Unified Patent Court
Einheitliches Patentgericht
Juridiction unifiée du brevet

Reference numbers:
UPC_CoA_845/2024
APL_68523/2024 (Appeal)
UPC_CoA_50/2025
APL_3697/2025 (Cross-Appeal)

Order

of the Court of Appeal of the Unified Patent Court
issued on 30 May 2025
concerning appeal and cross-appeal against an Order relating to penalty payments

HEADNOTES:

1. A request for an order to communicate information made under Art. 67(1) UPCA must, as a rule, include the time period for providing the information (calculated from the notification under R. 118.8, first sentence, RoP, or in case of an order in provisional measure proceedings from the date of service of that order). The time period must therefore be incorporated into the decision or final order. If no time period is set in the final order or decision, it is the claimant's responsibility to specify a reasonable time period for the communication of information.
2. Since penalty payments serve not only a coercive function but also have a punitive nature, their imposition is justified even where the defendant has, in the meantime, complied belatedly with the obligation to communicate information as ordered.
3. The burden of presentation and proof for the assertion that the obligation to communicate information as ordered has been fulfilled lies with the defendant.
4. The information mentioned in Art. 67(1)(b) UPCA encompasses information on the prices paid by the infringer for the contested embodiments (manufacturer prices).
5. Art. 67(1) UPCA does not specify whether the information must be provided in paper or electronic format. Where the order to communicate information does not indicate the form in which the information is to be provided, the defendant is generally free to choose whether to provide the information in paper or electronic format.

KEYWORDS:

- Adversely affected party (Art. 73(2) UPCA, R. 220.1, R. 220.2 RoP)
- General requirements for enforcement
- Provision of penalty payments (R.354.3 RoP)
- Imposition of penalty payments (R. 354.4 RoP)
- Time period for communication of information (Art. 67(1) UPCA)
- Obligation to communicate information on manufacturer prices (Art. 67(1)(b) UPCA)
- Content of the Statement of grounds of appeal, statement of reasons for setting aside the contested decision (R. 226(b) RoP)

APPELLANTS, CROSS-RESPONDENTS AND DEFENDANTS IN THE PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE

1. **Belkin GmbH,** Aschheim, Germany,
2. **Belkin International Inc.**, El Segundo, California, United States of America,
3. **Belkin Limited**, Wellingborough, Northamptonshire, United Kingdom,

(hereinafter collectively referred to in the singular as "Belkin")

represented by attorney-at-law Dr. Philipp Cepl, and other attorneys-at-law of the law firm DLA PIPER UK LLP Rechtsanwälte, Cologne, Germany

RESPONDENT, CROSS-APPELLANT, CLAIMANT AND APPLICANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE

Koninklijke Philips N.V., Eindhoven, The Netherlands
(hereinafter "Philips")

represented by attorney-at-law Dr. Tilmann Müller and other attorneys-at-law of the law firm Bardehle Pagenberg, Hamburg
assisted by European patent-attorneys of the law firm Eisenführ Speiser, Hamburg, Germany

LANGUAGE OF THE PROCEEDINGS

German; with the parties' consent, the hearing was conducted in English

PANEL AND DECIDING JUDGES

Panel 2
Rian Kalden, presiding judge and legally qualified judge
Ingeborg Simonsson, legally qualified judge
Patricia Rombach, legally qualified judge and judge-rapporteur
Alain Dumont, technically qualified judge
Uwe Schwengelbeck, technically qualified judge

IMPUGNED ORDER OF THE COURT OF FIRST INSTANCE

Date: 17 December 2024, Local Division Munich
Reference numbers attributed by the Court of First Instance: ORD_60616/2024, ACT_583273/2023, App_60589/2024, UPC_CFI_390/2023

ORAL HEARING

18 March 2025

PATENT AT ISSUE

EP 2 867 997

SUMMARY OF FACTS

1. Philips filed an action against Belkin for infringement of its patent EP 2 867 997 (patent at issue).

2. The Munich Local Division found that the attacked embodiments infringed the patent at issue and, by final decision of 13 September 2024 (ORD_598464/2023), ordered Belkin - pursuant to operative part B.II (hereinafter "order to communicate information") - to disclose to the claimant the extent to which it had committed the infringing acts since 28 December 2016, stating:

   (1) the origin and distribution channels of the infringing products, specifying:
      a. the names and addresses of the suppliers and other previous owners;
      b. the names and addresses of the commercial customers as well as the points of sale outlets for which the products were intended;
   (2) the quantities of the products delivered, received, or ordered, as well as the prices paid for the respective products; and
   (3) the identity of all third parties involved in the distribution of the products referred to in section B.I.,

   substantiated by submitting copies of the corresponding purchase documents (namely invoices, or alternatively delivery notes), whereby confidentiality-sensitive details that fall outside the scope of the order may be blacked out (redacted).

4. The Court made provision for a penalty payment of up to € 50,000 per day in the event of non-compliance with this order, payable to the Court. It was ordered that the decision is provisionally enforceable in favour of Philips without the requirement to provide security.

5. The final decision was served on Belkin on 13 September 2024. By notice dated 20 September 2024 (App_52799/2024), Philips notified Belkin of its intention to enforce the decision in full and set a time period for the communication of information by 7 October 2024.

6. On 23 September 2024, Belkin, together with the other defendants, filed an application with the Court of Appeal for suspensive effect pending the appeal lodged against the final decision (App_53031/2024).

7. By written submission dated 7 October 2024, Belkin informed Philips that it is was not possible to communicate the requested information in the given time period and stated that the information would be provided within one week of the decision on the application for suspensive effect.

8. By order of 29 October 2024, served on the parties on 30 October 2024, the Court of Appeal rejected the application for suspensive effect, insofar as it was relevant to the present matter.

9. On 5 November 2024, Belkin's representative contacted Philips' representative by telephone to request an extension of the time period for the communication of information until 13 November 2024. The parties dispute whether the request for an extension of the time period

was rejected during this telephone conversation. In any event, during a telephone conversation held on 11 November 2024, Philips' representative rejected the request for an extension.

10. On the same day, Philips filed an application with the Munich Local Division for the imposition of a penalty payment.

11. By letter dated 12 November 2024, Belkin sent Philips' representative a letter entitled "Statement of Accounts", as well as 16 boxes (DIN A4) containing printed invoices and one box (DIN A3) containing a printed table.

12. In a written submission dated 25 November 2024, Philips objected that the information provided was incomplete. For example, information was missing regarding the prices paid by Belkin for the infringing products (hereinafter "manufacturer prices").

13. Before the Local Division, Philips, in summary, requested:

    i) the imposition of a penalty payment of € 20,000 per day on Belkin for failing to comply with the order to communicate information, starting from 7 October 2024,

    ii) in the alternative, the imposition of a penalty payment, the amount of which shall be left to the discretion of the Court (1.),

    iii) in the further alternative, the imposition of a penalty payment on Belkin for each day in the period from 7 October 2024 to 12 November 2024, the amount of which shall be left to the discretion of the Court (2.), and

    iv) that Belkin be ordered to provide Philips with the required information in the form of a complete and organized list, in electronic format, within a reasonable time period to be determined by the Court (3).

14. Belkin requested that the application be dismissed.

The impugned order

15. By the impugned order, the Munich Local Division imposed on Belkin a penalty payment of € 46,000.00 in total for non-compliance with the order to communicate information, dismissed Philips' further applications, and ordered that Philips bear 25% of the costs and Belkin 75%. Leave to appeal was granted, and the amount in dispute in the penalty payment proceedings was set at € 150,000.00.

16. The reasons for the decision may be summarised as follows, insofar as relevant:

    - The fact that the information was provided only in paper form does not in itself justify the imposition of a penalty payment. If the claimant wishes to receive the information to be provided under Art. 67 UPCA in electronic form, this must be expressly requested. Where neither the operative part of the judgment nor the claimant's application – as in the present case – specifies whether the information is

to be provided in paper or electronic form, the information may, in principle, be provided in either format.

- Since the documents in question were scanned invoices, it would indeed have been reasonable to provide the information in electronic form. It cannot be proven within the framework of the penalty payment proceedings that the submission in paper form was done with the intent to harass – particularly in light of Belkin's assertion that the invoices could only be redacted manually, i.e. not digitally.

- A penalty payment could, however, be imposed on Belkin simply because the information submitted on 12 November 2024 was provided too late.

- As this is the first time a decision is made on when information must be provided following an order to communicate information, Belkin is, by way of exception, granted the benefit of the doubt for not submitting the information pending the decision on the request for suspensive effect. In any event, the information should have been provided no later than 30 October 2024.

- Belkin should have prepared the submission of information at the latest upon receipt of the decision dated 13 September 2024. This was evidently not done with the requisite diligence, and no plausible justification for this is apparent.

- The additional delay resulting from the need for manual redaction of documents by an external company can only be attributed to the fact that the compilation and redaction of the documents was not initiated in a timely manner - namely, by 13 September 2024 at the latest - and was not pursued with the necessary diligence until the Court of Appeal's decision on the application for suspensive effect.

- A penalty payment may be imposed even after the information has been provided. The penalty payment under Art. 82(4) UPCA has a punitive nature.

- The information is incomplete due to the absence of the manufacturer prices.

- With regard to the amount of the penalty payment to be imposed, it should be taken into account as a mitigating factor that a first attempt to provide complete information was made on 12 November 2024.

- In view of the nature and duration of the violation, a penalty payment of € 500 per day shall be imposed for the period from 31 October 2024 to 25 November 2024.

- Belkin has been aware that the information provided was incomplete since 25 November 2024. Accordingly, for the period from 25 November 2024 to 17 December 2024, an increased penalty payment of € 1,500 per day shall be imposed.

Procedural history

17. On 24 December 2024 – and thus after the issuance of the impugned order – Belkin sent Philips a PDF version of the table previously submitted in paper form, now including the manufacturer prices.

Appeal proceedings

18. Belkin has lodged an appeal against the order, and Philips has filed a statement of cross-appeal.

PARTIES' REQUESTS

19. Belkin requests, in summary, that the Court of Appeal:

(1) overturn the impugned order and dismiss Philips' application for the imposition of a penalty payment, including the auxiliary requests;
(2) in the alternative, reduce the imposed penalty payment to a reasonable amount;
(3) order that the penalty payment of € 46,000, paid on 23 December 2024, be credited to Belkin for the amount paid in excess of the amount due.

20. Philips requests, in summary, that the Court of Appeal reject the appeal and amend the impugned order as follows:

(1) that a penalty payment be imposed on Belkin for each day since 7 October 2024 until full compliance with the order to communicate information, with the amount to be determined at the discretion of the Court;

in the alternative:

(2) that Belkin be ordered to provide Philips with the required information in the form of a complete and organized register in electronic format within a reasonable period to be set by the Court.

21. Belkin further requests that the statement of cross-appeal be dismissed as inadmissible, or in the alternative, rejected in its entirety. In the further alternative, Belkin requests that, without the imposition of a penalty payment, it be ordered to transmit the outstanding information - specified by the Court - to Philips within a reasonable deadline to be set by the Court.

22. In the event that the Court grants Philips a right to receive the invoices in digital form, Belkin requests that this right be made conditional upon reimbursement of the expenses unnecessarily incurred through the original disclosure.

SUBMISSIONS OF THE PARTIES

23. Belkin defends the impugned order to the extent that it was decided in its favour and otherwise submits the following in summary:

- Manufacturer prices do not fall within the scope of the obligation to communicate information. The order to communicate information is too vague. Art. 67(1) UPCA does not require the provision of information of manufacturer prices. The order to communicate information requires an application pursuant to R. 141 RoP (request to lay open books).

- The penalty payment is not punitive in nature but serves solely a coercive function. Therefore, the obligation to pay the penalty is waived if the defendant has complied with the order to communicate.

- Belkin argues that in the present case no fault can be established. A period of just over seven weeks from the announcement of enforcement cannot be regarded as unreasonably long for the communication of the required information.

- It was also contrary to good faith for Philips to wait nearly the entire duration of the requested extension period, only to inform Belkin two days before the requested deadline that the extension would not be granted.

- In any event, the imposed penalty payment is excessive and disproportionate in amount.

- The statement of cross-appeal is inadmissible. With respect to the current main request, there is no basis for an appeal, as the first-instance court imposed a penalty payment as requested. Philips had left the determination of the amount of the penalty payment to the discretion of the Court.

- The alternative request (Request 2) submitted in the statement of cross-appeal is also inadmissible. This request constitutes a claim for performance and is therefore reserved for the main proceedings.

24. Philips defends the impugned order on the merits, with the exception of the claim pursued further by way of the cross-appeal, and otherwise advances the following arguments, summarized below:

- The addition of the table did not fulfil the obligation to substantiate the provided information on manufacturer prices.

- Philips expressly rejected the requested extension of the deadline during the telephone call on 5 November 2024.

- A disclosure in proper form has not been provided, and for that reason, a penalty payment should have been imposed as of 7 October 2024. The Munich Local Division erred in assuming that Belkin had fulfilled its obligation to provide information by submitting it in paper form. An obligation to provide the information in electronic form arises from the order - as well as from Art. 67 UPCA.

GROUNDS FOR THE ORDER

Admissibility of the appeal and cross-appeal

25. The appeal is admissible.

26. Contrary to Belkin's view, the cross-appeal is also admissible.

Adverse effect

27. Pursuant to R. 220.1 RoP, only a party adversely affected by a decision may lodge an appeal. This also applies for appeals pursuant to R. 220.2 RoP in conjunction with R. 354.4 RoP. Contrary to Belkin's assertion, Philips is adversely affected. This follows from Art. 73(2) UPCA, according to which an appeal against an order of the Court of First Instance may be brought by any party which has been unsuccessful, in whole or in part, in its submissions.

28. The Munich Local Division did not fully grant Philips' request. It imposed a penalty payment only for the period from 30 October 2024 to 17 December 2024 (the date of issue of the decision). However, Philips had requested the imposition of a penalty payment beginning on 7 October 2024, without a limitation in time.

29. Since Philips is challenging the order regarding the established period of the breach of the order, the fact that Philips did not challenge the amount of the daily penalty rate is, contrary to Belkin's view, irrelevant to the question of whether Philips was adversely affected.

Merits of the appeal

30. The appeal is only partially successful.

31. Where it is alleged that a party has failed to comply with a court order, R. 354.4 RoP provides that the first instance panel may decide on penalty payments provided for in the order upon the request of the other party or of its own motion.

32. A prerequisite for the imposition of such penalty payments is that the general conditions for enforcement are fulfilled and that the party in question has culpably (see below) breached the order.

General requirements for enforcement

33. The Local Division correctly assumed that the general requirements for enforcement were fulfilled.

34. According to R. 354.3 RoP, the Court's decisions and orders may provide for periodic penalty payments payable to the Court in the event that a party fails to comply with the terms of the order or an earlier order. The value of such payments shall be set by the Court having regard to the importance of the order in question.

35. In its final decision, the Munich Local Division provided a penalty payment of up to € 50,000 for each day of non-compliance. The fact that only a maximum amount – rather than a specific amount – was provided does not give rise to concerns. The amount of the penalty payment (later) to be imposed does not solely depend on the importance of the order that is reinforced with a penalty (cf. Art. 82(4) UPCA, R. 354 RoP). Rather, after a breach has occurred, the Court must, in exercising its discretion, determine the amount of the penalty payment in a manner that is adapted to the circumstances and proportionate to the breach of the order. Relevant factors in this regard include, among others, aspects such as the severity of the established breach, its duration, and the defendant's ability to pay. The appropriate amount of the penalty payment can therefore only be reliably determined once the nature and extent of the breach of the order have been established.

36. Pursuant to R. 354.1 RoP, the final decision of 13 September 2024 was enforceable without the provision of a security as of its service on 13 September 2024, subject to R. 118.8 RoP.

37. Pursuant to R. 118.8, first sentence, RoP, the orders referred to in R. 118.1 RoP are enforceable on the defendant only after the claimant has notified the Court which part of the orders it intends to enforce, a certified translation of the orders in accordance with R. 7.2 RoP, where applicable, into the official language of the Contracting Member State in which the enforcement shall take place has been provided by the claimant, and the said notice and, where applicable, the certified translation of the orders have been served on the defendant by the Registry. As the Court of Appeal has gathered from the first-instance case file, Philips submitted its notice of intent to enforce to the Munich Local Division on 20 September 2024, stating that it intended to enforce the decision in its entirety. According to the Activities Log in the CMS, Belkin was notified of this on 23 September 2024. The order was therefore enforceable as of 23 September 2024.

38. Contrary to Belkin's view, the application for suspensive effect of the appeal against the final decision does not have the effect of suspending enforcement. According to Art. 74(1) UPCA, an appeal does not have suspensive effect unless the Court of Appeal decides otherwise upon a reasoned request by one of the parties. It follows that only the grant of suspensive effect by the Court of Appeal, rather than the mere filing of an application, suspends the enforceability of the decision. The defendant’s interest that enforcement of the decision is suspended as soon as possible, is protected by the requirement that the Court of Appeal must decide without delay (Art. 74(2) UPCA and R. 223.3 RoP) and by the fact that, in cases of extreme urgency, the applicant may at any time without formality apply for an order for suspensive effect to the standing judge (R. 223.4 RoP).

39. In the case of an obligation to communicate information, it is evident that the provision of such information does not have to be provided on the day the notice of intention to enforce is served. It is obvious that the provision of information requires a certain amount of time. For reasons of proportionality (cf. Art. 67(1) UPCA), the party obliged to communicate the information must be granted a reasonable period of time, taking into account the specific circumstances of the individual case. In determining the length of this period, particular consideration must be given, amongst other, to the scope of the information required to be provided, the time period to which the disclosure relates, and the resources available to the obliged party.

40. Since an order pursuant to Art. 67(1) UPCA requires an application that complies with the principle of proportionality, the time period – which begins upon notification pursuant to R. 118.8, first sentence, RoP – must be included in the claimant's corresponding application. The time period must at any rate be determined in the decision on the merits. The purpose is to ensure that the defendant is properly informed about the period of time available to it. If, as in the present case, no time period is specified in the final decision, it is the responsibility of the claimant to set a time period for the provision of information when notifying the defendant of the intention to enforce the decision. That is what occurred here: in the notice of intent to enforce, Philips requested that Belkin provide the information by 7 October 2024.

41. However, the period from 23 September to 7 October 2024 was too short, given the length of the time span for which the information was to be provided (dating back to 28 December 2016). Nevertheless, this does not constitute an obstacle to compliance. A time period that is set too short triggers the commencement of a reasonable period, to be established by the Court.

Manufacturer prices – Obligation to provide information

42. The Munich Local Division rightly based the imposition of the penalty payment on the fact that the information provided did not include any details regarding the manufacturer prices.

43. Belkin's objection to the Munich Local Division's interpretation – that the order to provide information also encompasses manufacturer prices – is without merit.

44. Belkin argues without success that the order to communicate is too vague. It is true, that the decision to be enforced must contain content that is either clearly defined in itself or at least objectively determinable. The requirement for clarity in the wording of the decision serves the principles of legal clarity and legal certainty. Otherwise, any ambiguities regarding the content of the obligation established in the declaratory proceedings would be shifted into the enforcement proceedings, whose purpose is not to determine the nature of the defendant's obligation. The defendant must not be left in doubt as to the performance it is required to render under the terms of the decision.

45. The final decision does not leave Belkin in doubt as to the obligation to communicate. The final decision obliges Belkin, inter alia, to provide information concerning the "origin" of the infringing products (B.II.1 (a)), including the names and addresses of suppliers and other previous owners (B.II.1 (a)), the quantity of products "received," and the prices paid for the respective products (B.II.1 (2)). From this, it is evident that the required information also includes the names and addresses of Belkin´s suppliers, the quantity received from them, and the prices Belkin paid for those products.

46. Belkin's line of argument that the order should be interpreted on the basis of Art. 67(1) UPCA and that Art. 67(1) UPCA does not require the provision of information of manufacture prices fails. While it is correct that, in cases of doubt, claims must be interpreted in a manner that reflects the substance of the material right asserted by the action, an interpretation on basis of Art. 67(1) UPCA does not lead to another result. Pursuant to Art. 67(1) UPCA the Court may order an infringer to inform the claimant of manufacturer prices.

47. Just like the German language version of Art. 67(1) UPCA - which, pursuant to Art. 88 UPCA, is as equally binding as the English and French versions that Belkin uses to support the opposite opinion - the English and French texts do not specify to whom the price for the infringing products was “paid” (“bezahlt” in the German version), or by whom the price was “obtained” (“obtained” and “obtenu” in the English and French versions respectively). Since all three language versions require disclosure of the products that were received or ordered (“erhalten oder bestellten” / “reçues ou commandées”), it is evident that the obligation to provide information does not refer solely to the prices received by the defendant, but also to the prices that third parties received for supplying the defendant.

48. The purpose of the obligation to provide information also supports the conclusion that manufacturer prices are included in Art. 67(1) UPCA. It is intended to enable the patent proprietor to calculate its damages. Since the infringer’s unfair profits is a factor in determining the amount of the damages claim (cf. Art. 13(1)(a) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2024 on the enforcement of intellectual property rights, hereinafter referred to as the "Enforcement Directive," and Art. 68(3)(a) UPCA), the patent proprietor also requires information on the manufacturer prices in order to calculate such profits.

49. For the reasons set out above, Art. 67 UPCA and R. 191 RoP provide the Court with the power to order the communication of manufacturer prices. Contrary to Belkin's position, this does not necessarily require a separate application under R. 131 / 141 RoP. Such a request may also be included in the claims of the infringement action.

Effects of the disclosure of 24 December 2024

50. With this appeal, Belkin is challenging the order to pay a penalty. The penalty payment was imposed because Belkin failed to comply with the order to provide information during the period from 31 October to 17 December 2024. Regarding the appeal, it is unnecessary to determine whether Belkin fully complied with its obligation to provide information by submitting the table to Philips on 24 December 2024. Breaches against the order that allegedly occurred after 17 December 2024 fall outside the scope of the appeal.

Punitive nature of the penalty payment

51. Providing the information on 24 December 2024 does not remove the obligation to pay a penalty for the period through 17 December 2024. Since penalty payments not only serve a coercive function but also have a punitive nature, their imposition is justified even where the defendant has, in the meantime, complied with the obligation to provide information as ordered.

52. The punitive nature of the penalty payment is evident from the wording of Art. 82(4) UPCA.

53. A party that does not comply with a court order may, according to the French version of Art. 82(4) UPCA, be *sanctioned* with a penalty ("*sanctionnée* par une astreinte", emphasis by the Court). The punitive nature of the sanction is confirmed by the fact that, under French law, an “astreinte” according to prevailing opinion serves a punitive function, as it can be imposed even if the court order is complied with belatedly (cf. Art. L.131-4 para. 3 of the Code des

procédures civiles d'exécution). Contrary to Belkin's view, the original meaning of "astreinte" as "coercion" is irrelevant in light of the clear reference to its punitive nature through the use of the word "sanctionnée".

54. The punitive nature is also indicated for the same reasons by the English version ("*sanctioned* with a […] penalty payment") (cf. Falck/Stoll in Tilmann/Plassmann, Art. 82 UPCA para. 123).

55. The German version of Art. 82(4) UPCA does not contradict the punitive nature of the penalty payment. It states that a party may be "imposed with penalty payments" ("kann mit […] Zwangsgeldern belegt werden"). To the legally trained German reader, the term "Zwangsgeld" may suggest a purely coercive function – since German civil procedure distinguishes between "Zwangsgeld" (§ 888 ZPO) and "Ordnungsgeld" (§ 890 ZPO) – only "Ordnungsgeld" has a punitive nature. However, given the clear wording in the English and French versions, it must be assumed that the drafting body, in choosing the term "Zwangsgeld" ("penalty payment"), did not intend to draw the distinction present in German civil procedural law.

56. Furthermore, it should be noted that Art. 82(4) UPCA applies not only to orders to communicate information, but also to injunctions. It would not serve the purpose of injunctions if an infringer who fails to comply with an injunction in a final decision or an order for provisional measures could evade sanctions merely by ceasing the patent infringement sometime after the decision was issued. This would contradict the purpose of the Rules of Procedure, which is to ensure a fair balance between the legitimate interests of all parties (Art. 41(3) UPCA).

57. Contrary to Belkin's view, the absence of an explicit requirement of fault in Art. 82(4) UPCA does not negate its punitive function. A sanction with punitive characteristics indeed requires fault (*nulla poena sine culpa*). In accordance with this requirement, the payment of a penalty sum shall be imposed when the defendant's fault can be established. Thus, a penalty payment may only be imposed if the defendant failed to undertake actions that were both possible and reasonable in order to fulfil the obligation that is reinforced by a penalty. The burden of proof that timely and proper compliance was not reasonable and/or possible lies with the defendant.

58. Belkin also correctly points out that the order providing for a penalty must define the maximum amount payable. Since the obligation to act arises only upon service of the decision, it is sufficient for the final decision to provide the maximum penalty payment.

59. Contrary to Belkin's position, attributing a punitive nature to a penalty payment does not violate the principle of proportionality. The effective enforcement of patent law requires not only that the obligations imposed by the Court are fulfilled, but also that they are fulfilled without delay.

Delayed compliance with the obligation to provide information regarding the submitted data

60. Given the punitive nature of the penalty payment, the Local Division was correct in taking into account when determining the penalty payment to be paid by Belkin - to Belkin's

detriment - that Belkin had fulfilled the obligation to provide information only after the time period for doing so had already lapsed.

61. However, the appeal succeeds in challenging the Local Division's finding that the information could have been provided no later than 30 October 2024. Rather, Belkin could only reasonably be expected to fulfil the obligation to provide information by 6 November 2024.

62. The Local Division rightly did not rely on the time period set by Philips. As previously explained (para 41 above), the time period set by Philips was too short given the length of the time span for which the information was to be provided (dating back to 28 December 2016) and its notice of enforcement merely triggered the commencement of a reasonable time period.

63. As a general rule, the Court shall determine the appropriate time period in the proceedings on the merits or in the proceedings for provisional measures, taking into account the parties´ submissions on this point (see para 40 above). However, as this matter was not argued prior to the issuing of the final decision of 13 September 2024, it is left to the Court of Appeal to determine a reasonable time period based on the submissions of the parties. As set out in para 39, in determining the length of this period, particular consideration must be given, amongst others, to the scope of the information required to be provided, the time period to which the disclosure relates, and the resources available to the obliged party.

64. Taking into account the scope of the information, the need for a review of whether confidential information is included and the length of the time span for which the information was to be provided, the Court of Appeal considers – dependent on the resources of Belkin – a period of 6 to 8 weeks to be reasonable. In the absence of other evidence, the Court of Appeal places particular emphasis on the fact that Belkin indicated to Philips that the information would be provided within one week of the decision on the application for suspensive effect. It can be assumed, that this statement was based on the scope of the information owed, the period over which the information is to be provided, and the resources available to Belkin.

65. The order concerning the decision on the application for suspensive effect was served on the parties on 30 October 2024. Accordingly, the period deemed reasonable by Belkin ended on 6 November 2024 (R. 300(d) RoP). In this case, it is justified to use this date as the relevant date. This is supported by the following considerations: The date is at the lower end of the 6-8 weeks timeframe considered reasonable by the Court (see para. 64). The time period was not determined by the final decision. Philips did not set a reasonable deadline and did not object to Belkin waiting to provide the information until a decision had been made on the request for suspensive effect. Philips did not thereafter inform Belkin that it insisted on the fulfilment of the obligation to provide information prior to a decision on the application for suspensive effect. While, as previously stated, the application for suspensive effect does not have an enforcement-blocking effect, it may nevertheless be appropriate – so as to avoid unnecessary enforcement-related harm – for the defendant to await the decision on the application before providing the information. In light of its own potential liability for enforcement damages under R. 354.2 RoP, the claimant may also have an interest in the defendant delaying fulfilment of its obligation until such a decision has been made. Under these circumstances, the Court of Appeal considers a period ending on 6 November 2024 as a reasonable time period.

66. Belkin's argument, according to which it was not possible to provide the information on 6 November 2024 due to problems it experienced with the blackening of confidential information, cannot be followed. It is generally incumbent upon the defendant to provide a substantiated account of the measures taken to fulfil the obligation to provide information. Since the issues with the blackening concerns matters within Belkin's own sphere of knowledge, which are not accessible to Philips, further substantiation would have been readily feasible for Belkin. For instance, Belkin could have specified in this regard how many people were involved in reviewing the documents, what amount of time was spent, when exactly it became apparent that a manual blackening was necessary, what was done about it, and when. Belkin's submissions fail to meet this standard. It was only during the oral hearing before the Court of Appeal - i.e. belatedly - that Belkin disclosed the number of employees involved. As a result of the lack of sufficient factual submissions, the Court of Appeal cannot determine whether the delayed submission of the documents resulted from Belkin's failure to take further reasonable and achievable steps to comply with its obligation to provide information, or from unforeseeable technical challenges in redacting the documents.

67. Even if Belkin was entitled to prioritise the injunction and only thereafter address the obligation to provide information and render accounts, as it submits, it cannot be seen that this would be of relevance to the outcome here, given that the period of time which Belkin itself considered to be reasonable has been used.

68. Belkin's objection on the grounds of bad faith on Philips' side is without merit. Even if during the first telephone conversation on 5 November 2024, Philips' representative did not reject Belkin's representative's request for an extension until 13 November 2024 but stated that he first needed to consult with Philips, and subsequently rejected this request only on 11 November 2024, this conduct does not amount to bad faith. Belkin could not reasonably rely on Philips extending the deadline.

Fault

69. The Munich Local Division was correct in considering that there was no justification for Belkin's delayed and incomplete provision of information.

70. Contrary to Belkin's position, an excusable error of law regarding the obligation to communicate manufacturer prices cannot be accepted. Belkin is represented by legal counsel and should therefore have been aware that the obligation to communicate manufacturer prices arises directly from the order to provide information.

Amount of daily penalty rates

71. The amount of the individual daily penalty rates is unobjectionable. In this regard, the Local Division has broad discretion.

72. It is unobjectionable that the Local Division left the daily penalty rates unchanged following the partial disclosure. The Local Division considered, as a mitigating factor for the entire period up to 12 November 2024, that an attempt was made on that date to provide complete disclosure.

73. It is equally unobjectionable that the Local Division tripled the daily penalty rate as of 25 November 2024. The Local Division justified this on the basis of a submission dated 25 November 2024, in which Philips informed Belkin that the information provided was incomplete due to omission of the manufacturer prices. Since Belkin still had not fulfilled this obligation as of 17 December 2024, it was reasonable for the Local Division to impose an increased penalty payment to compel Belkin to comply with its duty to provide information.

74. Contrary to Belkin's argument, the fact that the delayed information provision caused no disadvantage to the claimant does not warrant a reduction of the daily penalty rate. In determining the amount of the daily penalty rate, the Local Division took into account that the order to communicate information is solely intended to prepare the assertion of a damages claim (p. 13, final paragraph).

75. Since, as stated above, a breach of the order to communicate information attributable to Belkin only occurred as of 7 November 2024, and the daily penalty rates are not objectionable, the penalty payment imposed is to be reduced by € 4,000.00 to a total of € 42,000.00.

76. Belkin does not object to the imposition of a single penalty payment on all debtors. It is therefore not necessary to decide whether all debtors are jointly and severally liable for the obligation to provide information.

Merits of the Cross-Appeal

Scope of the Cross-Appeal

77. Pursuant to R. 226 (b) RoP in conjunction with R. 237.2 RoP, the Statement of cross-appeal shall contain the reasons for setting aside the contested order. The scope of the Court of Appeal´s review is limited to the grounds asserted. At first instance, Philips' main application sought to impose a penalty payment for each day starting from 7 October 2024 and thus extending into the future. In its cross-appeal Philips seeks to have the penalty payment imposed until Belkin fully complies with the order to provide information and, in the alternative, that Belkin is ordered to provide the required information in electronic form.

78. In its Statement of response including the Statement of cross-appeal (p.5), Philips explicitly stated that the contested order was "not objectionable in substance, apart from the request pursued further in the cross-appeal" and based the cross-appeal only on the arguments that, contrary to the Local Division's view, the order to provide information obliges Belkin to submit the required information as from 7 October 2024 and in a complete and organized list in electronic form. During the oral hearing before the Court of Appeal, when it was discussed whether the response to the appeal including the grounds of the cross-appeal contained further attacks on the contested decision, in particular any complaints against the order being limited to the time period up to 17 December 2024, Philips' representatives did not show the Court of Appeal any passages that could be interpreted as further grounds of appeal.

Electronic Disclosure

79. Philips unsuccessfully contests the Munich Local Division's view that the disclosure did not have to be provided in electronic form.

80. Neither the wording nor the reasoning of the order to communicate information indicates that the information must be provided electronically. Philips unsuccessfully argues that the requirement to submit copies of the relevant purchase documents as proof (i.e., invoices or, alternatively, delivery notes) implies that printouts of a digital file are insufficient. While it is correct that a "printout" of a digital file does not constitute a copy of the digital file itself, the term "copy" merely indicates that duplicates of the original are sufficient. A printout of a digital file also constitutes a duplicate.

81. Contrary to Philips' view, the fact that the order to communicate information corresponds to the wording of Art. 67(1) UPCA does not lead to a different conclusion. Art. 67(1) UPCA does not specify whether the information must be provided in written or electronic form. Philips also unsuccessfully argues that Art. 44 UPCA and R. 4.3 RoP require provision of information under Art. 67(1) UPCA to be in electronic form. Art. 44 UPCA provides that the Court shall make the best possible use of electronic procedures, such as the electronic filing of submissions of the parties and stating of evidence in electronic form, as well as video conferencing, in accordance with the Rules of Procedure. R. 4.1 RoP mandates that written submissions and other documents be submitted to the Registry or the relevant sub-registry in electronic form. These provisions apply solely to the correspondence between the parties and the Court within the proceedings, and do not apply to Art. 67 UPCA.

82. It is appropriate that the form of the information provision is not specified in Art. 67(1) UPCA. The provision expressly states in paragraph 1 that the application must maintain proportionality. Reasons of proportionality may require paper form in one case, while in other cases only the electronic form may be proportionate.

83. The Munich Local Division also rightly assumed that Belkin was, in principle, free to provide the information in either paper form or electronic form. Philips unsuccessfully argues that Belkin submitted the information in bad faith and only in paper form in order to prevent further claims by Philips. The Munich Local Division correctly found that no harassment occurred in the present case. The burden of presentation and proof of harassment generally lies with the claimant. However, the defendant must present, in a verifiable and substantiated manner that is accessible to both the claimant and the Court, the reasons why no harassment occurred, given that the facts concern matters within its own sphere of knowledge that are not accessible to the claimant. Belkin argued that the invoices it had scanned could not be reliably redacted using the software available to it. Only this made manual redaction necessary. Philips did not substantiate any objections to this claim. The mere reference to the possibility that electronic data can be effectively redacted does not call into question the fact that this was not possible for Belkin with the software at its disposal.

Order of penalty payment until full compliance with the order to provide information?

84. The Local Division, departing from Philips' request, did not impose a recurring penalty payment until the date of full compliance with the order, but instead imposed a penalty payment for the period from 31 October 2024 to 17 December 2024 (the date of issue of the decision). The Local Division should have justified why it did so. The decision is therefore flawed.

85. However, this does not warrant annulling the impugned order. Since the cross-appeal is based solely on the failure to provide the information in electronic form as from 7 October 2024, modifying the order would amount to an inadmissible reformatio in peius.

86. The Court would just like to add: Iit is – already for reasons of proportionality – generally permissible to order payment of a penalty sum for a limited period and, by a separate order, order payment of additional penalty sums for further non-compliance with the order to provide information.

Philips' application for provision of information in electronic form

87. As an order to provide the information in electronic form – where a substantive legal basis exists for such and order – would fall within the scope of declaratory proceedings, the alternative request seeking to compel Belkin to provide the information required in a complete and orderly electronic register is unsuccessful.

Costs

88. Pursuant to Art. 69(1) UPCA, the costs of the proceedings and other expenses of the successful party are generally to be borne by the unsuccessful party, insofar as they are reasonable and proportionate. Since both Belkin and Philips were partially unsuccessful in this matter, the costs are to be shared proportionally. It must also be taken into account that Philips, at first instance, sought a daily penalty rate of € 20,000.00. However, since the determination of the daily penalty rate lies within the Court's discretion, the significant departure is not to be fully taken into account for reasons of equity.

ORDER

I. Upon Belkin's appeal, the order of the Munich Local Division dated 17 December 2024 (UPC_CFI_390/2023, ACT_583273/2023, App_60589/2024) is set aside with respect to costs and otherwise modified as follows:

1. A penalty payment in the amount of € 42,000 is imposed on Belkin for failing to comply with the order to provide information (Section B.II. of the main judgment of the Munich Local Division dated 13 September 2024, UPC_CFI_390/2023). The remaining applications by Philips are dismissed.

2. The Court of Appeal orders that € 4,000 of the penalty payment excessively paid by Belkin shall be reimbursed to it.

3. This order is immediately enforceable.

II. The further appeal and the cross-appeal are dismissed.

III. Philips shall bear 40% and Belkin 60% of the costs of the proceedings and other expenses at first instance.

IV. Philips shall bear 35% and Belkin 65% of the costs of the proceedings and other expenses in the appeal proceedings.

V. The value in dispute for both instances is set at € 150,000.00.

Issued on 30 May 2025

Rian Kalden, Presiding Judge and legally qualified judge

Ingeborg Simonsson, legally qualified judge

Patricia Rombach, legally qualified judge and judge-rapporteur

Alain Dumont, technically qualified judge

Uwe Schwengelbeck, technically qualified judge

For the Registry: Sara Almeida