



Local Division Munich

UPC_CFI_628/2024

ACT_58638/2024

App_8962/2025

Procedural Order

of the Court of First Instance of the Unified Patent Court

Local Division Munich

issued on 16 April 2025

Headnotes:

1. The one who files a counterclaim for revocation (Art. 32 (1) e) UPCA) is an "*Applicant*" according to Art. 69 (4) UPCA.
2. Anyone who claims that he would be driven into insolvency in case of an injunction to desist, confirms that his financial position gives rise to a legitimate and real concern that a possible order for costs may not be recoverable.

APPLICANT (CLAIMANT IN THE INFRINGEMENT PROCEEDINGS)

Emboline, Inc., 2901 Mission Street, Bldg 2, Santa Cruz, CA 95060, United States of America

represented by: Thure Schubert

RESPONDENT (DEFENDANT IN THE INFRINGEMENT PROCEEDINGS)

AorticLab srl, Via Ribes, 5, 10010 Colletterto GiacosaTO, Italy

represented by: Sabine Agé

LANGUAGE OF PROCEEDINGS:

English

PATENT AT ISSUE:

EP 2 129 425

PANEL:

Panel 1 of the Local Division Munich

DECIDING JUDGES:

This order has been issued by the legally qualified judge Tobias Pichlmaier (judge-rapporteur)

POINTS AT ISSUE:

Security for costs pursuant to R.158 RoP

Facts and parties requests

Applicant requests for a security for costs.

Applicant alleges that Respondent is in a highly unstable financial situation. Furthermore, Applicant points out that Respondent itself states in its Defence to the Statement of Claim and Counterclaim for Revocation (paragraphs 296 et seq.) that the grant of an injunction might drive Defendant into insolvency.

Applicant therefore requests

- I. to order the Defendant to provide adequate security for legal costs and other expenses to the Claimant, either by way of deposit on the UPC account dedicated for security deposits, alternatively by way of bank guarantee issued by a bank licensed in the European Union, within a time limit and in an amount to be determined by the court, preferably in an amount of EUR 200,000 (two hundred thousand euro) within four weeks from the date of service of the court order;
- II. to give a decision by default against Defendant if Defendant fails to provide adequate security within the time limit set by the Court

Respondent is of the opinion that the application is inadmissible and unfounded. He points out that according to Art. 69 (4) UPCA only the defendant may request the Court to order the claimant/applicant to provide a security for costs.

Apart from that Respondent argues that a request for a security that is solely based on the weak financial situation of the other party may only be granted in very exceptional circumstances. Such circumstances have not been pleaded in the view of Respondent. Since Respondent has raised funds in the total amount of USD 10.500.000, in the view of Respondent there is no question of an immediate financial distress.

Respondent requests,

that the Claimant's application for provision of a security for costs be dismissed.

in the alternative,

that the Defendant be given leave to appeal against an order to provide a security for costs (Rule 220.2 RoP);

and

that the provision of a security for costs is to be made only within six weeks of the date of service of any decision by the Court of Appeal to uphold the order.

Grounds for the order

According to the jurisdiction of the Court of Appeal it is decisive for an order for security (Art. 69 (4) UPCA and R.158 RoP), whether the financial position of the claimant gives rise to a legitimate and real concern that a possible order for costs may not be recoverable and/or the likelihood that a possible order for costs by the UPC may not, or in an unduly burdensome way, be enforceable (UPC_CoA_217/2024).

1. It can be left open in the case at hand whether the jurisdiction of the Local Division Düsseldorf, according to which *each party* may request the court to order the respective other party to provide adequate security, is in line with Art. 69 (4) UPCA, where it is said that the court may order a security “at the request of the defendant”. In view of this wording and the way this issue is handled in the law of the member states, it seems at least questionable whether a party who only has the position as a claimant is entitled to request for security (R. 158 RoP).

In the proceedings at hand, applicant is both *claimant and defendant* since there is not only an infringement action but also a counterclaim for revocation. According to the UPCA, “claimant” is not only the one who files an infringement action (Art. 32 (1) a) UPCA), but also the one who files an action for revocation (Art. 32 (1) d) UPCA) or a counterclaim for revocation (Art. 32 (1) e) UPCA). Accordingly, the same applies *vice versa* with regard to the position as “defendant”.

According to Art. 33 (8) UPCA (“applicant” with regard to a counterclaim) and Art. 69 (4) UPCA (“...may order the applicant...”) the court may order the Respondent in the case at hand to provide security for costs.

2. The financial position of Respondent gives rise to a legitimate and real concern that a possible order for costs may not be recoverable, because he himself claims that he would be driven into insolvency in case of an injunction to desist. In terms of time, an order for costs would follow an injunction to desist so that Respondent would no longer be solvent at that point in time.
3. The amount of the security was to be set at € 200,000 according to the costs reimbursable in the event of a value in dispute (for the counterclaim) up to 2 million €.

Order

1. It is ordered that Respondent must provide security for costs to Applicant in an amount of € 200.000,00. The security can be provided either
 - by an irrevocable, unconditional, unlimited and absolute guarantee at first request from a bank established and authorised to operate within the territory of the EPC Contracting Member Statesor
 - by depositing the security amount in the Unified Patent Court's account set up for this purpose (indicated in point 3. on the website www.unified-patent-court.org/de/court/payments).

The provision of a security for costs is to be made within two weeks of the date of service of any decision by the Court of Appeal to uphold the order. If no appeal is filed the provision of a security for costs is to be made until 31 May 2025.

2. Respondent is given leave to appeal against this order (Rule 220.2 RoP).

3. Respondent's attention is drawn to the fact that a default judgment may be entered in accordance with Rule 355 RoP if the security is not provided within the time limit set in accordance with no. 1 of this order.

Tobias Pichlmaier
Judge-rapporteur