



Local Division Munich

UPC\_CFI\_525/2025

## Order

of the Court of First Instance of the Unified Patent Court

Local Division Munich

issued on 12 December 2025

R. 158 RoP Security for costs application

### HEADNOTE

Security for costs application against a claimant company established in Taiwan can be accepted as the facts provided in the case indicate that enforcing a cost decision in Taiwan would be at least unduly burdensome especially because neither Taiwanese legislation nor any international agreement provide certainty for such enforcement.

### KEYWORDS

Security for costs

### CLAIMANT / RESPONDENT ON R. 158 RoP APPLICATION:

ASUS Technology Licensing Inc., 2F., No. 11, Sec. 2, Beitou Rd, Beitou Dist, 112028 Taipei City, Taiwan (hereinafter ASUS of Claimant)

represented by:

All UPC Representatives of EIP Europe LLP including, in particular, Dr. Christof Höhne, Isabelle Schaller, Dr. Sebastian Fuchs, Dimitri Kosenko, Maximilian Häger, Jerome Spaargaren, James Seymour, Neil Condon, Darren Smyth and Joanne Welch

and further represented by: Dr. Marina Wehler, Dr. Arno Riße, Dr. Lisa Rieth, Victoria Thüsing, Attorneys-at-Law, ARNOLD RUESS Rechtsanwälte PartmbB

### DEFENDANTS / APPLICANTS:

1. **Guangdong OPPO Mobile Telecommunications Corp. Ltd**, No. 18 Haibin Road, Wusha, Chang'an Town, Guangdong Province, Dongguan, 523860, China

2. OnePlus Technology (Shenzhen) Co., Ltd, 18/F, Tower C, Tai Ran Building, No.8 Tai Ran Road, Shenzhen, 518040, China
3. **Realme Chongqing Mobile Telecommunications Corp.,** Ltd, No.178 Yulong Avenue, Yufengshan, Yubei District, Chongqing, 401120, China
4. OROPE Germany GmbH, Graf-Adolf-Platz 15, 40213 Düsseldorf, Germany
5. OTECH Germany GmbH, Graf-Adolf-Platz 15, 40213 Düsseldorf, Germany
6. Oleading B.V., Weena 505, 3013AL Rotterdam, The Netherlands
7. **Reflection Investment B.V.,** Hofplein 20, 3032AC Rotterdam, The Netherlands
8. OTech Italia s.r.l., Viale Dell'Innovazione 1, Milano (MI) CAP 20126, Italy
9. Realme Germany GmbH, Wiesenhüttenstraße 11, 60329 Frankfurt am Main, Germany

(hereinafter all together as Defendants)

represented by: Dr. Gisbert Hohagen, Taylor Wessing and all UPC Representatives of Taylor Wessing Partnerschaftsgesellschaft mbB and all UPC Representatives of Taylor Wessing N.V.

PATENT AT ISSUE:

European patent n° EP 3 346 616

LANGUAGE OF THE PROCEEDINGS:

English

PANEL:

Panel 1 of the Local Division Munich

DECIDING JUDGE:

This order has been issued by the judge-rapporteur Petri Rinkinen

POINTS AT ISSUE:

R. 158.1 RoP application by Defendants

SUMMARY OF FACTS

1. Defendants have on 25 August 2025 lodged an application for security for costs.
2. By an order dated 3 September 2025 by the Presiding Judge acting on behalf of the Judge-rapporteur, Claimant was given six weeks to provide an answer to the application. Claimant has on 15 October 2025 provided an answer to the application requesting the court to reject the application. Claimant provided with their answer an expert opinion of a Taiwanese professor of law [REDACTED] [REDACTED] [REDACTED] They also provided two written witness statements from the CEO of their license broker Celerity IP.
3. As the next steps of the procedure the Court heard the parties of their confidentiality requests as well as two applications by the Claimant to provide evidence. After issuing orders on these matters the Court on 24 November 2025 requested the parties to provide further submissions.

4. Defendants have on 1 December 2025 submitted their second submission.
5. Claimant has on 4 December 2025 submitted their second submission.

#### REQUESTS OF THE PARTIES

6. Defendants request that Claimant is ordered to provide adequate security within a period to be determined by the Munich Local Division for the costs of the proceedings and other costs pursuant to Rule 158.1 RoP by way of deposit on the UPC account dedicated for security deposits, alternatively by way of bank guarantee provided by a bank licensed in the EU, whereby the exact amount is subject to the discretion of the Munich Local Division but should be set by considering the maximum of reimbursable fees under the Rules of the UPC based on a value in dispute of 2.5 million EUR for the infringement claim and by taking into account the expected reimbursable fees and costs of a counterclaim for revocation based on a value in dispute of at least further 2.5 million EUR.
7. ASUS is requesting that the request for security for legal costs is rejected.

#### SUBMISSIONS BY DEFENDANTS

8. Claimant has their registered office in Taiwan and therefore outside the territory of the Contracting Member States. Defendants see a substantial risk that a potential claim for reimbursement of costs cannot, or can only in an unduly burdensome way, be satisfied due to procedural difficulties regarding enforcement of foreign judgments in Taiwan.
9. The UPC Court of Appeal has noted that the mere fact of a party being registered outside the European Union or European Economic Area weighs against the likelihood of successfully enforcing a cost decision, particularly in the absence of guarantees ensuring the recognition and enforcement of such decisions (CoA, 9 July 2025, UPC\_CoA\_431/2025, Chint New Energy v. Jingao Solar, second headnote).
10. Taiwan is not a Contracting State to the Hague Service Convention; service and enforcement matters are assessed case-by-case by Taiwanese courts. There is no bilateral agreement on the recognition and enforcement of judgments. Recognition depends on the principle of reciprocity and on individual judicial review, which means there are no automatic enforcement mechanisms. This creates a substantial risk for Defendants.
11. The expert opinion provided by Claimant supports Defendants' position. It confirms that Taiwanese law does not guarantee that a cost decision can be enforced in Taiwan. In particular, the opinion raises substantial doubts regarding the legality of enforcing a cost reimbursement claim encompassing attorney's fees in Taiwan. The opinion further does not rebut the uncertainty of the current enforcement practice in Taiwan. Regarding the application of the local law in practice, practice has shown that enforcement in Taiwan is difficult.
12. According to the expert opinion, a ceiling exists for recovering attorney's fee, but there is no information of the cap. Based on the opinion it also seems that also partial enforcement has been considered justified. Based on the opinion it is very likely that at least relevant part of a cost reimbursement order will not be enforced in Taiwan.

13. In the absence of a binding international contract and legal certainty provided by local law, enforcement is based on the expert opinion dependent on “recent trends and initiatives”. Such trends, initiatives, and efforts can change, as they are not subject to international agreements but are rather upheld by mere political will. Therefore, the current practice fails to provide the necessary legal certainty. There is a likelihood that a cost decision might not be enforced, particularly if carried out by a Chinese counterparty.
14. Claimant has no undisputed monetary claims against Defendants. The mere possibility of a future payment obligation does not establish a due and enforceable claim that can be offset against a procedural cost-reimbursement claim. The requirements for offsetting are thus not met.

SUBMISSIONS BY CLAIMANT

15. The request for security for legal costs must be rejected for two reasons:
  - (1) Defendants have no need for security because they can offset any cost claims against the FRAND license fees owed to Claimant, which undisputedly exceed any potential cost reimbursement claims, and
  - (2) according to the expert opinion obtained by Claimant, there are no difficulties in enforcing any claim for reimbursement of costs, inter alia because Taiwan complies with the provisions of the Hague Convention, even though Taiwan was unable to accede to the Convention due to the political situation.
16. Claimant has offered Defendants a FRAND license agreement of Claimant’s patent portfolio. Defendants have indicated that the value of such license exceeds the amount of any potential claim for reimbursement of costs by Defendants. Therefore, Defendants can indemnify themselves in the event of possible claim for reimbursement of costs deducting the reimbursement amount from license fee owed.
17. The expert opinion provided by Claimant demonstrates that the enforcement of a cost decision in Taiwan is not unduly burdensome.
18. Claimant’s financial position is not disputed by Defendants and hence there is no reason to suggest that a potential order for costs may not be recoverable.
19. The burden of substantiation and proof why an order for security for costs is appropriate in a particular case is on the defendant making such a request. Defendants have not provided such substantiation.
20. Defendants have not provided any evidence of the amount of their costs. The amount of the security should not be higher than 50% of the upper limit and no security should be accepted based on the revocation claim which has not been filed.

GROUND FOR THE ORDER

21. Defendants have requested the security for costs merely based on that Claimant is a company established in Taiwan and that the enforcement of costs decision would be unduly burdensome in Taiwan. There is no dispute about the financial situation of Claimant.
22. Claimant has provided an expert opinion indicating that the enforcement in Taiwan is not unduly burdensome and have also argued that the request should be rejected as Defendants owe them FRAND license fees and any cost decision could be offset against such fees.
23. According to Article 69 (4) of the Unified Patent Court Agreement ("UPCA"), the Court may, on application by 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 Articles 59 to 62 UPCA.
24. According to R. 158.1 RoP, 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. Where the Court decides to order such security, it shall decide whether it is appropriate to order the security by deposit or bank guarantee.
25. It is the established case law of the Court that security for costs can be ordered based on the request of the defendant in an infringement case.

*Offsetting the security*

26. Based on what the parties have presented it seems that Defendants may have in the future certain license fees to be paid to Claimant but the amount of such fees and also the payment schedule of such fees is totally open. Hence the Court finds that the possibility of such fees existing in the future does not as such present a claim that can be offset against the legal costs. Hence Claimant's argument challenging the acceptance of the security for costs application based on such offsetting must be rejected.

*Enforcement in Taiwan*

27. The UPC Court of Appeal has on its order 9 July 2025 given the following headnotes that can be considered guidance to the Court of First Instance:
  - The finding that – due to the recent establishment of this Court – there is currently no experience with enforcing costs decisions of this Court in a particular country, does not rule out the possibility that enforcing a cost decision in that country may prove to be impossible or unduly burdensome. In the absence of such experience, the Court must examine the likelihood of successful enforcement on the basis of other facts and circumstances.

- In the context of the assessment of the likelihood of successful enforcement of a cost decision, the fact that a party has its registered office in a country that is not a Member State of the European Union or the European Economic Area, is a relevant factor. Whereas Union law guarantees the recognition and enforcement of judgements of courts of Member States, including this Court, in other Member States, similar guarantees may not be in place for the recognition and enforcement in states that are not members of the European Union or the European Economic Area.
28. In the present case the registered office of Claimant is in Taiwan. There is no experience of enforcing UPC cost decisions in Taiwan that the Court would know of and hence the Court must examine the likelihood of successful enforcement on the basis on the facts and circumstances presented by the parties.
29. Claimant has provided an expert opinion by an expert whose credentials seem very reliable and whose credibility has not even been challenged by Defendants. At the same time the Defendants have challenged the conclusions that the expert and Claimant have drawn based on the facts presented in the opinion.
30. The expert opinion provides a conclusive picture of the situation how foreign judgments are and can be enforced in Taiwan. The following are the main facts and conclusions of the opinion:
- Summary by the expert: Although Taiwan law requires foreign court judgments to be first recognized by Taiwan courts before they may be determined as enforceable, there is no substantive evidence supporting the existence of any significant procedural difficulties, or undue burdens, on the potential enforcement of UPC judgment on claim for reimbursement of costs in Taiwan.
  - Enforcement in Taiwan requires recognizing the foreign judgment by the competent Taiwanese court.
  - Taiwanese law regarding the enforcement of foreign judgments was described in detail.
  - Taiwan is not a member of the Hague Judgment Convention due to its political status, but the Taiwanese courts almost always grant leave for the enforcement of foreign court judgments as a matter of fact.
  - Based on statistics from 2020 to 2025 there has been 40 cases when enforcement has been requested. Out of those 12 petitions were completely dismissed and they were all default judgments.
  - Most Taiwanese courts have been recognizing foreign judgments in the name of international reciprocity with reasonable expectation of future reciprocal recognition by foreign jurisdictions, creating an increasing trend toward recognition and enforcement of foreign judgments.
  - Taiwanese courts routinely permit the enforcement of foreign judgments without erecting undue barrier.

- After the competent Taiwanese court has permitted the enforcement, then the petitioner may submit for compulsory enforcement to the relevant enforcement court.
  - Attorney's fees are not generally included as reimbursable litigation expenses in Taiwan but as an exception to this rule attorney's fees are accepted in intellectual property rights litigations.
  - A case-by-case analyses is performed and generally reimbursement of attorney's fees would not contravene Taiwanese laws.
  - Timeframe of enforcement is generally approximately six months but can be anything up to six years depending on various factors such as the defences raised by the opposing party and whether the decisions are appealed.
31. The Defendants have noted that, based on the expert opinion, there are many uncertainties affecting the enforcement process in Taiwan. For example, they note that not all Taiwanese courts recognise foreign judgments, even based on the expert opinion. Also, according to the expert opinion, a case-by-case review is performed, the outcome of which is uncertain. They also point out that the timeframe for enforcement can be up to six years, which is an unacceptably long period.
32. The Court finds based on the expert opinion, which is the only basis to evaluate facts in this situation, that the enforcement in Taiwan may in most cases be possible but that there are already based on the expert opinion uncertainties because the enforcement is not provided or protected as such by national Taiwanese laws or international agreements. The parties seem to refer to different international agreements but it is clear that Taiwan is not a member of any international agreement which would govern the enforcement of foreign judgments in Taiwan. Based on the expert opinion also the timeframe to be expected can vary significantly from a few months up to six years. Based on this the Court considers that the facts provided in this case indicate that enforcing a cost decision in Taiwan would be at least unduly burdensome.
33. Based on the above the Court finds the request of the Defendants to order the Claimant to provide adequate security for the costs of the proceedings and other costs acceptable in the form as presented in the order.

*Security concerning the counterclaim for revocation*

34. Based on the Court of Appeal order on 20 June 2025 (UPC\_CoA\_393/2025, Aorticlab srl v. Emboline, Inc.) security for costs can be ordered based on the request of a defendant in an infringement case as well as based on a counterclaim filed by such defendant. Hence both requests of Defendants as such are potentially admissible. Nevertheless, the Defendants have not as yet filed a counterclaim for revocation and hence the application based on such counterclaim shall be rejected. The rules of procedure do not prevent an additional application after the counterclaim for revocation has been filed.



*The amount of security*

35. Defendants have claimed that the amount of security should be the maximum amount for an infringement case of value of EUR 2,5 million. According to the UPC Administrative Committee's Scale of ceilings for recoverable costs (24 April 2023) the maximum amount would be EUR 400, 000.
36. Claimant has argued that the amount of security should not be more than 50% of the maximum.
37. Defendants have not provided any indication of the amount of their costs in the application or in their second submission. Even though Claimant challenged the amount of the requested security only in their last submission it has been the duty of Defendants to provide information of their costs in their application. As this has not taken place, the Court finds that adequate security at this stage of the proceedings is 50% of the maximum as requested by Claimant i.e. EUR 200,000.

ORDER

1. Claimant is ordered in case UPC\_CFI\_525/2025 to provide security in the amount of EUR 200,000 within a period of six weeks for the costs of the proceedings and other costs pursuant to Rule 158.1 RoP by way of deposit on the UPC account dedicated for security deposits or alternatively by way of bank guarantee provided by a bank licensed in the EU.
2. Other requests relating to the R. 158 RoP application by Defendants are rejected.
3. An appeal may be lodged in accordance with article 73 of the UPCA and R. 220.2 RoP (R. 158.3 RoP).
4. Claimant is advised that a default judgment may be issued in accordance with Rule 355 RoP if security is not provided within the specified period (R. 158.4 RoP).

Issued on 12 December 2025

NAMES AND SIGNATURES	
Matthias Zigann Presiding judge	<b>Matthias ZIGANN</b>  Digital unterschrieben von Matthias ZIGANN Datum: 2025.12.12 12:58:21 +01'00'
Tobias Pichlmaier Legally qualified judge	<b>Tobias Günther Pichlmaier</b>  Digital unterschrieben von Tobias Günther Pichlmaier Datum: 2025.12.12 12:55:18 +01'00'
Petri Rinkinen Legally qualified judge, judge rapporteur	 Allekirjoittaja Petri Olavi Rinkinen Päivämäärä: 12/12/25 1:21:10 PM