hamburg), Order of 3 June 2024 – Ballinno v. UEFA).

On this basis, the waiting period within the meaning of R. 211.4 RoP is to be measured from the date on which the Applicant is or should have been aware of the infringement which would have enabled him to file a promising Application for provisional measures in accordance with R. 206.2 RoP. Whether a delay is unreasonable within the meaning of R. 211.4 RoP depends on the circumstances of the individual case (UPC_CoA_182/2024, Order of 25 September 2024, paras. 228 and 232 – Mammut Sports v. Ortovox Sportartikel). Insofar as a period of one month was mentioned in previous orders (UPC_CFI_463/2023 (LD Düsseldorf), Order of 30 April 2024, ORD_598272/2023, 10x Genomics v. Curio Bioscience; see also UPC_CFI_151/2024 (LD Hamburg), Order of 3 June 2024 – Ballinno v. UEFA), this is not to be understood as a fixed deadline. Rather, it depends on the circumstances of the individual case. Ultimately, the question is always whether the Applicant's conduct as a whole justifies the conclusion that the enforcement of its rights is not urgent.

b)
Having this said, in the case at hand the Applicant did not wait for an unreasonably long time.

It is undisputed that the market launch (announced delivery date in the media) of the third generation of the Mini Countryman (U25) took place on 16 February 2024, whereas these vehicles were initially not equipped with the challenged embodiments. The Applicant therefore had to cancel its first order for such a BMW Mini Countryman (U25). Defendants have also not contested the fact that the Applicant was not in a position to place an order until 7 May 2024, whereas the Applicant received the BMW Mini Countryman (U25) containing the challenged embodiment on 15 May 2024 (Exhibits B&B 11, B&B 11a, B&B 12, B&B 12a). As parts of the challenged embodiments are permanently installed in the gearbox of the vehicle and are not accessible from the outside, the vehicle was therefore immediately taken to the Applicant's R&D facilities in Créteil, France, and later in Saint-Quentin-Fallavier, France, for proper disassembly and detailed examination for possible infringements of intellectual property rights. It therefore took the Applicant a total of nine days to dismantle and disassemble the vehicle's transmission, including the necessary preservation of evidence (Exhibit B&B 13). Taking into account the work required, even the Defendants do not claim this period is unreasonably long.

The Applicant further explained that it had already set up a team of experts during the dismantling process, including inventors, patent attorneys, technical staff, and the attorneys acting as representatives of this application. A meeting with all parties was scheduled for 4 June 2024 in Créteil. The Applicant then reviewed its intellectual property portfolio and sent a preliminary selection to its attorneys on the evening of 31 May 2024 in preparation of this meeting. Then, on 4 June 2024, the dissembled HDT was reviewed, analysed and discussed for the first time by the Applicant's patent attorneys together with the attorneys and the R&D staff. As a result, the Applicant filed its Application for provisional measures on 1 July 2024, less than one month later. It is not apparent, nor is it argued by the Defendants, that there is any unreasonable delay at this stage.

The Court does not share Defendants' view that the Applicant should have acted much earlier.

It can be assumed in favour of the Defendants that the Applicant knew since 2023 that the Defendants were working on a replacement for the Applicant's product (see also Exhibits HRM 19a – HRM 19g). However, Defendants have not been able to provide any concrete evidence that the Applicant already knew the specific technical implementation at that time. Only such knowledge would have enabled the Applicant to scan its patent portfolio on this basis, to identify potentially infringed patents and to initiate further steps, including possible applications for inspection. The case thus differs significantly from the order of the Hamburg Local Division (UPC_CIF_151/2024, Order of 3 June 2024 – Ballinno v. UEFA). In that case, the applicant's legal predecessor was aware of important technical details of the challenged embodiment at an early stage. This knowledge led to a warning letter to which the defendants replied. On the basis of this correspondence, the applicant was aware of some important aspects of the allegedly infringing product at an early stage, whereas the Hamburg Local Division considered that the Applicant had acted hesitantly. In the case at hand, however, the Applicant did not initially have such knowledge of technical details. It is unlikely that a request for such information from the Applicant to the Defendants would have been successful in view of the already pending dispute between the parties regarding the Applicant's future scope of supply. The absence of such a request cannot therefore be held against the Applicant.

Against this background, the Applicant had to examine the challenged embodiment itself. It is not apparent that it could have carried out such an examination earlier, or at least that it could have become aware of further technical details of the challenged embodiment at an earlier stage. This also applies taking into account Applicant's inspection of the BMW plant in Leipzig on 13 December 2023. It remained undisputed that the BMW Mini Countryman (U25) produced there was still equipped with a GMG produced by the Applicant. Therefore, the inspection did not provide any information on the technical design of the challenged embodiment. It does not appear that the Applicant's employee who carried out the inspection was made aware of, or even had the opportunity to inspect, the pre-series of Magna's product which was apparently present in the factory during his inspection. That the Applicant was aware, or at least should have been aware of this pre-series cannot be derived from Defendants' submissions.

2.
The interests of the Applicant outweigh those of the Defendants. It is therefore justified to grant a preliminary injunction in the case at hand.

a)
From a substantive point of view, it is necessary to grant provisional measures.

aa)
The granting of provisional measures is at the discretion of the Court after weighing the interests of the parties, Art. 62(1) UPCA, R. 211.3 RoP. In this context, the relationship between the proceedings on the merits and PI proceedings must be taken into account. From a procedural point of view, the main proceedings are the rule, whereas summary proceedings, with their summary examination and the possibility of a subsequent legal defence only, are the exception. The question must therefore be asked whether the granting of provisional measures is necessary and required in view of the later decision in the proceedings on the merits, e.g. whether it is unreasonable for the Applicant to wait until the conclusion of the main proceedings in view of a possible review of the PI order and the associated effects on the defendant. In this context the interests of the parties have to be balanced. Although irreparable harm is not a necessary condition for ordering provisional measures (UPC_CoA_182/2024, Order of 25 September 2024, para. 237 – Mammut Sports v. Ortovox Sportartikel; EJC, C-44/21, Decision of 28 April 2022 – Phoenix/Harting,

ECLI:EU:C:2022:309, para. 32), it has to be assessed whether it is unreasonable for the Applicant to wait until the conclusion of the proceedings on the merits, taking into account that an order in the PI proceedings may be reversed. In this context, the interests of the parties must be weighed.

It should be borne in mind that any patent infringement and the time delay associated with its prosecution in the main proceedings is usually accompanied by a continuation of the infringement of the applicant's rights, at least for a limited period of time. Unless there are special circumstances which require and necessitate provisional measures, this is generally acceptable. This is reflected in the concept of urgency, for which it is not sufficient that the Applicant has not hesitated to enforce its rights. Rather, it must be necessary to order provisional measures, which does not mean that the Applicant must suffer irreparable harm without the grant of provisional measures (UPC_CoA_182/2024, Order of 25 September 2024, para. 237 – Mammut Sports v. Ortovox Sportartikel). However, this does not exempt the Court from considering whether provisional measures are necessary in the specific case (UPC_CFI_2/2023 (LD Munich), Order of 19 September 2023, GRUR 2023, 1513, 1525 – Nachweisverfahren; UPC_CFI_463/2023 (LD Düsseldorf), Order of 30 April 2024 – 10x Genomics v. Curio Bioscience).

bb)
Having said this, the Applicant's submissions are sufficient to justify the need, in principle, to order provisional measures.

The parties are suppliers to the automotive industry. They are in direct competition with each other. As the Defendants themselves have pointed out with regard to the damage that could be caused by a preliminary injunction, it is difficult to switch from one solution to another in this field of practice, both in terms of technical implementation and in terms of the necessary approval procedures, including homologation. Once a car manufacturer has decided in favour of the Defendants, the Applicant's market is initially blocked in this respect. The Applicant is therefore threatened with a permanent loss of market share. Against this background, it is essential for the protection of the Applicant and the effective enforcement of its patent to intervene at an early stage and to prevent car manufacturers from deciding in favour of the challenged embodiments and implementing them in their products.

On the one hand, this concerns the relationship with BMW. The challenged embodiments are not only already implemented in five BMW models, three of which were originally equipped with the Applicant's GMGs. Rather, the Applicant also contends that there is a serious concern that Defendants 1) and 2) will attempt to sell the challenged embodiments to BMW for other car models, in addition to those that were initially supplied with Valeo's GMGs. According to the Applicant, it is to be feared that in the coming weeks and months all remaining mild hybrid transmissions initially equipped by the Applicant with GMGs may be successively replaced by the challenged embodiments (see also Exhibit B&B 5: "The contract between Magna and BMW Group also includes production of mild hybrid transmissions for additional models […] starting with the new BMW 2 Active Tourer"). Defendants themselves have explained in detail the effort involved in switching from their GMGs to the Applicant's GMGs (see Rejoinder, p. 77 – 83). If this were the case, the market for BMW models additionally equipped with Defendants' GMGs would initially be blocked for the Applicant. In order to prevent this, it is necessary to order provisional measures. A later decision on the merits would provide the Applicant with inadequate legal protection.

The Defendants' arguments do not dispel this fear. To the extent that Defendants argued at the oral hearing that the challenged embodiments are part of a dying market because the technology is changing from 48 V to higher voltage solutions that require less engineering, this contradicts

their own statement in the press release available as Exhibit B&B 22, which states, inter alia, as follows:

> "Although market trends show a clear shift towards electrified vehicles, the share of conventional powertrain systems will still be globally significant during the next decade. Therefore, Magna continues to work intensively on efficiency improvement of all conventional and mild hybrid drivetrain solutions."
>
> (Underlining added by the Court)

Even if such a press release is a marketing tool, it shows that, although the current market situation may be difficult, Defendants still consider this business area to be of considerable importance in the next years. Ultimately, the question of whether the market is increasing or decreasing is not decisive. Even in a decreasing market, the Applicant has a legitimate interest in securing its market share in what will then be a smaller market. This is all the more so as the Defendants themselves have stated that the use of their products leads to a reduction in CO_2 emissions. In view of the EU's increasingly stringent CO_2 reduction requirements, it is quite possible that other OEMs will switch to the challenged embodiments. This is also true in a decreasing market.

Defendants have not denied that they are also interested in selling the challenged embodiments to other car manufacturers. In this context, it must also be taken into account, according to the Applicant's pleading at the oral hearing, that supporting elements such as the challenged embodiment I can be used in different areas of a car.

To the extent that the Applicant mentioned a possible sale to Stellantis, it is undisputed that the Defendants had already contacted Stellantis, albeit unsuccessfully. It can be assumed, in favour of the Defendants, that Stellantis has just bought its own factory and has switched to another solution. However, this does not exclude the possibility that Stellantis may in the future use the parties' products and in particular also the challenged embodiments. In such a situation, the Applicant can be protected by a preliminary injunction.

b)

However, this does not mean that provisional measures should always be granted simply because the Applicant has an interest in them. Rather, the Court has the discretion to weigh up the interests of the parties and in particular to take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction (Art. 62(2) UPCA). Based on this, Defendants have made detailed submissions on the issue of possible damages in the event of an injunction. In the case at hand, it is not necessary to decide whether the interests of third parties should also be taken into account in the balancing of interests. This is because the harm alleged by the Defendants in the present case affects themselves, at least in form of possible recourse claims by their customer.

According to the Defendants, Defendants 1) and 2) and their customer BMW would suffer extensive damage if a preliminary injunction were granted, which would far exceed the damage suffered by the Applicant as a result of the infringement of the patent in suit.

As the Defendants have submitted, the challenged embodiments could not easily be replaced by the Applicant's GMGs (see also affidavits HRM 18a and HRM 24a). Switching from the Magna to the Valeo 48V system would be a violation of the homologation/type approval of the BMW Minivan vehicles in general and the U25 in particular, whereas type approval and homologation

are in the responsibility of Defendants' customer BMW. In addition, […] Furthermore, […] In particular, [...]. In addition, […].

Defendants have explained in detail (see Rejoinder, pp. 77 - 84) the main structural and functional differences between the two e-machines (see also Exhibit HRM 24a). Due to these differences, which have been implemented to improve the transmission system, the Defendants contend that […] On this basis, the submissions, including Applicant's additional explanation at the oral hearing, do not allow the conclusion that the challenged embodiment could be easily replaced by the Applicant's system in the vehicles in which the Applicant's products were originally used.

In addition, according to the Defendants' undisputed submission, vehicles fitted with Applicant's products emit more CO_2 than those using the challenged embodiments. Irrespective of whether BMW complies with the EU requirements for other reasons and independently of the use of the challenged embodiments, the higher CO_2 emissions increase the risk that BMW will not accept a switch back to the Applicant's GMGs.

Furthermore, Defendants have argued that a change to the Applicant's products would require a reapplication for the homologation of all vehicles concerned. BMW would not be able to place such vehicles equipped with Valeo e-machine on the EU market because it does not hold the necessary type approvals under the harmonised EU product regulations for automotive vehicles. To the best of Defendant 1)'s knowledge, BMW does not hold a valid EU type-approval for the placing on the market of its models in their current configuration fitted with the Valeo e-machine instead of the Magna 48V system. According to the Defendants, BMW cannot rely on the type-approvals it has obtained for its current BMW vehicles in order to fit those vehicles with the Valeo e-machine of the Magna 48V system. Nor could BMW use type-approvals issued for previous versions of its models which were equipped with the Valeo e-machine. This was explained in detail by Defendants (see Rejoinder, pp. 87 - 92) and remained undisputed.

Having regard to these circumstances, it cannot be established on the basis of the state of the facts and the disputes that the challenged embodiments can actually be easily replaced by the Applicant's GMGs, as claimed by the Applicant. This applies in any event to those BMW models which have been equipped with the Defendants' products from the outset and in which the Applicant's GMGs have therefore never been installed. However, as mentioned above, the Applicant has also not been able to convince the Panel that these three car models in which the Applicant's GMGs were implemented in the past, could be re-equipped with the Applicant's GMGs without further delay, despite the necessary modifications explained in detail by the Defendants, the necessary homologation and despite the facelift of the BMW car models in the meantime. On this basis, the Defendants' argument that, in the event of a preliminary injunction in the present case, BMW would have to cease production of vehicles with Magna HDR during the redesign process is conclusive. The Applicant has not sufficiently demonstrated that this standstill could be compensated by the production of other vehicles not equipped with the GMGs in question. In the light of the Defendants' detailed submissions, supported by affidavits (Exhibits HRM 18b, HRM 24J), the Applicant's mere general reference to the abstract possibility of producing other car models is insufficient, as is the reference to the fact that the production of multi-hybrid vehicles accounts for only 10 % of production.

As the Defendants have further explained, in the event of an interruption of supply, the buyer (and therefore BMW) may, pursuant to section 3.5. of the International Purchasing Conditions for Production Material and Motor Vehicle Parts, claim compensation for the resulting damage. The letter submitted by the Defendants as Exhibit HRM 24e shows that BMW is in principle prepared to enforce such claims.

On the basis of the Defendants' submissions, the overall daily damage which would arise is […].

There is no need for further clarification of damages in these PI proceedings. On the basis of the foregoing, it remains to be stated that, in the event of a preliminary injunction, the Defendants will no longer be able to supply the challenged embodiment to BMW. A change to other GMGs is only possible with a considerable amount of time due to the lack of authorisation and the necessary modifications. On the basis of the party's submissions, the Court cannot conclude that BMW could easily revert to the Applicant's GMGs, at least for the models which have already been fitted with the Applicant's GMGs in the past. Nor can the Court find that BMW would be able to compensate for loss of supply of the challenged embodiments by producing and using other components which do not contain the challenged embodiments. Defendants have sufficiently explained and also substantiated by means of corresponding calculations that a partial production stop, which is at least imminent, may lead to considerable damage for BMW and ultimately also for the Defendants through recourse claims. The Applicant has not been able to counter this with anything substantial.

As far as the balancing of interests is concerned, it should be noted at this stage that BMW, and thus the corresponding recourse claims in the event of a preliminary injunction, are threatened with considerable damage.

c)
Taking into account the Applicant's legitimate interest in a preliminary injunction, and also taking into account the potential harm in case of a preliminary injunction, there is no reason to refrain from a preliminary injunction in general. Rather, the harm identified by the Defendants can already be avoided by tailoring the preliminary injunction. The purpose of balancing of interests is to avoid undue consequences. Therefore, if the legal requirements are met in a specific case, a preliminary injunction should in principle be granted (Bopp/Kircher, Handbuch der Patentverletzung, 2nd edition, § 22 Rz. 94). In order to ensure the effective enforcement of the patentee's interests, restrictions to this principle must be limited to the minimum necessary in order to take sufficient account of the Defendants' interests.

In the present case, the massive damage referred to by the Defendants results solely from the fact that, in the event of an injunction, the Defendants will no longer be able to fulfil their current obligations to BMW.

The scope of the preliminary injunction must therefore be limited. The threatened damages in the event of a preliminary injunction covering the Defendants' current supply obligations to BMW are so high that an order to provide security is not a suitable instrument for providing adequate security. The amount of security required would be so high that the injunction would be ineffective. On the other hand, setting a lower security would not provide adequate protection for the Defendants.

In the light of the foregoing, it is considered appropriate and in the interests of the parties to limit the scope of the preliminary injunction as far as supplies to BMW are concerned, in order to ensure full compliance with the Defendants' current obligations in this respect. However, there is no apparent reason to limit the scope of the injunction beyond this narrowly defined area.

d)
Defendants' allegation that the Applicant did not act in good faith cannot be taken into account in the weighing of interests in favour of the Defendants.

Considering the date of the publication of the application for the patent in suit (May 2016) and the date of the publication of the grant of that patent (March 2022), Defendants had sufficient time to have their accusation that the Applicant had applied for a patent on the Defendants' invention clarified by the competent national courts. In Germany, however, they did not make use of this option until the end of the oral hearing in this case. A vindication action was brought in France, but only after the Application for provisional measures had been served. The fact that Defendants' allegation that the Applicant did not act in good faith and had the Defendants invention patented has not yet been clarified is therefore the Defendants' responsibility. In view of this, there is no reason to consider this allegation in favour of the Defendants in the balancing of interests.

The mere fact that the patent in suit is not mentioned in Attachment #11 of the Nomination Letter (Exhibit HRM 9e; HRM 21a-13) does not change this. Even if the patent in suit should have been mentioned there (which is not necessary to decide in the present case), Defendants could not rely on this list. That it is not to be understood as a black list, which would allow the Defendants to develop (alleged) workarounds with legal certainty, can already be seen from the fact that the parties did not agree on an obligation to update this list.

VII.

As a result, the Panel finds that it is more likely than not that the patent in suit is infringed by the Defendants offer and distribution of the challenged embodiments I and II in the Contracting Member States Germany and France (Art. 25(a) UPCA). Furthermore, it is more likely than not that the patent in suit is valid. Since the granting of provisional measures is also necessary in terms of time and substance, and since the weighing of interests is also in favour of the Applicant, the legal consequences are as follows:

1.

The Panel, in the exercise of its discretion (R. 209.2 RoP), considers the grant of a preliminary injunction to be appropriate and justified (Art. 62(1), 25(a) UPCA). Only a preliminary injunction takes into account the Applicant's interest in the effective enforcement of the patent in suit.

The present order takes account of the potentially significant harm identified by the Defendants as being caused by a preliminary injunction by allowing Defendants to fulfil their existing obligations to their customer BMW notwithstanding the preliminary injunction. This is a narrowly defined exception which takes account of the particularities of the automotive industry supply market in general and the harm specifically identified in the present case in the event of an unlimited preliminary injunction. The order preserves the status quo while ensuring at the same time that the Defendants cannot expand their business activities in relation to the challenged embodiments. In particular, the preliminary injunction prohibits the Defendants from offering or distributing the challenged embodiments I and II to other customers than BMW. An increase in the quantities supplied to BMW beyond the existing contracts is also excluded.

In order to minimise the disadvantages for the Applicant associated with such a strictly limited possibility of further use, Defendants are obliged to provide security in return.

2.

Since Defendants are permitted to continue to supply BMW to a strictly limited extent, an order for delivery to a bailiff as requested (Art. 62(3) UPCA in conjunction with R. 211.1 (b) RoP) is excluded.

3.
The threat of penalty payments in the event of non-compliance is based on R. 354.3 RoP. The setting of an overall limit gives the Panel the necessary flexibility to also take into account the Defendants' behaviour in the event of an infringement and, on that basis, to determine an appropriate penalty payment in accordance with R. 354.4 RoP.

4.
Pursuant to R. 211.5 RoP, the Court may require the provision of adequate security to ensure that the Defendant is adequately compensated for the damage which it is likely to suffer if the Court revokes the Order for provisional measures. Unless the specific case exceptionally requires otherwise, this option should normally be used. The decision to grant provisional measures is based only on a preliminary assessment of the factual and legal situation, which is inherently uncertain. In addition, the preliminary injunction represents a considerable interference with the rights of the infringer, who is massively restricted in the exercise of its economic activity. This uncertainty and the intensity of the interference can only be taken into account by ordering the provision of a security (UPC_CFI_452/2023 (LD Düsseldorf), Order of 9 April 2024 – Ortovox Sportartikel v. Mammut Sports; UPC_CFI_463/2024, Order of 30 April 2024 – 10x Genomics v. Curio; Tilmann/Plassmann, Einheitspatent, Einheitliches Patentgericht, Regel 211 para. 32).

As far as the amount of the security is concerned, it should cover the costs of the proceedings, other costs arising from the enforcement and any compensation for damage suffered or likely to be suffered (R. 352.1 RoP). However, it is difficult for the Court to estimate the amount of possible enforcement damages at the time the order is issued. Against this background, the security is based on the value in dispute, unless the Defendants take the opportunity to provide further information on the potential harm caused by the preliminary injunction.

In the present case, the Defendants have taken the opportunity to provide detailed information on the potential harm caused by a preliminary injunction. Therefore, there is no reason to base the amount of security on the value in dispute. However, in view of the fact that the Panel has allowed the Defendants to fulfil their current supply obligations to BMW (within narrow limits), the Panel considers a security deposit of EUR 2,500,000 to be sufficient, but also necessary, to take account of possible compensation claims by the Defendants in the event that the preliminary injunction is lifted.

5.
According to the previous case law of the Düsseldorf Local Division, there is no reason for a decision on the obligation to bear legal costs (UPC_CFI_452/2024 (LD Düsseldorf), Order of 9 April 2024 – Ortovox Sportartikel v. Mammut Sports; UPC_CFI_463/2024 (LD Düsseldorf), Order of 30 April 2024 – 10x Genomics v. Curio). Meanwhile, the Munich Local Division has ruled in a similar way (UPC_CFI_74/2024, Order of 27 August 2024 – Hand Held Products v. Scandit AG).

The background of this case law is that neither Art. 69 UPCA nor R. 118.5 RoP constitute a suitable basis for a decision on the obligation to bear the costs in PI proceedings. At least as long as the PI proceedings are followed by proceedings on the merits, there is no unintended loophole that would be required for an analogy. Where proceedings on the merits are preceded by the ordering of provisional measures, the Rules of Procedure provide for a two-stage-procedure: In order that the Applicant does not have to advance the costs of the application for provisional measures over a long period of time and thus also bear the risk of the other party's insolvency, it has the possibility to oblige the defendant to reimburse the provisional costs included in the order of provisional measures. In the proceedings on the merits, the Court will then decide on the obligation to bear the costs on the basis of R. 118.5 RoP, which will form the basis for any subsequent procedure for

a decision on costs (R. 150 et seq. RoP). Thus, there is no (unintentional) gap in the rules, as long as the PI proceedings are followed by proceedings on the merits. The requirements for an analogy are not met in such a constellation (UPC_CFI_452/2024 (LD Düsseldorf), Order of 9 April 2024 – Ortovox Sportartikel v. Mammut Sports; UPC_CFI_463/2024 (LD Düsseldorf), Order of 30 April 2024 – 10x Genomics v. Curio).

To the extent that the Court of Appeal has now recognised the possibility of a decision on the obligation to pay costs in PI proceedings (UPC_CoA_182/2024, Order of 25 September 2024, para. 257), it is not clear from the reasoning of this order what the legal basis for such a decision on costs should be. R. 242.1 RoP, cited by the Court of Appeal, merely states that the Court of Appeal shall either dismiss the appeal or set aside the decision or order in whole or in part, substituting its own decision or order, including an order as to costs, both in respect of the proceedings at first instance and the appeal. However, it is silent on when and under what conditions such a decision has to be taken by the Court of First Instance. Against this background, the Panel adheres to the previous case law of the Düsseldorf Local Division.

6.

The Applicant requested the provisional reimbursement of costs in the amount of EUR 21,000. Taking into account the partial dismissal of the Application, the Panel ordered the reimbursement of provisional costs at the amount of EUR 14,700 (Art. 69 UPCA in conjunction with R. 211.1 (d) RoP).

ORDER:

I. The Defendants are ordered to refrain from,

in

the Federal Republic of Germany and/or
the French Republic,

offering, placing on the market or using, or importing or storing the product for those purposes,

1. rotary electric machines having

- a stator,
- a rotor,
- a casing,
- a shaft, and
- at least one rolling bearing mounted between said casing and said shaft,

the casing having a reservoir configured to receive a lubricant intended to lubricate said rolling bearing,

the machine having a cooling circuit designed to allow the flow of a cooling liquid, for example an oil, for cooling the stator and/or the rotor, said reservoir being delimited by a base, a first rim formed in said casing and a second rim formed by an external ring of said rolling bearing,

wherein said shaft has at least one lubricant outlet designed to fill said reservoir;

2. an assembly that has
a host element with an enclosure and
a rotary electric machine as defined in I. 1. inserted into said enclosure.

II. As an exception to the injunction in Section I, the Defendants are permitted to fulfil their current obligations with regard to the challenged embodiments I and II towards their customer BMW within the framework and the scope of the existing delivery obligations (Status: 8 October 2024) for the following models:

- X1
- X2
- 1 Series
- 2 Series Active Tourer
- Mini Countryman.

This exception shall no longer apply if the Defendants do not provide security in form of a deposit or a bank guarantee issued by a bank licensed to do business in the EU in the amount of EUR 500,000 by 21 November 2024.

III. For each individual case of non-compliance with the order under I. the respective Defendant must pay a recurring penalty payment of up to EUR 250,000 to the Court (repeatedly if necessary). These penalties will be determined by the Local Division in Düsseldorf upon request by the Applicant (Art. 63(2) UPCA; R. 354.3 RoP).

IV. The Defendants are ordered, as joint and several debtors, to provisionally bear a share of the costs of the proceedings in the amount of EUR 14,700 until the claim for reimbursement of costs has been finally decided upon, or until an amicable settlement has been reached.

V. The orders are effective and enforceable against the provision of security by the Applicant in form of a deposit or a bank guarantee issued by a bank licensed to do business in the EU in the amount of EUR 2,500,000.

VI. For the remaining parts, the Application for provisional measures is dismissed.

DETAILS OF THE ORDER:

Main file reference: ACT_37931/2024

UPC number: UPC_CFI_347/2024

Type of procedure: Application for provisional measures

Delivered in Düsseldorf on 31 October 2024

NAMES AND SIGNATURES

Presiding Judge Thomas	Ronny Thomas Digital unterschrieben von Ronny Thomas Datum: 2024.10.31 07:29:51 +01'00'
Legally Qualified Judge Dr Thom	Anna Bérénice Dr. THOM Digital unterschrieben von Anna Bérénice Dr. THOM Datum: 2024.10.29 15:57:38 +01'00'
Legally Qualified Judge Bessaud	Mélanie, Jeanne, Lison Bessaud Digitally signed by Mélanie, Jeanne, Lison Bessaud Date: 2024.10.29 18:47:23 +01'00'
Technically Qualified Judge Sanchini	Alessandro Sanchini Firmato digitalmente da Alessandro Sanchini Data: 2024.10.30 09:27:27 +01'00'
for the Sub-Registrar Boudra-Seddiki	Rachida Boudra-Seddiki Digital unterschrieben von Rachida Boudra-Seddiki Datum: 2024.10.30 09:55:42 +01'00'

Notice on the right on appeal:

The Applicant and the Defendants may bring an appeal against the present order within 15 days of service of this order (Art. 73(2)(a), 62 UPCA, R. 220.1(c), 224.2(b) RoP).

Information about enforcement (Art. 82 UPCA, Art. Art. 37(2) UPCS, R. 118.8, 158.2, 354, 355.4 RoP):

An authentic copy of the enforceable order will be issued by the Deputy-Registrar upon request of the enforcing party, R. 69 RegR.