

**UPC\_CFI\_525/2024**  
**Final Order**  
**of the Court of First Instance of the Unified Patent Court,**  
**delivered on 30/05/2025**

HEADNOTE

1. Article 69(4) UPCA does not provide for an obligation on the part of the Defendant to provide security.
2. A Claimant can request a Defendant to provide security for costs to the extent that it concerns the counterclaim for revocation as a Defendant acting as Counterclaimant falls within the scope of Art. 69(4) UPCA

KEYWORDS

Art. 69(4) UPCA; R. 158 RoP

APPLICANT

1)

**Visibly Inc.**  
(Claimant) - 207 East Ohio Street  
#233 - 60611 - Chicago - US

Represented by Dr. Marc  
Grunwald

RESPONDENT

**Easee B.V.**  
(Defendant) - Singel 126 - 1015AE - Amsterdam - NL

Service of statement of claim on  
03/10/2024

**Yves Prevoo**  
(Defendant) - Singel 126 - 1015AE - Amsterdam - NL

Service of statement of claim on  
03/10/2024

**Easee Holding B.V.**  
(Defendant - Singel 126 - 1015E - Amsterdam - NL

Service of statement of claim on  
03/10/2024

PATENT AT ISSUE

*Patent No.*

*Proprietor*

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**EP3918974**

Visibly Inc.

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DECIDING JUDGE

This order was issued by presiding judge Klepsch, legally qualified judge and judge-rapporteur Dr. Schilling, legally qualified judge Mlakar and technically qualified judge Kitchen.

LANGUAGE OF THE PROCEEDINGS:

English – since 24 October 2024

SHORT SUMMARY OF FACTS:

With request Nr. IV. of the operative part of the requests in the Statement of Claim dated 12 September 2024 and its reasoning on pages 66 to 71 the Claimant requested to order the Defendants to provide a security for the procedural costs in accordance with R. 158.1 of the Rules of Procedure.

The Claimant submitted copies of the 2023 annual financial statements of Defendant 1) (exhibits PS 10a/b) and of the annual financial statements 2023 of Defendant 3) (exhibits PS 11a/b). According to public information, the Claimant argued that the company of Defendant 1) had not been operated profitably. Therefore, Defendant 1) is threatened with insolvency in the foreseeable future or there are serious indications that such insolvency already exists. Defendant 1)'s operating business was largely based on debt financing. The 2023 annual financial statements (Exhibit PS 10a) clearly showed that the Defendant 1) was highly dependent on the goodwill of lenders, creditors, and tax authorities in order to be able to continue operating. For example, Defendant 1) was obviously not even in a position to pay its legal fees to their representatives (p. 9 exhibit PS 10a/b). Page 8 of Defendant 3)'s 2023 annual financial statements (Exhibit PS 11a) lists numerous long-term loans that Defendant 3) received in recent years and have not yet (fully) repaid or that have been partially converted into equity investments.

According to publicly available information, the Claimant argues that Defendants 1) and 3) are companies with limited financial resources and little equity. In contrast, the Defendants' statements were limited to mere allegations. They did not provide any further substantiation regarding their financial situation or how they would handle a potential cost order against them in this case. The Defendants' weak financial situation is undisputed, as they acknowledged their tense financial situation.

The Claimant is of the opinion, that it follows unequivocally from the wording of R. 158.1 RoP ("following the reasoned request by one party") and the interaction between the Agreement and the Rules of Procedure, that in a UPC proceeding *any* party is entitled to make a request for security for costs. This right is not limited to a defendant in infringement proceedings only. As the Agreement does not exclude a specific provision, the Rules of Procedure may make additional provisions, therefore, R. 158 RoP extends the scope of recipients of such an order to "the parties", thereby including the Defendant.

Ordering a security for costs would also be proportionate to the legitimate aim of protecting the Claimant against the risk of not recovering legal costs. Claimant should not be prevented from enforcing its own (intellectual property) rights and be forced to accept its rights infringed simply because Defendants were financially not able to face legal disputes. It has to be seen as Defendants' own (voluntary) decision not to cease to use Claimant's patent in suit, which cannot be to the detriment of Claimant.

Based on the value of the dispute of € 1,000,000 as proposed by Claimant, the maximum reimbursable costs would amount to € 112,000. The Claimant referred to a decision of the District Court Düsseldorf (Exhibit PS 1 / PS 1a), in which Defendants 1) and 2) were held liable for infringement of EP 1 269 588 B1 and where the value of the dispute - which applied solely to the Federal Republic of Germany – was set at € 250,000. In the case at hand, Claimant sued three Defendants, which have expanded their business meanwhile into six European Member States (plus additional non-EU countries) resulting in a larger territorial scope of the permanent injunction sought in 17 UPC Contracting Member States. The Guidelines refer to the revenue that a Defendant will generate in the future with infringing embodiments until the patent expires; the patent in suit runs until 2034, thus, the proposed value in dispute of EUR 1,000,000 would be quite conservative.

With its Defence to the Counterclaim for Revocation dated 14 March 2025, the Claimant argued that the limit for recoverable costs should be set at EUR 200,000 based on a value in dispute for the counterclaim of € 1.5 million (para. 399). Regarding the necessity of Defendants providing security also for the revocation proceedings, it refers to its Statement of Claim (marg. no. 158 et seqq.). The findings made there would also apply to the counterclaim for revocation, since the same circumstances prevail, namely that Defendants would not be able to reimburse Claimant's legal costs after the counterclaim for revocation has been dismissed.

The Defendants ("Easee") challenged the application.

They are of the opinion that the UPCA does not allow for a Claimant to request security against a Defendant. The rationale behind the imposition of a security for legal costs is to protect the position and (potential) rights of the Defendant, who has not chosen to commence the main proceedings. "Easee" as the Defendant(s) in this case did not choose to be involved in these UPC proceedings. Additionally, a security could not be imposed on Dutch entities as the LD The Hague had already ruled, even if there were good reasons to doubt the possibility of recovering a possible order for costs based on the Claimant's financial situation.

They argue that they are not a NPE. "Easee" was a bona fide start-up company developing products and is actually running a business with a sizable team of employees. Many start-up companies' resources are limited and cash flow is under pressure. Many start-up companies do not make a profit but are still very valuable because of their technology and market position. The same would be true for "Easee". Defendants' right to an effective remedy and a fair hearing under Preamble of the UPCA would be unjustified restricted if the Court grants the security request, as the provision of a security has the potential to stand in the way of a substantive trial. They are of the opinion that the Claimant's sole objective was to put "Easee" out of business and/or to potentially acquire its assets or business at low costs. They claim that the Claimant had obtained very confidential information about "Easee" as they had been involved in merger negotiations. Against this background, the Defendants consider abusive behaviour of the Claimant to request a security deposit. This request has to be solely seen as an attempt to put undue pressure on a start-up

company, effectively trying to prevent them to defend themselves against unfounded patent claims.

The Defendants claim that the balance of interests would favour not to order a security. In the event the Court would dismiss their defences, they request that the security is to be set at € 10,000, because the Claimant's calculation of the value of the proceedings at EUR 1 million was unfounded, and therefore the € 112,000 of the ceiling wrongfully applied. The value of the proceedings should be set at € 175,000 and the Defendants were entitled to reduce the applicable ceiling for being a SME. According to Guidelines for the Determination of the Court Fees and the Ceiling of Recoverable Costs, the value of an infringement action shall be determined based on the turnover of the allegedly infringing product and its royalty fee. The Patent in suit was granted on 13 December 2023, and the sales price of each test is only € 19. Due to the limited sales volume during the patent's duration and the significantly low sales price, the royalty fee would not reach €1 million in any case. Therefore, the value of the proceedings should not be set at € 1 million.

In their Counterclaim for Revocation dated 10 January 2025, they argued that the parties had litigated against each other before, and also in those cases "Easee" had never given rise to the suspicion that it would not pay the costs involved with litigation (para. 7.12). With its Infringement Rejoinder dated 14 May 2025, the Defendants declared to disagree with the security request in relation to the counterclaim referring to the arguments mentioned in its Statement of Defence.

#### THE PARTIES' REQUESTS:

##### The Claimant requests,

Defendants are obliged to provide Claimant with appropriate security for the costs of the legal dispute in the amount of € 112,000 until the oral hearing.

##### The Defendants request,

to dismiss the application;

in the event the Court would dismiss their defences, they request that the security is to be set at € 10,000.

#### GROUND FOR THE ORDER

The judge-rapporteur refers the decision on the application to order a security for costs prior to the oral hearing to the panel, Rule 331.2 RoP.

1.

The panel considers the application for an order to provide a security admissible to the extent that it concerns the counterclaim for revocation.

a)

Art. 69.4 UPCA provides that the Court may at the request of the *Defendant* order the Applicant to provide adequate security for the legal costs and other expenses incurred by the Defendant, which the applicant may be liable to bear, in particular in the cases referred to in Art. 59 to 62 UPCA. Rule 158.1 RoP transferred this provision to the Rules of Procedure. It states that at any time during proceedings, following a reasoned request by *one* party, the Court may order the other party to provide, within a specified time period, adequate security for the legal costs and other

expenses incurred and/or to be incurred by the requesting party, which the other party may be liable to bear.

b)

The panel disagrees, however, that a Claimant of an infringement action can request the Defendant to provide a security for legal costs for the main action. Although the wording of Rule 158 RoP is open in this respect, the provision of the UPCA on which the rule is based on, is not. Article 69(4) UPCA does not provide for an obligation on the part of the Defendant to provide security. The panel shares the LD Düsseldorf's view that Article 69(4) UPCA only sets out minimum requirements as to the circumstances in which this remedy must be available (LD Düsseldorf, 03.12.2024, UPC\_CFI\_140/2024, ORD\_48718/2024, appealed; confirming: Lux in: Bopp/Kircher, Handbuch Europäischer Patentprozess, 2. Ed. 2023, § 29 mn. 45). On the contrary, the UPCA is the higher-ranking regulation as it was established by the Contracting Member States. According to Art. 41(1) UPCA the Rules of Procedure shall comply with the Agreement. The reason for the broad scope of application of R. 158 RoP and, in particular, for the deviation from Art. 69(4) UPCA is the consolidation in the process of developing the Rules of Procedure and the concern that Art. 69(4) UPCA could be invalid under European law, because the prohibition of discrimination prevents a Member State from treating parties from different Member States differently with regard to providing security of legal costs (see Luginbühl / Hüttermann, Einheitspatentsystem (Unitary Patent System), 1st edition 2024, Rule 158 VerfO, para. 5). The wording of Art. 69.4 UPCA, however, is not open, thus not leaving room for the Rules to enlarge its scope (different view: BeckOK PatR/Kiefer, 36. Ed. 15.07.2023, EPGÜ Art. 69 Rn. 59; Tilmann/Plassmann/Dold/W. Tilmann, 1st ed. 2024, UPCA Art. 69 Rn. 101; including intervention: LD Vienna, 30.07.2024 – UPC\_CFI\_33/2024). On the contrary, Art. 69(4) UPCA does not aim at a Defendant to provide the Claimant with a security for any recovery of legal costs. The rationale behind the imposition of a security for legal costs is to protect the position and (potential) rights of the Defendant, who has not chosen to commence the main proceedings (comp. LD Munich, 23.04.2024, UPC\_CFI\_513/2023, App 11431/2024). This rationale does not apply to a Claimant who chose the venue and the scope of its action. Despite the fact, that the UPCA refers to infringement action and revocation actions being "actions", the UPCA differentiates between Claimant and Defendant on the one hand, and "one of the parties" on the other (comp. Art. 45 UPCA). Also, the primacy of the Union law (Art. 20 UPCA), including Art. 14 of the Enforcement-Directive, does not require anything similar. Art. 14 of the Enforcement-Directive only deals with the recovery of legal costs and not with any conditions for security for these costs.

c)

The Claimant can, however, request a Defendant to provide security for costs to the extent that it concerns the counterclaim for revocation. In the latter, the Defendant acts as Counterclaimant and thus falls within the scope of Art. 69(4) UPCA (see LD Hamburg, 01.11.2024, UPC\_CFI\_58/2024, ORD\_59510/2024 in ACT\_7940/2024). Such request is covered by the one in the Statement of Claim referring to the costs of the legal dispute. Additionally, the Claimant explicitly extended its request to the Counterclaim as stated in its Defence to the Counterclaim. The Defendants commented on this in their Rejoinder.

2.

The Court has the discretion to order a security for legal costs and other expenses. In accordance with the case law of the UPC (see CoA, 17.09.2024 – UPC\_CoA\_217/2024, APL\_25919/2024 – Audi./NST), the Court, when exercising its discretion under Art. 69(4) UPCA and Rule 158 RoP, must determine, in the light of the facts and arguments brought forward by the parties, 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.

a)

The scope of application of Art. 69(4) UPCA and Rule 158.1 RoP is not limited to the defence against enforcement risks. On the contrary, considering that the UPC is deemed to be a Court of a Member State for the purposes of the Brussels I Regulation (Art. 71a Brussels I) and its decisions and orders are directly enforceable in the Member States in accordance with Art. 82 UPCA (see LD The Hague, 13.02.2024 – UPC\_CFI\_239\_2023), enforcement risks are not a relevant parameter when it comes to a claimant, who is domiciled within the EU. In fact, when ordering to provide for a security, the insolvency risk of the plaintiff is the relevant factor (comp. Dold/W. Tilmann in Tilmann/Plassmann, 1st ed. 2024, UPCA Art. 69 para. 100; Hessmann/Hechler, GRUR Patent 2024, 148 para. 30). The fact that the Defendants are located in another Member State of the European Union and another Contracting Member State of the UPCA, respectively, is thus not relevant (stricter view, LD The Hague, 13.02.2024, UPC\_CFI\_239/2023, App\_586761/2023).

b)

The burden of substantiation and proof as to why an order for security for costs is appropriate in a given case lies with the defendant making the request. However, once the reasons and facts in the request have been presented in a credible manner, it is then up to the Claimant to challenge these reasons and facts and in a substantiated manner. This is especially important since the party in question will normally have knowledge and evidence of its financial situation. It is for the claimant to argue that and why a security order would unduly interfere with its right to an effective remedy (see also CoA, 29.11.2024 – UPC\_CoA\_548/2024 – Arke ./ SodaStream).

c)

These requirements are met in the present case. The Claimant has shown that according to the financial statements of Defendants 1) and 3) (submitted as Exhibits PS 10a/b and PS 11a/b), the operating business of Defendant 1) is largely based on financing through borrowed funds and that Defendant's 3) operational continuity also remains largely dependent on the sustained financing support from investors. The Defendants have not refuted the allegation that Defendant 3) has multiple long-term debts exceeding the amount of its cash balances. The Defendants did not challenge the Claimant's assertion based on valid and publicly available information that Defendants – including Defendant 2) – do not have adequate financial means. Thus, the recovery of legal costs and other expenses for which they might be liable could very likely be endangered.

According to the case law of the CoA, SMEs are not in general precluded from providing security for costs in favour of a bigger competitor. The *relative* financial position of the parties' is not as such a criterion under R.158 RoP (CoA, 17.09.2024 – UPC\_CoA\_217/2024, APL\_25919/2024 – Audi./NST).

3.

The amount, the type of security, and the period within which the security is to be provided are at the discretion of the Court. The value of the – here alone – relevant Counterclaim is related to the value of the Infringement action, which is disputed by the parties. The Claimant refers to the Guidelines for the determination of the court fees and the ceiling of recoverable costs set up by the Administrative Committee of the UPC on 24 April 2023 as D-AC/9/24042023\_D.

a)

The basic criteria for determining the value of a case before the UPC is the claimant's interest, particularly in relation to a licence fee assessment. Whereas, it is not necessary to finally set the

value of the case, it has to be considered, that the Claimant seeks an injunction against the Defendants in the territory of 17 UPC Contracting Member States. In light of the expiry date of the patent first in 2034 and the large territorial scope of the requested injunction sought on a unitary patent, the Claimant's value estimation does not seem unreasonable. This is regardless of the fact that the attacked embodiment is offered at a sales price of € 19. As a digital service, the distribution of the attacked embodiment is in principle unlimited, not restricted by any supply chain constraints. Since the counterclaim aims to revoke the patent entirely, it should reflect the value of the infringement action, or even exceed it by up to 50% (see item I.2.b)(2)(ii) of the "Guidelines of the Administrative Committee for Determining Court Fees and the Ceiling for Recoverable Costs" dated April 24, 2023). Therefore, the ceiling for the recoverable costs in the Counterclaim could likely sum up to the amount requested by the Claimant.

b)

However, it is not automatic that the proposed security has to follow the ceiling for recoverable costs, as this set of rules only provides guidance on the maximum amount of reimbursable costs. In exercising its discretion, the Court has also to take into account that an order to provide security can, depending on the circumstances, limit a party's right to an effective remedy and to a fair hearing as guaranteed under Union law, including Art. 47 of the Charter and the Enforcement Directive, which must be avoided (LD Düsseldorf, 27.12.2024 – UPC\_CFI\_99/2924, App\_41756/2024; LD The Hague, 13.02.2024, UPC\_CFI\_239/2023, App\_586761/2023). Therefore, the Claimant's interest in security on one hand and the Defendants' interest in the effective defence against allegations based on a unitary patent on the other, must always be balanced. This includes the consideration that the UPCA has foreseen a counterclaim for revocation against an alleged patent infringement as a standard means of defence.

Based on these principles and considering the submissions of the parties, the panel considers it being fair, reasonable, and proportionate to order the Defendants to – jointly – provide a security in the amount of EUR 75,000. The alternative amount proposed by the Defendants does not align with the Claimant's interest in securing at least a significant proportion of its expenses.

The security may be provided by the Defendants in form of the deposit to the UPC account dedicated to security deposits or in the form of a bank guarantee provided by a bank licensed in the European Union, within four weeks. The Defendants may choose the form of security they prefer to provide.

The time period is deemed sufficiently long to make the necessary arrangements for the Defendants.

#### ORDER

1. The Court orders the Defendants to provide security for the Claimant's legal costs in the (total) amount of € 75.000.
2. The security has to be provided within four weeks from the reception of this order.
3. The Defendants are free to provide the security by deposit or bank guarantee. If the Defendants choose to provide the security by deposit, it has to be with the following reference:

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to the following bank account of the UPC:

Account Holder: JURIDICTION UNIFIEE DU BREVET

Account name: JURIDICTION-SECURITY RECEIPT

BIC: BCEELULL

IBAN: LU55 0019 7355 1895 9000

BANK: SPUERKEESS

Address :1 PLACE DE METZ L-2954 Luxembourg

4. Leave to appeal is granted.

#### INFORMATION ON THE APPEAL

The order for security is subject to the right of an appeal in accordance with Art. 73 UPCA, Rule 220.2 RoP. Leave to appeal is granted. The present Order may be appealed within 15 days of service of this Order which shall be regarded as the Court's decision to that effect (Art. 73(2)(b)(ii) UPCA, Rule 6 220.2, 224.1(b) RoP).

#### INSTRUCTION TO THE PARTIES

If the security is not provided in due time, a default judgment may be issued according to Rules 158.5, 355.1 (a) RoP.

#### INSTRUCTION TO THE REGISTRY

The order has to be sent to the financial team of the Court in Luxembourg.

#### ORDER DETAILS

Order no.	ORD_58129/2024 in Action No.: ACT_51510/2024
UPC number:	UPC_CFI_525/2024
Related proceeding no.:	57843/2024
Application Type:	Application for security

#### SIGNATURES

Presiding Judge	Sabine Klepsch
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Judge-rapporteur	Dr. Stefan Schilling
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Legally qualified Judge	Mojca Mlakar
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Technically qualified Judge

Steven Richard Kitchen

For the sub-registry