



Local division Munich

UPC_CFI_390/2023
ACT_583273/2023
App_60589/2024

Order

of the Court of First Instance of the Unified Patent Court

issued on 17 December 2024

Guiding principles:

1. If the claimant wishes to receive the information to be provided under Art. 67 UPCA in electronic form, this must be specifically requested. If the judgement leaves open whether information is to be provided in paper form or electronically, the information can in principle be provided in either form.
2. The penalty payment to be imposed in accordance with Art. 82 UPCA has both a punitive and a punitive function. A penalty payment can therefore be imposed not only to enforce compliance with an order, but also to penalise non-compliance with a court order in the past.

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APPLICANT

Koninklijke Philips N.V.,

represented by: Dr Tilman Müller

DEFENDANTS

1. **Belkin International, Inc.**, legally represented by its Chief Executive Officer (CEO), 55 Aviation Boulevard, Suite 180, El Segundo, California 90245, USA
2. **Belkin GmbH**, legally represented by its Managing Director, Otto-Hahn-Str. 20, 85609 Aschheim, Germany
3. **Belkin Limited**, legally represented by its directors, Unit 1, Regent Park Booth Drive, Park Farm Industrial Estate, Wellingborough, Northamptonshire, England, NN8 6GR, United Kingdom

represented by: Dr Philipp Cepl, Dr Constanze Krenz, Dr Benedikt Hammerschmid, Dr Carl Prior

PATENT IN SUIT

Patent no.

Patent holder

EP 2 867 997 B1

Koninklijke Philips N.V.

PARTICIPATING JUDGES

Presiding judge

Dr Matthias Zigann

Legally qualified judge

Edger Brinkman

Technically qualified judge

Dr Anders Hansson

judge-rapporteur

Tobias Pichlmaier

LANGUAGE OF THE PROCEEDINGS: GERMAN

Facts of the case

In its main decision of 13 September 2024, the local division sentenced the defendants for patent infringement, among other things,

B. II. to provide the plaintiff with information on the extent to which they have committed the acts described in B.I. since 28 December 2016, stating

1. the origin and distribution channels of the products referred to in point B.I., stating
 - a. the names and addresses of suppliers and other previous owners, and
 - b. the names and addresses of the commercial customers and the points of sale for which the products were intended;
2. the quantity of products delivered, received or ordered and the prices paid for the products concerned; and
3. the identity of all third parties involved in the distribution of the products referred to in section B.I,

whereby copies of the corresponding purchase receipts (namely invoices, alternatively delivery notes) must be submitted as proof of the information, whereby details requiring confidentiality may be blacked out outside the data subject to disclosure;

H. In the event of any violation of the orders under B.I and D, the respective defendants shall pay to the court a penalty payment of up to EUR 100,000 for each day of violation; in the event of violations of the orders under B.II, the penalty payment shall be up to EUR 50,000 for each day of violation.

K. The judgement is provisionally enforceable for the plaintiff without the provision of security.

By letter dated 20 September 2024, the applicant notified the respondents in accordance with R. 118.8 UPC RoP that it would enforce the decision in full. It has requested the respondents to pay the costs pursuant to para.

B.II. of the decision to the extent ordered by 7 October 2024.

In a document dated 7 October 2024 (App_ 52799/2024; notification of the applicant's intention to enforce pursuant to Rule 118.8 UPC RoP), the respondents submitted a statement on the notice of enforcement. In this context

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was informed, among other things, that if the defendants' application for suspensive effect was rejected (App_ 53031/2024 UPC_CoA_549/2024), information would be provided within one week of service of the corresponding decision of the Court of Appeal.

By order dated 30 October 2024, the Court of Appeal dismissed the application for suspensive effect with regard to the defendants. This order was served on the parties on 30 October 2024.

In a document dated 11 November 2024, the applicant submitted an application for the imposition of a penalty payment.

By letter dated 12 November 2024, the respondent provided information in paper form: 16 boxes (DIN A4) with printed invoices and one box (DIN A3) with a printed table were handed over to the applicant's authorised representatives, as shown below. A 1.5-page letter (Annex AG-ZV 1) with the heading "Rechnungslegung" was submitted.



In a document dated 25 November 2024, the applicant complained that the information was not provided in full. For example, information on the price at which the defendants purchased the infringing products from their manufacturers was completely missing; the defendants' letter of 12 November 2024 only lists the names of the manufacturers.

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The applicant is of the opinion that the information should have been provided electronically. This was not done. The information provided makes it impossible to analyse it. The right to information is also not yet fulfilled because certain information is still missing (example: purchase prices). The information is also not comprehensible with regard to certain values in the tables provided with the information ("UNIT_PRICE_LOCA").

The applicant has **applied**,

against the defendants for failure to comply with the order in paragraph B.II. of the judgment of the Court of First Instance of the Unified Patent Court, case number UPC_CFI_390/2023, issued on 13 September 2024, to impose a penalty payment of EUR 20,000 for each day since 7 October 2024.

In the alternative:

1. against the defendants for each day from 7 October 2024 until the complete fulfilment of the obligations set out in the Chamber's judgement of 13 September 2024 at para.

B.II. to impose a penalty payment, the amount of which is at the discretion of the court;

further in the alternative:

2. against the defendants for each day in the period from 7 October 2024 to 12 November 2024 to impose a penalty payment, the amount of which is at the discretion of the court, and

3. order the defendants to provide the applicant with the information owed in a complete, organised list in electronic form within a reasonable period to be fixed by the court.

The defendants **filed a motion**,

reject the applications.

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The defendants are of the opinion that they have provided the information owed in full. According to the operative part of the main decision, submission in electronic form was not owed. It was permissible to black out some of the invoices; however, this was only possible manually (i.e. not electronically/digitally), as the software available to the defendants was unable to process the largely scanned invoices.

For the rest, reference is made to the parties' submission in the context of workflow App_60589/2024.

Reasons

The application for a coercive remedy pursuant to Art. 82 UPCA i.V.m. R. 354.4 RoP is largely successful on the merits. The respondents did not violate the court order to provide information in terms of form, but in terms of time and content. In view of this, a penalty payment was to be imposed.

I. Formal fulfilment of the obligation to provide information

A penalty payment cannot be imposed on the defendants because the information was provided in paper form and not in electronic form. The application made under point 3 was therefore to be rejected.

1. Neither Art. 67 UPCA nor the UPC RoP contain specific provisions on whether information to be provided in writing is to be provided in electronic (digital) form or on paper. However, the request and order of information in electronic form is not excluded according to the wording of Art. 67 UPCA, which is open in this respect. According to Art. 76 para. 1 UPCA ("...in accordance with the requests made by the parties..."), it is incumbent on the party bringing the action to formulate the application under Art. 67 UPCA as specifically as possible with regard to the desired form of information to be provided. If information (Art. 67 UPCA) is to be provided in electronic form, this must therefore be specifically requested. If the request does not specify the form, the request for information is not inadmissible due to a lack of specificity; however, the party owing the information is then generally free to choose the form in which the information is provided (electronically or on paper).

Art. 67 UPCA cannot be interpreted in favour of the requesting party to the effect that a tenor-based obligation to provide information must always be complied with in electronic form if the information is available in electronic form from the party obliged to provide information. The technically neutral wording of the provision gives no indication of this; according to the wording of the provision, the only decisive factor is that the aforementioned information is transmitted. In the passage of decision UPC_CFI_15/2023 cited by the applicant, the local division also did not decide that information - regardless of the wording of the corresponding application - must always be provided in

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electronic form.

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if the information is available from the debtor in electronic form, especially since in the case in question, according to the applicant's submission, the provision of information was requested in electronic form.

An obligation to provide information in electronic form cannot be derived from Art. 44 UPCA either, if only because the addressee of Art. 44 UPCA is "the court".

2. The requirement of a specific application with regard to the form in which information is to be provided and a correspondingly specific court order also follows from principles of EU law.

The EU law principle of "nulla poena sine lege", which is affirmed in Art. 7 ECHR and Art. 49 para. 1 CFR, must also be observed for measures such as the imposition of a penalty payment for non-compliance with a court order.

Therefore, the enforcement of an order under Rule 354.3 UPC RoP (penalty payments in the event of non-compliance with the order) requires that the court order is worded so specifically that a violation can be clearly established. If, for example, non-compliance with the form of the information declaration is at issue, a penalty payment can only be ordered if the required form is also expressed sufficiently clearly in the court order; otherwise, a breach of form cannot be established.

3. The applicant has not specifically requested information in electronic form. Her application states that

"...corresponding proof of purchase (namely invoices, alternatively delivery notes) must be submitted in copy..."

In accordance with this application, the main decision did not stipulate that the information must be provided electronically. Copies can be made in both analogue and digital form. The application and the subsequent order leave this open. The defendants submitted invoices in paper form. The fact that the invoices were not submitted in electronic form but

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in paper form cannot be penalised with a penalty payment in view of the wording of the order. This also applies in view of the fact that the invoices were scanned so that it would have been obvious to provide the information in electronic form. There is an obligation to comply with the order; within the limits of harassment, there is no obligation to do something that is not specifically required in the order but may be customary or obvious. In view of the explanation offered by the debtors that the invoices could only be blacked out manually (i.e. not electronically/digitally), it cannot be proven in the context of the penalty payment proceedings that the debtors only chose the paper form to harass the creditor.

II. Failure to fulfil the obligation to provide information in terms of time

However, a penalty payment can be imposed on the defendants simply because the information provided on 12 November 2024 was provided too late.

If a party fails to comply with an order of the court, it may be subject to a penalty payment to be paid to the court (Art. 82 para. 4 UPCA).

The defendants did not comply at all with the local division's order to provide information by 12 November 2024. The application filed on 11 November 2024 to impose a penalty payment was therefore justified on the merits. This first attempt to provide information on 12 November 2024 was late, but had to be taken into account when determining the amount of the penalty payment.

1. Pursuant to Rule 354.1 UPC RoP, decisions and orders of the Court are directly enforceable in any Contracting Member State from the date of service, subject to Rules 118.8 and 352.

The decision ordering the defendants to provide information was served on the parties on 13 September 2024.

2. In a letter dated 20 September 2024, the applicant indicated in accordance with R. 118.8 UPC RoP that it would enforce the decision in full. She has

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requested the defendants to provide the information owed pursuant to item B. II. of the decision by 7 October 2024.

Insofar as the respondents have stated that they only wish to provide information within one week of any rejection of their application for suspensive effect, it should be noted that neither the application for suspensive effect has such a suspensive effect nor the appeal lodged by the respondents against the decision of 13 September 2024 (Art. 74 para. 1 UPCA). There was therefore no reason as of right to wait for the Court of Appeal to decide on the application for suspensive effect before providing information. The opponents of the application should have been aware of this if they had received correct legal advice.

The information was therefore to be provided on 7 October 2024, i.e. more than three weeks after delivery of the judgement; the applicant did not agree to an extension of the deadline. No information was provided by 7 October 2024.

3. By order dated 30 October 2024, the Court of Appeal dismissed the application for suspensive effect with regard to the defendants. This order was served on the parties on 30/10/2024. However, the information was still not provided on 30.10.2024. Contrary to their own promise, the defendants also did not provide the information within one week of being served with the Court of Appeal's decision on the application for suspensive effect.

As this is - as far as can be seen - the first decision of the UPC Agreement on the question of when the information ordered in a decision on the merits is to be provided, the respondents were exceptionally allowed to wait until the decision of the Court of Appeal before providing the information. However, it was not permissible for the respondents not to prepare the information statement any further during this period, so that it could not be issued even if the decision of the court of appeal was available on 30 October 2024.

The information should have been provided on 30 October 2024 in any case. However, the respondents did not provide it either on 30 October 2024 or - as promised

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until 6 November 2024, but only on 12 November 2024. Contrary to their opinion, the defendants could not rely on being granted an extension by the applicant in view of the time that had already elapsed.

4. There is also no justifiable reason that excuses the applicants for the information that has been overdue since 30 October 2024 and has therefore been issued late:

The defendants - confronted with an infringement action since 2023 - had to assume that they would have to provide this information as soon as possible after the judgement at first instance. This also and especially applies in view of the scope of the information to be provided. Accordingly, the defendants were required to prepare the provision of information at the latest upon service of the decision of 13 September 2024. This was evidently not done with the necessary vigour, without there being any comprehensible reason for this. There is no other explanation for the fact that information was not provided until two months after the decision was served.

If the request for information had been prepared in good time and had been vigorously pursued - even during the course of the application for suspensive effect - it could have been issued much earlier, namely on 30 October 2024 at the latest; a time requirement of two months is clearly too long - even taking into account the scope of the information. In particular, the further delay claimed after the rejection of the application for an order for suspensive effect on 30 October 2024 due to the manual redaction of documents by an external service provider can only be explained by the fact that the compilation of the documents and their redaction was not started on time, namely on 13 September 2024 at the latest, and that this was not continued with the necessary vigour until the decision of the court of appeal on the application for suspensive effect.

In view of the time that had already elapsed, the defendants could not rely on the applicant agreeing to a further extension of the deadline on 5 November 2024.

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5. The defendants cannot be followed in their view that a penalty payment can no longer be ordered on the basis of the information provided on 13 November 2024, as the sole purpose of such a penalty payment is to compel the debtor to comply with an order.

The penalty payment to be imposed pursuant to Art. 82 para. 4 UPC Agreement is intended to penalise non-compliance with UPC Agreement decisions. As the English language version ("penalty payment") in particular shows, the penalty payment has a punitive character; a penalty payment can therefore not only be imposed to enforce compliance with an order, but also to penalise non-compliance in the past (as here: LK Düsseldorf, UPC_CFI_177/2023; v.Falck/Stoll in Tilmann/Plassmann, UPCA Art. 82 para. 123 f.; aA Kircher in Bopp/Kircher, Handbuch Europäischer Patentprozess, 2nd edition 2023, Sec. 27 para. 60). A restriction of the penalty payment to the purpose of requiring the party concerned to comply with a court order cannot be inferred from the wording of Art. 82 para. 4 UPCA.

6. The conditions for ordering a penalty payment are met. The respondents were ordered to provide information on 13 September 2024; coercive measures were threatened in the event of non-compliance. The order of 13 September 2024 was enforceable in accordance with R. 354.1 RoP without any further enforcement order and without the provision of security. The respondents had also been given a reasonable period of time to comply with the order. The procedure provided for in Rule 264 UPC RoP was carried out.

III. Failure to fulfil the obligation to provide information in terms of content

Insofar as the defendants handed over documents on 12 November 2024, these are incomplete in terms of section B. II. of the order of 13 September 2024.

The information was to include, among other things, the quantity of products delivered, received or ordered and the prices paid for the products in question. In a document dated 25 November 2024, the applicant argued that the information dated 12 November 2024 lacked information on the quantity of products delivered, received or ordered.

the price at which the defendants purchased the infringing products from their manufacturers. The defendants did not object to this in a letter dated 10 December 2024. The information is therefore indisputably incomplete.

IV. Determination of the amount of the penalty payment

According to Art. 82 para. 4 sentence 2 UPCA, the penalty payment must be proportionate to the importance of the order to be enforced.

In the present case, the subject of the order to be enforced is the provision of information. The information should enable the claimant to calculate the damage. If the information is provided late, the assertion of the damage is delayed. From an economic point of view, this delay may result in a loss of interest; in the worst case, the debtor's risk of insolvency increases. However, these economic risks incurred by the party bringing the action as a result of non-compliance with the order are not to be taken into account when calculating the penalty payment, as the party's right to claim damages remains unaffected under Art. 82 para. 4 sentence 2 UPCA. In addition, according to Rule 354.3 UPC RoP, the periodic penalty payment is to be paid to the court and not to the opposing party.

The nature and duration of the offence in particular must therefore be taken into account when determining the appropriate ratio of the penalty payment to the object of the order to be enforced.

By its nature, this is a violation of an order that is less important than an injunction, for example; the order to provide information merely serves to *prepare* the assertion of a claim for damages. However, this does not mean that such a court order - which merely prepares a main claim - may be disregarded with impunity. Court orders must be complied with in any case. It is not up to the debtor to decide whether and when to comply with an order. The varying importance of an order merely influences the amount of the sanction to be imposed.

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As shown above, the period since 30 October 2024 must be taken into account for the duration of the infringement. The fact that a first attempt to provide complete information was made on 12 November 2024 must be taken into account to reduce the amount of the penalty payment to be set.

In view of the nature and duration of the infringement, a penalty of € 500.00/day for the period from 31 October 2024 to 25 November 2024 must be imposed here because the information was provided late and then incomplete (26 x € 500.00 = € 13,000.00).

Since 25 November 2024, the defendant has been aware that the information provided on 12 November 2024 was incomplete. However, this has not prompted them to rectify the information. An increased penalty payment of € 1,500.00 per day must therefore be imposed for the period from 25 November 2024 to 17 December 2024 in order to compel the defendants to provide complete information (22 x € 1,500.00 = € 33,000.00).

On the one hand, this clearly expresses that such violations are not tolerated, but rather noticeably sanctioned. On the other hand, the court is thus at the lower end of the range of the threat of a penalty payment.

V. Costs

The penalty payment proceedings have incurred costs due to the activities of the party representatives. These are costs of the legal dispute. Their apportionment was to be determined in the context of a decision on costs to be made pursuant to Art. 69 UPCA. The court assessed the application no. 3, with which the applicant was unsuccessful, with a share of 25%.

VI. Admission of the appeal

The appeal is admissible because - as far as can be seen - this is the first decision concerning the imposition of a penalty payment for failure to provide or incomplete provision of information.

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For the reasons set out above, the presiding judge Dr Zigann, the legally qualified judge Brinkman, the technically qualified judge Dr Hansson and the judge-rapporteur Pichlmaier hereby give the following ruling.

Decision

- A. A penalty payment totalling € 46,000.00 is imposed on the defendants for non-compliance with the order to provide information (point B.II. of the judgment of the Court of First Instance of the UPC Agreement, UPC_CFI_390/2023, issued on 13 September 2024).
- B. In all other respects, the applications of the applicant are rejected.
- C. The applicant shall bear 25% of the costs of the penalty payment proceedings and the defendants 75%.
- D. This order is immediately enforceable.
- E. The appeal is authorised.
- F. The value in dispute of the penalty payment proceedings is set at € 150,000.00.

INFORMATION ON THE APPOINTMENT

An appeal against this decision may be lodged by any party whose applications were unsuccessful in whole or in part within 15 days of service of the court's decision.



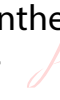

PAYMENT INFORMATION

The penalty payment is to be paid to the court to the following account:

LU38 0019 7355 1900 8000

Munich, 17 December 2024

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<p>Dr Zigann Presiding judge</p>	<p>Matthias ZIGANN  Digitally signed by Matthias ZIGANN Date: 2024.12.18 10:47:55 +01'00'</p>
<p>Brinkman Legally qualified judge</p>	<p>EdgerFrank BRINKMAN  Digitally signed by Edger Frank BRINKMAN Date: 2024.12.18 12:47:08 +01'00'</p>
<p>Pichlmaier judge-rapporteur</p>	<p>Tobias Günther Pichlmaier  Digitally signed by Tobias Günther Pichlmaier Date: 2024.12.17 15:19:43 +01'00'</p>
<p>Dr Hansson Technically qualified judge</p>	<p>AndersMax Hansson  Elektroniskt undertecknad av Anders Max Hansson Date: 2024.12.17 17:01:03 +01'00'</p>
<p>For the Deputy Chancellor</p>	