

ORDER
of the Court of Appeal of the Unified Patent Court
issued on 3 August 2026
concerning enforcement

HEADNOTES

- 1) The revocation under Art. 75(1) UPCA and R. 242.1 RoP of an order of the Court of First Instance granting a permanent injunction will, as a general rule, have retroactive effect. The revoked order must therefore be regarded as never having had any legal effect. It follows that the revocation of an order subject to a recurring penalty removes the legal basis for any subsequent decision ordering the payment of a penalty, even if that decision relates to alleged breaches of the order prior to the revocation.
- 2) It follows from R. 370.6 RoP that it is the interest of the party that initiated the action before the Court of First Instance that needs to be considered. The value of proceedings on appeal may differ from the value at first instance, but on appeal by the defendant it remains the interest of the claimant in having the decision upheld that determines the value of the proceedings pursuant to R. 370.6 RoP. It does not then shift to the interest of the defendant to have the decision set aside.
- 3) The amount of the penalties forfeited by the defendant cannot be taken to represent the claimant's interest in the enforcement proceedings, since the penalties forfeited are payable to the Court. It is rather the claimant's interest in proper fulfilment of the obligations that the penalties serve to incentivize that is relevant.
- 4) There is no legal basis for assessment of whether the defendant's behaviour unnecessarily contributed to the costs of enforcement proceedings based on a decision that must be regarded as never having had any legal effect. Where a defendant retroactively was not obliged to comply with any orders in the decision that has been revoked, it cannot be said that it was too late or incomplete with doing or providing something it was ordered to do therein.

KEYWORDS

Consequences for penalty payments of revocation of the enforced decision;
unsuccessful party in enforcement proceedings after revocation of enforced decision;
value of the proceedings

APPELLANTS (AND DEFENDANTS IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE):

1. **Kodak Holding GmbH**, Stuttgart, Germany
2. **Kodak GmbH**, Stuttgart, Germany
3. **Kodak Graphic Communications GmbH**, Stuttgart, Germany

(hereinafter jointly referred to as 'Kodak')

all represented by Kilian Seidel, and other attorneys at law of the law firm Freshfields PartG mbB, Düsseldorf, Germany

RESPONDENT (AND CLAIMANT IN THE MAIN PROCEEDINGS BEFORE THE COURT OF FIRST INSTANCE):

Fujifilm Corporation, Tokyo, Japan

(hereinafter referred to as 'Fujifilm')

represented by Dr. Christof Augenstein, and other attorneys at law of the law firm Kather Augenstein Rechtsanwälte PartGmbB, Düsseldorf, Germany

PATENT IN SUIT:

EP 3 511 174

LANGUAGE OF THE PROCEEDINGS:

English

PANEL AND DECIDING JUDGES:

Panel 2

Rian Kalden, presiding judge and judge-rapporteur

Patricia Rombach, legally qualified judge

Ingeborg Simonsson, legally qualified judge

Lorenzo Parrini, legally qualified judge

Max Tilmann, technically qualified judge

IMPUGNED ORDERS OF THE COURT OF FIRST INSTANCE:

Orders of 20 and 30 January 2026 UPC-CFI-365/2023 by the Local Division Mannheim,

SUMMARY OF THE FACTS AND PARTIES' REQUESTES:

1. On 20 January 2026 the judge-rapporteur of the Mannheim Local Division ordered the defendants jointly to pay a penalty of 1,720,000 Euro. In the impugned order of 30 January 2026 (hereinafter: Penalty Order), the Mannheim Local Division confirmed the impugned Order of 20 January 2026 and granted leave to appeal.
2. On 16 February 2026, Kodak lodged an appeal pursuant to R. 220.2 RoP before the Court of Appeal.
3. Kodak appeals the Penalty Order and requests to set this order aside, along with the order of 20 January 2026 on which the Penalty Order is based; to order that the penalty payment already paid will be refunded to Kodak; to order that Fujifilm shall bear the costs of the penalty proceedings at first instance and on appeal. In the alternative, Kodak requests that the Court substantially reduce the amount of the lump sum penalty imposed under item 1 of the order of 20 January 2026, as confirmed with the Penalty Order, as well as the daily penalties under item 2 of the same, considering the disproportionality of the penalty in view of the circumstances of the case.
4. On 12 March 2026, Fujifilm filed the Statement of Response as well as a R. 262.2 RoP application.
5. On 20 March 2026, Kodak filed a request to allow the submission of a further written pleading as well as further comments on Fujifilm's Statement of Response. Kodak also suggested that any

decision on this request and on the Penalty Appeal be postponed to a point after a decision is rendered in the appeal cases UPC_CoA_312/2025, UPC_CoA_333/2025, UPC_CoA_880/2025, UPC_CoA_882/2025 on the merits or, at a minimum, after 27 March 2026.

6. This request has not been decided upon.
7. By order of 9 June 2026, the Court invited the parties to submit their observations on the future conduct of the enforcement proceedings considering the decision on the merits rendered in the appeal cases UPC_CoA_312/2025, UPC_CoA_333/2025, UPC_CoA_880/2025 and UPC_CoA_882/2025 (the Appeal Decision).
8. Kodak and Fujifilm submitted their observations on 23 June 2026.
9. Fujifilm requested that the Court refrain from proceeding with the enforcement proceedings until the expiry of the parties' deadline to request a rehearing of the proceedings on the merits.
10. Kodak objected to Fujifilm's request and asked for an expedited decision so that it can promptly seek reimbursement of the penalty amount paid.
11. In its order of 29 June 2026, the Court of Appeal decided that the enforcement proceedings shall proceed since a (potential) request for a rehearing of the main proceedings does not have suspensive effect.
12. Upon invitation by the Court, the parties commented on the substantive consequences for the enforcement proceedings of the Appeal Decision, in which the Court of Appeal set aside the Decision of the Mannheim Local Division in the infringement action UPC-CFI-365/2023 (hereinafter the MLD Decision) and held that Kodak does not infringe the patent at issue because it may rely on a private prior use right.
13. The parties agreed to dispense with an oral hearing and that the Court decides on the basis of the written submissions.

PARTIES' SUBMISSIONS

14. Kodak argues that the value of the enforcement proceedings is at least EUR 1,720,000 in both instances, being the penalty amount that Kodak was ordered to pay in the Penalty Order.
15. As to the costs of the proceedings, Kodak argues that in view of the order of the Court of Appeal of 10 December 2024 (UPC-CoA-470/2023 *Nanostring v 10X*) there is no need to deal with the substance, because the enforcement should not have happened at all and therefore all of its costs should be compensated by Fujifilm. It also notes that Fujifilm has chosen to enforce a decision that was not yet final at its own risk.
16. Fujifilm argues that the value of the enforcement proceedings should not exceed one million Euro in both instances. It argues that the penalties forfeited by Kodak are in relation to the ancillary orders in the MLD Decision that represent 25% of Fujifilm's interest in the merits case (75% being the interest being in the injunction). Based on a total value of the infringement action of four million Euro as established in the Appeal Decision, the value of the enforcement proceedings is one million Euro.
17. Fujifilm furthermore argues that the amount of penalties Kodak was ordered to pay cannot represent Fujifilm's interest in the case, since they are payable to the Court, they contain a punitive element and are dynamic, depending on the defendant's behaviour rather than the claimant's interest in enforcement of the decision in the infringement action.

18. As to costs, Fujifilm argues that each party shall bear its own costs in view of Art. 69(3) UPCA, because allegedly Kodak has caused most of the enforcement costs itself by frustrating the enforcement beyond any reasonable level, by being too late and incomplete / insufficient, causing unnecessary delay and increased complexity of the dispute. Fujifilm refers in this respect to the impugned decision in which it is considered that the decision was not properly complied with by Kodak. According to Fujifilm a 'hold-out' strategy should not be awarded because it would disincentivise enforcement pending appeal proceedings, especially by SMEs.

GROUNDS

19. The parties rightly do not dispute that there is no longer a legal basis for the enforcement proceedings, in view of the Nanostring order of the Court of Appeal, where it decided that *the revocation under Art. 75(1) UPCA and R. 242.1 RoP of an order of the Court of First Instance granting a provisional injunction will, as a general rule, have retroactive effect. The order is revoked because it has been established by a final judgment of the Court of Appeal that the order should not have been made. A revoked order must therefore be regarded as never having had any legal effect. It follows that the revocation of an order granting a provisional injunction prohibiting the continuation of infringements subject to a recurring penalty removes the legal basis for any subsequent decision ordering the payment of a penalty, even if that decision relates to alleged breaches of the provisional injunction prior to the revocation.* The same applies if the Court of Appeal revokes a decision of the Court of First Instance in merits proceedings granting orders subject to a recurring penalty payment.

20. In view of the Appeal Decision, the only remaining issues in dispute in the present enforcement proceedings are the value of the proceedings and who shall bear the legal costs and other expenses pursuant to Art. 69 UPCA.

Value of the proceedings

21. In accordance with R. 370.6 RoP, the assessment of the value of the relevant action in paragraphs 3 and 5 shall reflect the objective interest pursued by the filing party at the time of filing the action. As follows from R. 370.6 RoP, it is the interest of the party at the time of the filing the *action* that is relevant. It follows that it is the interest of the party that initiated the action before the Court of First Instance that needs to be considered. R. 370.6 RoP does not refer to 'action *or appeal*' and an appeal cannot be considered to be an 'action'.
22. R. 370.6 RoP refers to paragraphs 3 and 5 of that Rule. Paragraph 3 relates to value based fees payable for actions at the Court of First Instance, paragraph 5 relates fixed fees and value based fees payable for proceedings at the Court of Appeal. The value of proceedings on appeal may differ from the value at first instance, but on appeal by the defendant against a decision granting the claimant's requests, it remains the interest of the claimant in having the decision upheld that determines the value of the proceedings pursuant to R. 370.6 RoP. It does not shift to the interest of the defendant to have the decision set aside.
23. Consequently, since Fujifilm initiated the infringement proceedings (as well as the enforcement proceedings relating thereto) it is Fujifilm's interest on appeal that needs to be assessed. As explained above, the fact that Kodak lodged the appeal does not alter that.
24. Fujifilm is right that the amount of the penalties forfeited by Kodak cannot be taken to represent Fujifilm's interest in the enforcement proceedings, since the penalties forfeited are payable to the Court and contain a coercive and punitive element. It is rather Fujifilm's interest in proper fulfilment of the obligations that the penalties serve to incentivize that is relevant. Kodak has not disputed that Fujifilm's interest therein amounts to one million Euro. The value of the enforcement proceedings shall therefore be determined at that amount.

Legal costs and other expenses

25. In view of the Appeal Decision in which the orders in the MLD Decision have been set aside and Fujifilm's requests in the infringement action have been denied, Fujifilm is to be regarded as the unsuccessful party who shall bear the reasonable and proportionate legal costs and other expenses of the successful party as meant in Art. 69(1) UPCA.
26. There is no room for assessment of whether Kodak's behaviour unnecessarily contributed to the costs, as Fujifilm purports. The MLD Decision that was set aside by the Appeal Decision must be regarded as never having had any legal effect. The legal basis for the Penalty Orders is thereby removed, even if that Penalty Order relates to alleged non-compliance of the MLD Decision prior to its revocation. There is consequently also no legal basis to consider Kodak's behaviour in the enforcement proceedings that should never have happened. In addition, where Kodak retroactively was not obliged to comply with any orders in the MLD Decision at all, it cannot be said that it was too late or incomplete with doing or providing something it was ordered to do therein.
27. Enforcing a decision pending appeal proceedings is at risk of the party enforcing it, as also follows from R. 354.2 RoP.
28. To conclude, Fujifilm shall be ordered to bear Kodak's legal costs and other expenses of the enforcement proceedings.

Refund of penalty payments

29. In view of the above, the Court of Appeal shall order that the penalty payments already made pursuant to the impugned order will be refunded to Kodak.

ORDER:

The Court of Appeal:

- I. sets aside the impugned orders;
- II. sets the value of the enforcement proceedings at one million Euro;
- III. orders Fujifilm to bear Kodak's legal costs and other expenses of the enforcement proceedings;
- IV. orders that the penalty payments already made will be refunded to Kodak;
- V. denies all other requests.

Issued on 3 August 2026

Rian Kalden, presiding judge and judge-rapporteur

Patricia Rombach, legally qualified judge

Ingeborg Simonsson, legally qualified judge

Lorenzo Parrini, legally qualified judge

Max Tilmann, technically qualified judge