



**Hamburg local division  
UPC\_CFI\_274/2023**

**Decision  
of the Court of First Instance of the Unified Patent Court  
Local Division Hamburg  
issued on 11 February 2026**

HEADNOTE

1. National law applies to claims for damages for loss of profit if the facts of the case were concluded before the Unified Patent Court came into force on 1 June 2023.
2. Even when claiming loss of profit due to a price reduction, it must be possible to establish that, in the normal course of events or under the specific circumstances, the profit would probably have been made. In this context, the offer must be reviewed for its appropriateness, taking all circumstances into account.
3. The possibility of an alternative offer by the infringer must be taken into account in the assessment if it is established that the client would have requested a further offer in any case.
4. Since both national (German) law on damages and the UPC Agreement are based on Directive 2004/48/EC (Enforcement Directive), there should be no difference in the assessment of a claim for damages for loss of profit in the present case.

KEYWORDS

Applicable law; loss of profit due to price reduction; appropriateness of the tender

HEADNOTES

1. National law shall apply to claims for damages for loss of profit if the factual circumstances were completed before the Unified Patent Court came into force on 1 June 2023.

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2. Even when claiming lost profits due to a price reduction, it must be established that, under normal circumstances or under the specific circumstances, the profit would probably have been made. In this context, the offer must be reviewed for its reasonableness, taking all circumstances into account.

3. The possibility of an alternative offer by the infringer must be taken into account in the assessment if it is established that the principle would have requested a further offer in any case.

4. Since both national (German) law on damages and the UPCA are based on Directive 2004/48/EC (Enforcement Directive), in this case there should be no difference in the assessment of a claim for damages for loss of profit.

PARTIES

**Fives ECL**, SAS, 100 rue Chalant, 59690 Ronchin, France,

Claimant,

represented by:

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against

**REEL GmbH**, Rudolf Diesel Straße 1, 97209 Veitshöchheim,

defendant

Legal representatives:  
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PATENT AT ISSUE

European Patent No. EP 1 740 740

PANEL

Panel of the Local Division of the Local Chamber Hamburg

PARTICIPATING JUDGES

Presiding Judge Sabine Klepsch as judge-rapporteur

Legally qualified judge Dr Stefan Schilling

Legally qualified judge Mojca Mlakar

Technically qualified judge Max Tilmann

LANGUAGE OF THE PROCEEDINGS

German

SUBJECT

Determination of damages

PROCEDURAL FACTS AND PARTIES' SUBMISSIONS

- 1 By writ of 8 August 2023, received in paper form by the Hamburg Local Chamber on the same day in accordance with Rule 4.2 of the RoP, the claimant filed an application for the assessment of damages. An attempt to submit the application via the court's electronic case management system failed because the submission of an application for damages requires the entry of an underlying case number from the Unified Patent Court (UPC).
- 2 This was preceded by patent infringement proceedings between the local parties – alongside other parties – before the Regional Court of Düsseldorf, action number 4c O 1/21 (Annex PBP 3). In these proceedings, the defendant (the first defendant in that case) was ordered by judgment of 9 August 2022, among other things, to refrain from offering service modules for a series of electrolysis cells intended for the production of aluminium by fused-salt electrolysis and equipped with the features of claim 1 of the German part of EP 1 740 740 B1 (hereinafter: the patent at issue) in the Federal Republic of Germany. The aforementioned judgment also found that the defendant is obliged to compensate the Claimant for all damages incurred and to be incurred as a result of the actions specified in more detail in section |.1. since 2 December 2016. The judgment is final. Neither party has lodged an appeal.
- 3 Furthermore, the defendant filed an action for annulment of the German part of the patent at issue with the Federal Patent Court (action number 3 Ni 20/19 (EP)), which was dismissed in its entirety by judgment of 18 May 2022. The appeal against this decision to the Federal Court of Justice (judgment of 26 November 2024, action number X ZR 114/22) was unsuccessful. No further proceedings, in particular those in other member states of the UPC Agreement, are pending.

- 4 In a document dated 6 October 2023, the defendant lodged a preliminary objection in accordance with Rule 19.1(a) of the RoP. It argued that the court seised did not have jurisdiction to hear the present application for damages under Article 32(1) of the UPC Agreement. The judge-rapporteur upheld the preliminary objection by order of 17 November 2023. The Claimant's application for review by the panel pursuant to Rule 333 of the RoP was rejected as inadmissible by decision of 25 January 2024. The Claimant's appeal against the objection decision of 17 November 2023 was successful. By order of 16 January 2025 (hereinafter: order), the Court of Appeal set aside the objection decision and referred the action back to the Hamburg local division.
- 5 The parties are active in the market for special cranes, which are used worldwide in various countries in aluminium furnaces for aluminium production. The Claimant, based in northern France, manufactures and distributes, among other things, special cranes for the aluminium industry. Until 2015, the current Claimant was a division of the Rio Tinto Group (hereinafter Rio Tinto), one of the largest raw materials groups in the world. Rio Tinto sold this division to the Fives Group in 2015, resulting in the creation of the Claimant (Exhibit PBP 17, p. 1, Exhibit PBP 18, p. 1). The defendant, based in Veitshöchheim near Würzburg, is a global leader in the development and construction of special cranes and special handling equipment. It traces its origins back to Noell Stahl- und Maschinenbau GmbH (until 1999, from 1999 to 2001 Noell Crane Systems) and has been part of the French REEL Group since 2002 as NKM Noell Special Cranes GmbH and since 2021 as REEL GmbH.
- 6 In 2016, both parties participated in the Alba Potline 6 tender in Bahrain. In addition to 12 service modules, the tender also included other parts that were originally to be awarded in a single tender.
- 7 The client was Emirates Global Aluminium (hereinafter: EGA or EGA/Dubal), a leading global aluminium producer and developer and supplier of the pot technology known as "Dubal DX+ ultra", which is used in the Alba Potline 6 plant. The term "pot technology" refers to the technology used for the actual production of aluminium in the furnaces. EGA was formed from a merger between Emirates Aluminium (EMAL) and Dubai Aluminium (DUBAL).
- 8 Alba (Aluminium Bahrain), also a leading aluminium producer, is the operator of the Alba Potline 6 plant in Bahrain and thus the end customer of the successful bidder in the tender at issue. As Alba does not have its own pot technology, it obtains it from other aluminium producers – in the case of Alba Potline 6, from EGA/DUBAL. Alba was ultimately responsible for the decision to award the PTM contract at issue. Bechtel is the engineering firm commissioned by Alba to construct the Alba Potline 6 plant. In the

tender process, it was responsible, among other things, for drawing up the technical specifications for the PTMs put out to tender and acted as an intermediary between Alba and the bidders.

- 9 Both parties submitted bids on 2 December 2016 and 15 December 2016. The bid of 15 December 2016 was not a new round of bidding. Rather, Bechtel had asked for a price to be quoted in the event that the two parts of the tender (service modules and auxiliary bridges) were split up and continued separately. The claimant responded to Bechtel's letter by confirming on 15 December 2016 that the part of the bid dated 2 December 2016 relating to the 12 service modules, amounting to EUR XXX, would remain valid even if the bid items 3.3, 3.4, 3.6, 3.7 and 3.8 are deleted (Annexes BBY 23 and BBY 24). The defendant reduced its offer by XXX euros.
- 10 The corresponding offers of the parties were as follows: XXX XXX  
  
XXX
- 11 On 29 January 2017, the claimant received notification that the contract had not been awarded to it (Annex PBP 14c). It then raised doubts about the proper award of the contract. Following an internal investigation by the client, Bechtel informed the Claimant in a letter dated 10 February 2017 that the bidding process would be resumed. The Claimant submitted a new offer on 21 February 2017 with a discount of EUR 6,500,000 and was awarded the contract.
- 12 The claimant is of the opinion that it is entitled to compensation for lost profits. It would have been successful with its bid of 2/15 December 2016 in relation to a tender for the Alba 6 project in Bahrain (hereinafter: Alba 6 or Alba 6 project) if the defendant had not submitted a patent-infringing bid on 2/15 December 2016. It had submitted both its first bid (undated) and its second bid dated 30 November 2016, as well as the  
3. Offer dated 2 December 2016 submitted a competitive offer. It is apparent that the Claimant's offer dated 2 December 2016 was XXX euros lower than the defendant's offer. The Claimant applied a profit margin of XXX% and assumed that the costs for a model with two independent rotations would not be exceeded.
- 13 It had prepared extensively for the tender and its bid. In this context, it had visited the Quatalum project in Qatar in advance, in which the defendant had won with its bid for a double-rotation machine. The Claimant assumed that the defendant would submit a bid to Alba 6 based on this

Based on her research, the claimant also assumed that she would be awarded the contract with her single-tower machine, which offered improved visibility compared to previous single-tower models and an optional cabin swivel function of +/- 30°, as this would result in lower costs for Alba 6.

- 14 The defendant's alternatives were not convincing. Either the defendant would have had to convert its proven Qatalum/Sunndal service module to hydraulic control, in which it had far less experience, and thus offer a twin-tower service module that was priced above the single-tower models. In the Claimant's view, it would then have had to submit a bid in the tender process at a price that would have resulted in no profit margin or would have been significantly higher than the Claimant's price. Alternatively, it would have had to offer a single-tower service module of the Dubal type, which did not meet the customer's expectations.
- 15 The claimant therefore believes that it would have won with its bid of 2/15 December 2016 if the defendant had not submitted a bid that infringed a patent and was therefore competitive. The price calculation and the reduction in the bid price are, in view of the market situation, the economic situation of the Claimant's company and the expected effects of the defendant prevailing with a patent-infringing bid, comprehensible and economically reasonable from a commercial point of view and should in any case not be regarded as negligent. The claimant could have assumed that, due to the patent-protected configuration of the service module, it would be able to achieve a profit margin that took this innovative advantage into account. The protection of intellectual property is based on the idea that investment in innovation should be worthwhile, i.e. in the present case, it is precisely patent protection that makes it possible to calculate a higher margin than without it. This is particularly true in light of the fact that a serious, competitive alternative offer without patent infringement would have led to considerable additional costs. It is therefore obvious and compelling from the outset that the costs saved by the patented solution would not be passed on in full to the customer, but would increase the patent holder's margin without affecting the competitiveness of the offer.
- 16 The fact that the Claimant had not acted negligently in calculating the price or reducing its offer was also evident from the expert opinion commissioned by the Claimant from Dr Anke Nestler, Senior Managing Director of FTI Consulting Deutschland GmbH (hereinafter: FTI expert opinion, Annex BBY 25). The expert opinion confirms that both the calculation and the reduction of the offer price by the Claimant were based on reasonable economic considerations.

- 17 The defendant's bid of 2 December 2016, which was almost 3 million above the Claimant's bid, shows that the Claimant itself had submitted a competitive bid with a high margin. Finally, the lost profit resulted from the award in February 2017 at worse conditions, 6.5 million euros. A claim for interest is left to the discretion of the court. The claimant considers an interest rate of 4% to be appropriate.
- 18 The defendant objects to this. It is of the opinion that the action is inconclusive, as it cannot be inferred from the Claimant's statements what profit it would have made if the order had been placed with its offer of 15 December 2016. No calculation has been submitted. Since the respective offers (December 2016 and February 2017) have not been submitted either, it cannot be verified whether their content corresponds to the scope of the offer. Nor has any quantification been provided as to what profit it actually made.
- 19 Furthermore, the claimant had submitted an offer that was far too expensive. Against the backdrop of aluminium prices and the competitive environment, the claimant had set too high a margin. In addition, a competitive situation had been created on the part of the client in any case, even if the defendant had not submitted an offer that infringed the patent. In tenders of the type at issue here, it is standard practice and even a requirement that a majority of bidders participate in the tendering process. This ensures competition among plant operators in order to achieve the best possible terms, including the best possible price.
- 20 The defendant would also have been in a position to submit a non-patent-infringing offer at a slightly higher price than its original offer of 15 December 2016, namely on the basis of the Pavlodar model. This would have led to a price increase of XXX per pot tending machine (PTM), with technical advantages in terms of visibility of the tools and ease of use. Therefore, the Claimant's overpriced offer would not have been competitive with such a patent-free alternative offer from the defendant. The Claimant simply succumbed to a misconception regarding the defendant's offer and submitted an offer that was far too expensive. This is confirmed by the expert opinion of Charles River Associates (hereinafter CRA opinion, Annex HL 33).
- 21 Furthermore, it is not clear why the Claimant reduced the price of its offer by XXX%. The Claimant also failed to demonstrate that the alleged loss of profit was incurred (exclusively) by it. Furthermore, the asserted lump-sum interest claim does not exist.

#### APPLICATIONS OF THE PARTIES

## 22 The claimant seeks

pursuant to Article 68 of the UPC Agreement, payment of damages in the amount of €6.5 million plus interest in the amount of €1,341,038.74, as well as interest from 9 August 2023 in the amount of 8 percentage points above the base rate on an amount of EUR 6.5 million, as compensation for the damage it suffered as a result of the defendant's patent-infringing offer in relation to the Alba/Bahrain tender, in accordance with the judgment of the Regional Court of 9 August 2022.

## 23 The defendant requests:

1. The action is dismissed.
2. The costs of the legal proceedings shall be borne by the claimant.
3. In the alternative: The provisional enforceability of the orders contained in the judgment is subject to the provision of security (deposit or bank guarantee) in the amount of 110% of the respective amount to be enforced.

## REASONS FOR THE ORDER

### **I. Jurisdiction of the court**

24 The court seized has jurisdiction to decide on the assessment of damages. As the Court of Appeal stated in its order of 16 January 2025 (UPC\_CoA\_30/2024) in the present proceedings, both the UPC and the local division in Hamburg have jurisdiction to decide.

### **II. Applicable law**

25 This must be distinguished from the question of the applicable law. The Court of Appeal made statements on substantive law in various places, referring to the "substantive law" of the UPC.

1.

26 There is no binding effect under Article 75(2) of the UPC Agreement on the basis of the decision of the Court of Appeal with regard to the applicable law. Article 75(2) of the UPC Agreement provides that if a case is referred back to the Court of First Instance pursuant to paragraph 1, the latter is bound by the legal assessment in the decision of the Court of Appeal. However, in the present case, the Court of Appeal did not make a final assessment with regard to the applicable law. Although statements on substantive law are made in various places (see paragraphs 65, 66, 80 and 81 of the order), these relate to the grounds for the EPC's jurisdiction and do not stipulate that the substantive law of the EPCU should be applied in the assessment in the present case. Finally, the decision concludes by stating that the EPC has jurisdiction. However, these are related to the reasoning on the jurisdiction of the UPC and do not stipulate that the substantive law of the UPC Agreement should be applied in the present case. Finally, the decision itself only states at the end (para. 83 of the order) that the court has jurisdiction to hear an independent action for damages.

27 Furthermore, in an order dated 2 June 2025 (UPC\_CoA\_156/2025), the Court of Appeal itself stated that jurisdiction and applicable law are different aspects that must be assessed separately. This makes it clear that affirming the jurisdiction of the UPC does not constitute a statement on the applicable law. In this respect, no binding effect can be identified.

2.

28 German law applies in the present case. The Claimant expressly confirmed this in the oral hearing, while the defendant left this open. In its documents, it took the view that the provisions of the UPC Agreement should apply.

29 The following further legal considerations speak in favour of applying national (German) law to the present case:

30 Notwithstanding Article 83 EPC, Article 3c) UPC Agreement confers jurisdiction on the Unified Patent Court for all existing European patents that have not yet expired at the time of entry into force of the UPC Agreement, i.e. on 1 June 2023. The provision is in accordance with the Vienna Convention on the Law of Treaties (VCLT) (see Court of Appeal, order of 16 January 2025, UPC\_CoA\_30/2024, GRUR-RS 2025, 213, para. 41; W. Tilmann, GRUR Patent 2025, 51 para. 107) and EU law as a whole (see Art. 20 UPCA, Art. 326 TFEU, see also local division Mannheim, decision of 11 March 2025, UPC\_CFI\_159/2024, para. 99, UPC\_CFI\_162/2024, para. 103). Therefore, in particular, a contract must be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the contract in their context and in the light of its object and purpose (cf. Art. 31 (1) WVRK). To this end, the aspects set out in Art. 31 (2), (3) CISG must be taken into account. Further relevant aspects are set out in Art. 31 (4) CISG, Art. 32 ff. CISG.

31 The question of the jurisdiction of the court must be clearly separated from the question of the applicable law (Kalden, GRUR Patent 2023, 178 marginal note 52; McGuire, GRUR Patent 2024, 466 marginal note 5). With regard to acts committed before the entry into force of the UPC Agreement, the fundamental principles of retroactivity enshrined and recognised in European law and international law must be observed. According to the Vienna Convention on the Law of Treaties (VCLT), which applies to the UPC Agreement as an agreement between VCLT contracting states (see Court of Appeal, order of 16 January 2025, UPC\_CoA\_30/2024, GRUR-RS 2025, 213, para. 41; W. Tilmann, GRUR Patent 2025, 51, para. 107), the retroactive effect of treaties is governed by Article 28 WVRK, which reads as follows:

"Unless the treaty otherwise indicates or it is otherwise established, its provisions shall not bind a contracting party in respect of

an act or fact that occurred or took place before the treaty entered into force in respect of the contracting party concerned, or in respect of a situation that ceased to exist before that date."

- 32 Accordingly, without a basis for assuming such an intention, whether explicit or implicit, not only is retroactive effect between the contracting parties prohibited, but also the retroactive application of any substantive law prescribed in the treaty. This principle of retroactivity, referred to in the WVRK, is also enshrined in European Union law (see ECJ, judgment of 26 April 2005 – C-376/02 – Stichting "Goed Wonen" v Staatssecretaris van Financiën, para. 32 et seq. with further references) and must therefore be observed by the Unified Patent Court in accordance with Article 20 of the UPC Agreement.
- 33 As a general rule, a new legal norm applies from the date of entry into force of the law introducing it, unless expressly provided otherwise by intertemporal provisions (see ECJ, judgment of 22 June 2022, C-267/20, GRURRS 2022, 14015, para. 32 – Volvo AB et al. v RM; judgment of 21 December 2021, C-428/20, BeckRS 2021, 39569 para. 33 and the case law cited therein – Skarb Państwa). Although the new law does not apply to legal relationships that arose and became final under the old legal system, it does apply to the future effects of a legal relationship that arose under the law in force prior to the amendment, as well as to facts that arose after the new law came into force. In this context, the substantive provisions of EU law must be interpreted in such a way that the principles of legal certainty and the protection of legitimate expectations are upheld, in that they are applicable to situations existing prior to their entry into force only insofar as it is clear from their wording, their objectives or their general scheme that they must have such an effect (see ECJ, judgment of 22 June 2022, C-267/20, GRUR-RS 2022, 14015 para. 31 Volvo AB and others v RM; judgment of 21 December 2021, C-428/20, BeckRS 2021, 39569 para. 31 and the case law cited therein – Skarb Państwa).
- 34 Secondly, any retroactive effect must be justified. For example, the application of new guidelines and, in particular, a new method for calculating the fines contained therein to calculate fines for competition infringements, even for infringements committed before the adoption or amendment of those guidelines, does not violate the principle of non-retroactivity, provided that those new guidelines and that new method were reasonably foreseeable at the time the infringements in question were committed (see ECJ, judgment of 26 January 2017, C-604/13 P, BeckRS 2017, 100513, para. 42 and the case law cited therein). The above principles are part of the primary law of the Union, such as the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU) (see ECJ, as cited above).
- 35 On the basis of Article 20 of the UPC Agreement, which refers to Union law as a whole, these principles of unwritten Union law apply to the interpretation of substantive law

Right of the UPC Agreement. Since the UPC, as a joint court of the UPC Agreement member states, does not have unwritten uniform national law, unwritten Union law based on common principles of EU member state law fills the gaps. The reference to Union law as a whole makes it clear that, even in areas reserved for Union law but where no written Union law exists, the UPC may not develop unwritten principles that are common to the law of the UPC Agreement member states and deviate from the principles common to all EU member states. Furthermore, if the European Parliament and the Council were to establish common rules on patent law in accordance with Article 118(1) TFEU, those rules would have to comply with the unwritten principles of Union law, in particular those relating to retroactivity. Insofar as a group of EU Member States creates such rules, the same principles apply as EU Member States may not undermine the fundamental principles of EU law through bilateral or multilateral treaties (see ECJ, C-284/16 – Achme, ECLI:EU:C:2018:158). Therefore, Article 326 TFEU provides that any enhanced cooperation between EU Member States must comply with the Treaties within the meaning of Article 1(1) TFEU and Union law, including its unwritten principles. Since and insofar as the UPC Agreement constitutes enhanced cooperation within the meaning of Article 326 TFEU, Article 20 TFEU also requires the application of, in particular, the fundamental principles of Union law on retroactivity. TEU and Article 326 TFEU also require the application of, in particular, the fundamental principles of Union law on retroactivity.

- 36 Applying the principles of retroactivity outlined above, the UPC Agreement already lacks the first prerequisite for the application of its substantive law to acts of infringement committed before its entry into force (cf. W. Tilmann, GRUR Patent 2025, 51 note 107). There is no explicit or implicit reference to such retroactive applicability. Neither the provisions of the UPC Agreement nor its objectives or general scheme provide any basis for such an effect to be achieved. Furthermore, such retroactive application to facts that have been established exclusively in the past as past acts would be contrary to the fundamental principles of EU law described above. Not only in the case of indirect infringement, but also in relation to other aspects of the law governing past use, national patent law may differ significantly from the provisions of the UPC Agreement, e.g. with regard to the amount of recoverable damages. A suspected infringer who has examined the legal situation at that time and – for example, in a situation where there were good arguments against finding an infringement based on the facts at hand – has calculated the risk of liability for patent infringement under the national law applicable at that time cannot be confronted with new legislation that may have significantly more serious consequences. Nor can it be argued that the entry into force of the UPC Agreement since its signing in 2013

, since the lengthy and difficult development that followed not only called the entire project into question and thus made its entry into force unpredictable (see, in this regard, local division Mannheim, decision

, 11 March 2025, UPC\_CFI\_159/2024, GRUR-RS 2025, 3734, para. 88ff.,

UPC\_CFI\_162/2024, decision of 11 March 2025, para. 95ff.; concurring opinion by W. Tilmann, GRUR Patent 2025, 271, para. 54 f.).

- 37 Taking this into account, only the relevant substantive national law – in this case German law is applicable to acts committed and completed before the UPC Agreement came into force on 1 June 2023. Since, in the present case, the act giving rise to liability for damages occurred long before the UPC Agreement came into force, the application of the UPC Agreement is not applicable.
- 38 Notwithstanding this, the following remarks assess the facts of the case under national law and, alternatively, under the UPC Agreement.

### **III. Compensation for lost profits, Art. 69 EPC in conjunction with Section 139 PatG and Sections 249, 252 BGB 1.**

- 39 First of all, the defendant's liability for damages is legally established on the basis of the judgment of the Regional Court of Düsseldorf of 9 August 2022 (Annex PBP 3). Neither party has filed an appeal against the decision. Section II of the judgment states that the first defendant – the defendant in this case – is obliged to compensate the Claimant for all damages incurred and to be incurred as a result of the acts specified in Section I.1 committed since 2 December 2016. In section I.1, the defendant was prohibited from offering service modules that make use of claim 1 of the patent at issue in the Federal Republic of Germany. In this respect, the defendant is fundamentally obliged to pay damages due to the culpable infringement of the patent at issue. In the present case, the claimant is claiming lost profits.

#### **2.**

- 40 According to Section 139 of the German Patent Act (PatG), the total damage incurred must be compensated in accordance with the general principles of Sections 249 et seq. of the German Civil Code (BGB). According to the principle of Section 249 BGB, the injured party may base their calculation on the difference between the state of their assets caused by the patent infringement and the state their assets would have been in without the patent infringement, i.e. they may demand compensation for the profit they have lost as a result of the reduction in their own sales due to the patent infringement, in accordance with Section 252 BGB (RGZ 156, 65 (67)). This method of calculation requires the establishment of causality between the patent infringement and the loss of sales and the determination (estimation) of the amount of lost profits. If undercutting by the patent infringer forces the injured party to reduce its own prices to , then the damage caused by the

price reduction, insofar as it is not offset by an increase in turnover. The burden of proof lies with the injured party, whereby the court's assessment, taking into account all individual circumstances, represents a considerable mitigation, BGH GRUR 1993, 757 (758) – Kollektion Holiday (competition case).

- 41 In order to counteract the associated difficulties of proof for the injured party, who is generally burdened with the burden of proof and presentation, Section 252 sentence 2 BGB provides, in addition to the relaxation of the burden of proof under Section 287 ZPO, that in any case the profit that could have been expected with probability in the normal course of events or under the particular circumstances shall be deemed to have been lost. These conditions are met if, according to the circumstances of the case, it is more probable that the profit would have been achieved without the event giving rise to liability than that it would not have been achieved (Federal Court of Justice, NJW 1988, 200 (204); NJW 2002, 825).
- 42 Although these rules relieve the injured party of the need to provide precise evidence of the loss of profit, they do not exempt him from presenting the facts necessary for estimating the loss of profit and proving them in accordance with Section 287 of the German Code of Civil Procedure (BGH, GRUR 1962, 509 (513) – Dia-Rähmchen II; GRUR 1980, 841 (842) – Tolbutamide; GRUR 1993, 757 – Holiday Collection; NJW 2002, 825). The injured party must explain the circumstances and prove, within the limits of Section 287 of the German Code of Civil Procedure (ZPO), that the probability of profit arising is evident from the normal course of events or the specific circumstances of the case; since the relaxation of the burden of proof under § 252 BGB, § 287 ZPO also reduce the burden of proof on the party claiming compensation for lost profits, the plaintiff's submissions must not be subject to excessive requirements (BGH, NJW 2002, 825; NJW 2002, 2553; NJW 2017, 1600 marginal no. 19; GRUR 2008, 933 – Lubricants; OLG Düsseldorf, GRUR-RS 2023, 29941 marginal no. 111 – Glatiramer acetate). In particular, consideration must be given to what can reasonably be expected of him in view of the events caused by the injuring party (Federal Court of Justice, NJW 2002, 825).
- 43 However, the court must decide on disputed initial or connecting facts in accordance with Section 287 of the German Code of Civil Procedure (ZPO), Section 252 of the German Civil Code (BGB) to take evidence. Section 287(1) sentence 1 ZPO extends the judicial discretion for determining the amount of damages beyond the limits of Section 286 ZPO (Federal Court of Justice, GRUR 1997, 741 (743) – Chinaherde) and grants the court the possibility of estimating the lost profit at its reasonable discretion, taking all circumstances into account. Section 287 (1) sentence 2 ZPO also provides for a restriction of the requirement for the trial judge to exhaust all evidence by stipulating that the judge only has to pursue evidence within the scope of his or her discretionary powers (BGH, GRUR 1997, 741 (743) – Chinaherde).
- 44 According to these principles, the damage in the event of a price reduction must also be determined. The case of a price reduction is characterised by the fact that the patent holder has concluded the transaction but claims that he actually achieved a lower profit

than he would have achieved if the patent infringement had not occurred. The only difference to the case in which the infringed patent holder did not conclude the transaction is therefore that the profit actually achieved with the transaction must be taken into account when determining the actual financial situation. The general formula for damages covers both constellations in the same way. A price reduction only constitutes damage in the form of lost profit to the extent that the patent holder could have achieved the higher price he appeals to in the hypothetical scenario without the patent infringement.

- 45 In the present case, this means that the court must be able to determine that the Claimant would have won the tender in the hypothetical scenario with its original bid, disregarding the defendant's patent-infringing behaviour. Even in such a case, the Claimant must demonstrate and prove that it would have made a profit in a hypothetical scenario and, if so, how much.
- 46 In the present case, damages based on lost profits are therefore to be compensated if it can be established that, in the normal course of events or under the specific circumstances, the Claimant would probably have been awarded the Alba 6 project in December 2016 had it not been for the defendant's patent-infringing bid. This presupposes, among other things, that it can be concluded that the Claimant's bid was reasonable, taking all circumstances into account. In making this assessment, it must not be overlooked that an experienced market participant such as the Claimant is aware of the general conditions and the reasonableness of the bid. However, this does not mean that the bid is not subject to any review. Otherwise, the infringer would be obliged to compensate for any damage, even if this proved to be unreasonable.
- 47 It can be stated in advance that the Claimant justifies the alleged loss of profit solely by comparing its two offers from December 2016 and February 2017. However, in the absence of the offers, it cannot be assessed whether they are identical in content and whether, as the Claimant claims, only the offer amount was reduced. Even if the offers are identical, the underlying profit calculation would also have to be identical in order for the price reduction to correspond to a reduction in profit. The defendant has disputed the identity of both.

a) Margin and amount of the offer

- 48 In the present case, the appropriateness of the Claimant's offer from December 2016 cannot be determined with the necessary certainty, either with regard to the margin applied or the amount. In detail:

- 49 It is therefore questionable whether the margin of XXX% applied by the Claimant in its December offer is in line with standard practice and is therefore reasonable.
- 50 With regard to the appropriateness of the margin, the Claimant argued, as confirmed by the FTI expert opinion (from section 3.5 of Annex BBY 25), that the margin of XXX% it applied was in line with standard practice. According to the expert's statements, the market conformity of the Claimant's offer is based on publicly available financial data of the defendant and the gross margins customary in the industry derived from this data. Furthermore, it is based on projects realised by the Claimant in the past, which the Claimant itself uses as a basis for its internal calculations.
- 51 This is not convincing. Neither the defendant's publicly available financial data nor the projects implemented by the Claimant in the past can be used to determine the appropriateness of the margin.
- 52 Table 3-2 from the FTI report, which is reproduced below, is used to determine the defendant's gross margins up to 2016 on the basis of publicly available financial data.

**Tabelle 3-2: Ableitung einer Bruttomarge von NKM bis 2016**

<b>NKM Noell Special Cranes GmbH</b> <i>in TEUR</i>	<b>GJ</b> <b>2011</b>	<b>GJ</b> <b>2012</b>	<b>GJ</b> <b>2013</b>	<b>GJ</b> <b>2014</b>	<b>GJ</b> <b>2015</b>	<b>GJ</b> <b>2016</b>
<b>Umsatzerlöse [A]</b>	<b>38.436</b>	<b>66.513</b>	<b>99.448</b>	<b>36.309</b>	<b>61.839</b>	<b>71.070</b>
<b>EBITDA [B]</b>	<b>1.929</b>	<b>3.251</b>	<b>7.167</b>	<b>1.212</b>	<b>2.590</b>	<b>2.399</b>
<i>EBITDA-Marge in % [C] = [B/A]</i>	<i>5,0%</i>	<i>4,9%</i>	<i>7,2%</i>	<i>3,3%</i>	<i>4,2%</i>	<i>3,4%</i>
Anpassung sbA [D]	8.524	8.141	8.760	8.087	8.620	12.424
Anpassung sbE [E]	-2.612	-1.081	-3.013	-7.441	-1.582	-1.431
<b>Bruttoergebnis [F] = [B+D+E]</b>	<b>7.841</b>	<b>10.311</b>	<b>12.914</b>	<b>1.858</b>	<b>9.628</b>	<b>13.392</b>
<i>Bruttomarge in % [G] = [F/A]</i>	<i>20,4%</i>	<i>15,5%</i>	<i>13,0%</i>	<i>5,1%</i>	<i>15,6%</i>	<i>18,8%</i>

**Durchschnitt der Bruttomargen 2011 bis 2016** **14,7%**

**Durchschnitt der Bruttomargen 2011 bis 2016 (außer 2014)** **16,7%**

**Median der Bruttomargen 2011 bis 2016** **15,5%**

*Anmerkung: sbA = sonstige betriebliche Aufwendungen; sbE = sonstige betriebliche Erträge.*

*Quelle: Unternehmensregister; zu den Details siehe Tabelle A3-1, Anlage 3.*

- 53 According to this, the defendant's product margins are said to have averaged 15.5% or 16.7%, depending on whether 2014 is included as an outlier. However, as the Claimant argues, the calculation of projects must be based on a higher margin, as the gross margin achieved by the defendant in total in the years 2011 to 2016 includes a considerable amount of overheads, such as personnel expenses in the administrative area. These overheads...

Components cannot be extracted on the basis of publicly available data. In this respect, the gross margin must be lower than the project margin, which, in the Claimant's view, suggests that the defendant's project margin exceeds the gross margins determined. As a result, the calculation of the Claimant's offer of 15 December 2016 with a project margin of XXX% is plausibly related to the gross margin that the direct competitor achieved at that time at the level of all overhead costs – i.e. including project-unspecific cost components. The margin applied by the Claimant is therefore not unusual.

54 This is not convincing. The claimant overlooks the fact that the margins determined by the defendant to justify the appropriateness are not meaningful. On the one hand, the defendant's activities cover several business areas (aluminium, nuclear, offshore; equipment and services in each case). In the present case, however, only the aluminium equipment sector is relevant, and there is no isolated determination of the defendant's margins in this segment. On the other hand, a comparison between aggregate gross margins and a project margin is questionable in view of the different treatment of (common) costs. The FTI report itself acknowledges the lack of comparability (para. 3.29 of the FTI report), but then concludes from the differences between the types of margins, without justification, that "Projects [...] are naturally based on a higher margin." This may be the case. However, this vague statement does not allow the assumption that the defendant has achieved project margins in the past that are comparable to the margin sought by the Claimant in its offer of 15 December 2016 (see para. 48 et seq. of the CRA report, Annex HL 33).

55 Even using the margins from other projects taken as a basis by the Claimant, it is not possible to conclude that the Claimant's margin is reasonable. For this purpose, the FTI report has determined the following figures in Table 3-3:

X  
X  
X

56 It is clear that high margins were achieved in the past, but it is questionable whether they can be used as a benchmark for the margin of XXX% set in the December 2016 bid.

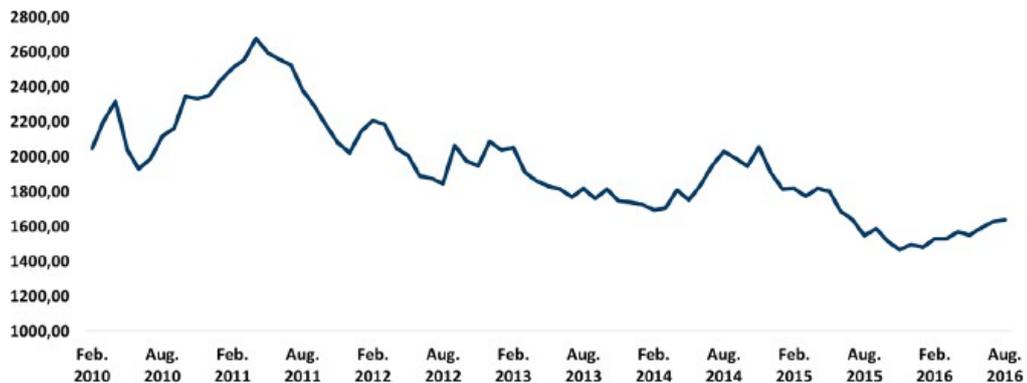
57 This is because the comparison was based on projects from XXX, which took place eight to thirteen years before the relevant tender for Alba 6. They therefore date from a time when the market environment had not yet deteriorated. The claimant and the FTI report also argue that market conditions have deteriorated significantly since that time to the detriment of PTM suppliers. Later projects were not listed. This may be due to the fact that from XXX onwards there were no

or, if there were any, that these generated lower margins.

- 58 Furthermore, the list shows that the projects included orders with very different volumes between XXX. The two projects with the highest gross margins (XXX) only included a low number of PTMs. In terms of size, XXX is comparable to the listed projects, where a gross margin of XXX% was achieved, which is also not comparable to the margin at issue here.
- 59 In addition, the margins achieved in the past and the conditions prevailing at that time are hardly comparable with the margin from the December offer and its framework conditions. This is because, until 2015, the claimant was able to benefit from a tying practice by the then parent company Rio Tinto, which effectively excluded competition for PTM tenders for projects using its Aluminium Pechiney (AP) pot technology. It made this pot technology available to plant operators such as Alba, which are dependent on third-party pot technologies, only under the contractual condition that the Claimant be designated as the sole "mandatory supplier" for PTMs. In this respect, Alba Potline 5 was based on AP technology, which is why the Claimant was effectively a monopoly supplier for the PTM tender due to the tying practice. From an economic perspective, this means that a higher margin can be expected than in a competitive tender. Contrary to the statement in the FTI report, the defendant was not a competitor in the case of "Alba - Line 4&5" either, so that the project is in no way comparable to the Alba 6 project in this respect either.
- 60 However, although it was clear from the outset that Alba would (have to) award the contract for the PTMs to the Claimant as the "mandatory supplier", the client obtained a competing bid from the defendant for the "Alba - Line 4&5" project. This was done deliberately in order to "push down" the price of the Claimant's bid for the PTMs (see speech by Mr Bruce Hall, CEO of Alba, page 6, Annex HL 3). Alba was successful with this strategy. However, as can be seen from the table above, the margin was still XXX % despite the reduction.
- 61 In addition, both the Claimant and the FTI report explain in detail that the economic situation of the Claimant and the general market environment for aluminium manufacturers and their suppliers have steadily deteriorated over the years and reached their lowest point at the time of the tender for the Alba 6 project (para. 4.3 of the FTI report). According to this, the global aluminium market was significantly influenced by stronger competitive pressure from China from 2010 onwards. China doubled its production of primary aluminium between 2010 and 2016. The increase in production was facilitated by state subsidies and the availability of low-cost energy sources, primarily coal. The strong

expansion of Chinese production led to overcapacity in the market and, in conjunction with increased competition, to a significant decline in the price of aluminium since 2011. At the time of the bidding process, aluminium smelters had therefore been under considerable price pressure for some time.

62 Figure 4-1 of the FTI report, which shows the monthly aluminium price per tonne in USD, is reproduced below:



*Quelle: World Bank Commodity Prices, Rohdaten in Tabelle A5-1, Anlage 5.*

- 63 The figure clearly shows that aluminium prices have fallen steadily since 2010.
- 64 The difficult economic situation facing aluminium smelters in the years prior to and during the tender process led to a reduced willingness to invest on the part of the Claimant's end customers and also the defendant. This in turn resulted in a difficult economic situation for the Claimant.
- 65 The Claimant's difficult economic situation may explain why the contract for the Alba 6 project was so important to it. However, it does not explain why, despite the difficult conditions, in particular the aluminium price, the estimated margin of XXX% was used as the basis for the bid.
- 66 The following is a graph reproduced in the CRA report (Exhibit HL 33) which compares the project margins referred to by the Claimant from the projects mentioned in the FTI report with the margins from the Claimant's bids of 15 December 2016 and 21 February 2017.

X  
X  
X

- 67 It can be seen that the margin applied by the Claimant in the December bid is comparable to a margin in which the Claimant was not exposed to competition. The margin applied also contradicts the very low aluminium price per tonne at the time of the bid. Against this background, it is difficult to understand why the claimant assumed in its offer of 15 December 2016 that it could demand a margin that was similarly high (or in many cases much higher) than in the past and under coupling conditions, when the market environment was not yet so difficult, while at the same time the price of aluminium was steadily declining.
- 68 The margin applied cannot be justified by any competitive advantage based on the use of the patented teaching. In principle, the protection of intellectual property is based on the idea that investment in innovation should be worthwhile, which may require that patent protection allows for a higher margin to be calculated than without it. However, this does not apply in the present case. The solution according to the patent at issue may offer a cost advantage over a two-tower solution. However, an offer based on the Pavlodor model would still be cheaper than the Claimant's offer, as will be discussed below. Furthermore, the exact tool arrangement that is the subject of the patent at issue is not a decisive criterion. This is already clear from the fact that the tool arrangement was not the subject of the specification for Alba Potline 6. The specification merely stipulated that certain tools (4) must be available, but not how they were to be ordered on the PTM tower. The specification certainly did not provide for an order in accordance with the teaching of the patent in suit. In addition, the Claimant's PTM in accordance with its offer for Alba 6 in the Salco project (2016) was inferior to an offer by the defendant based on the Pavlodor model (see statement by Mr Klaus Freitag, Annex HL 2), which shows that the patented solution does not offer any significant advantage over other technical arrangements.
- 69 However, even if one assumes a technical advantage due to the innovative design of the patented teaching, there is no evidence that this advantage could justify the margin applied.
- 70 The actual amount of the offer also argues against the appropriateness of the December 2016 offer. Originally, the Claimant's offer of 2 December 2016 was XXX euros lower – XXX euros – than the defendant's offer – XXX euros – despite the margin applied. However, the defendant's offer was reduced by XXX euros at the customer's request to quote a price in the event that the two parts of the tender (service modules and auxiliary bridges) were split and the tender continued separately. The claimant did not reduce its offer, as it considered such a request to be unusual and the request was limited to whether the price of the service modules would remain the same, which was the case for the claimant. In contrast, the defendant reduced its offer. Its

offer on 2 December 2016 was XXX euros, and the offer on 15 December 2016 was XXX euros, a difference of XXX euros.

71 The claimant disputed that only the auxiliary bridges were shown separately. However, this is evident from the statement by Mr Klaus Freitag (Exhibit HL 1, page 5, section 2.11) and the three offers dated 2 December 2016, 15 December 2016 and 21 February 2017. After the defendant had made the corresponding reduction by removing the auxiliary bridges, the two offers differed by approximately EUR 7,000,000.

72 The contracting authority awarded the contract in both December 2016 and February 2017 for the bid amounting to approximately XXX euros, which indicates that the contracting authority was not prepared to pay a higher price. This circumstance therefore constitutes a strong argument that the Claimant's bid of 15 December 2016 amounting to XXX euros was too high.

b) Set-up and assembly concept

73 Another argument against the assumption that the Claimant would have prevailed in a hypothetical scenario with its bid of 15 December 2016 is that, unlike the Claimant, the defendant had offered an erection and assembly concept in its bid of December 2016. The defendant had prepared a document entitled "Erection Concept OTM & CTC" for Alba and Bechtel and, as part of its bid for the Alba Potline 6 plant, had developed three different options for not only supplying the PTMs but also assembling them on site for Alba.

74 The defendant's concept according to plant package HL 18 provided for various options for assembling the PTMs, including the PTM bridges, on site but outside the hall and then transporting them into the hall as a virtually finished product. This concept, which was technically tailored by the defendant to the conditions of Alba Potline 6, would have had the advantage that the future maintenance area between the aluminium furnaces, which was needed for various assembly work during the construction phase of Alba Potline 6, would not have been blocked for several months for the assembly of the PTM fleet. In addition, the constant transport that would have been necessary if the PTMs had been assembled in the hall would have significantly disrupted the other preparations in the hall. This would have significantly reduced the installation time for the entire plant. The defendant's installation concept would thus have enabled an earlier, smoother commissioning of Alba Potline 6. On 20 January 2017, Alba/Bechtel informed the defendant which of the options proposed by the defendant should be implemented, namely option 2a.

75 The fact that the defendant's construction and assembly concept was a very decisive criterion for the decision

Bechtels engineering firm dated 14 February 2017 (Exhibit BBY 44), in which it requested the Claimant to submit a corresponding concept for the tender of 21 February 2017 after the reopening of the tender, which was then included in the Claimant's tender. This makes it clear that a corresponding concept was important to the contracting authority. Otherwise, there would have been no reason to request such a concept from the Claimant for the bid of 21 February 2017.

- 76 Since the claimant did not offer a corresponding installation and assembly concept in December 2016, but was requested to offer a corresponding concept after the tender was reopened, this circumstance also speaks against the assumption that the claimant would have prevailed in a hypothetical scenario without the defendant's patent-infringing offer. This is because a sophisticated concept that significantly reduced the installation time and thus enabled earlier, smoother commissioning had a considerable cost advantage for the client. The plant could be put into operation much earlier.
- 77 The defendant thus had a competitive advantage over the Claimant that was independent of the PTM concept. It cannot therefore be ruled out that it was precisely this circumstance that prevented the Claimant, whose offer did not include a corresponding concept, from being awarded the contract in December 2016.

c) Alternative offer

- 78 It also cannot be ruled out that the Claimant would have had to reduce its bid of 2/15 December 2016 even if the defendant had submitted an alternative bid that did not infringe the patent.
- 79 As a general rule, the claim – in this case, the asserted loss of profit – cannot be countered by the objection of lawful alternative conduct (see Federal Court of Justice, GRUR 2024, 1201 marginal no. 43 et seq. – Evaporation dryer plant). According to the case law of the Federal Court of Justice, the objection that the damage would also have occurred if lawful conduct had been possible may be relevant for the attribution of damage. The relevance of the objection depends on the protective purpose of the respective infringed standard (Federal Court of Justice NJW 2017, 1104 marginal no. 24; BGHZ 194, 194 = GRUR 2012, 1226 marginal no. 35 – bottle carrier).
- 80 In the case of a patent infringement, the objection that the same economic result could also have been achieved by non-patent-infringing actions cannot, in principle, lead to the exclusion of a claim for damages. A patent does not preclude third parties from competing with the proprietor by offering non-patent-infringing products. However, the offering and marketing of the protected product is reserved to the proprietor. The culpable infringement of this exclusive right must result in the infringer

is obliged to compensate for the damage incurred, even if he could have offered other products. These principles also apply to the patent-infringing offering of a product.

- 81 These principles do not apply in the present case. It is undisputed between the parties that the customer would always have requested a second offer in order to create competition (see statement of claim, para. 182 et seq. and statement of defence, para. 24; see also statement by Bruce Roger Wilson, Annex HL 5a, point 2.1, Shawqi Alhashimi, (former project director of Alba 6 Potline), Annex HL 6, point 2, and Jordan Screen, (Commercial & Legal Manager (Projects) at Alba and also at Alba 6), Annex HL 7). As explained, this even took place when the customer was still obliged to conclude a contract with the Claimant due to the tying obligation (see Alba 4&5 tender).
- 82 Assuming, therefore, that a non-patent-infringing alternative offer must be included in the assessment, it cannot be determined with certainty that the Claimant would have been awarded the contract with its original offer.

aa) Technical alternative

- 83 Technically, the Pavlodar model represents an alternative to the defendant's patent-infringing offer. It is true that the Claimant may have assumed in its considerations prior to submitting the offers that the defendant would have made an offer based on the Qatalum model. However, the defendant has convincingly denied this (see statements by Cedric Schmuck, managing director of the defendant, Annex HL 1; statement by Frank-Peter Schaum, engineer at the defendant, Annex HL 10). In order to meet the customer's requirements, too many technical changes would have had to be made. The fact that the defendant won the tender for the Salco project in Iran (2016) with the Pavlodar model against an offer from the Claimant with a PTM in accordance with the Alba 6 potline tender (statement by Klaus Freitag, Annex HL 2, page 3) speaks in favour of accepting a technical alternative to the patented solution in the form of the Pavlodar model.
- 84 The objections raised by the claimant in documents mainly concern technical adjustments to the Pavlodar model. In its reply, the claimant listed in tabular form the technical adjustments to the Pavlodar model that it believed would be necessary to ensure that the bid met the requirements. The defendant responded to the relevant objections. These show that a suitably adjusted Pavlodar model would have met the requirements of the Alba 6 project.

bb) Economic alternative

- 85 The Pavlodar model would also have been an economically viable alternative to the patent-infringing offer.

86 No concrete details of such an offer were presented. Regardless of the question of the burden of proof for such an offer, an offer based on the Pavlodar model would still be cheaper than the Claimant's offer from December 2016, even if one takes the Claimant's statements as a basis.

87 The defendant itself assumes a price increase compared to the PTM actually offered in the dispute of EUR XXX per PTM (statement of defence, para. 5, statement by Frank-Peter Schaum, engineer at the defendant, Annex HL 10, section 2.2). The defendant has prepared an excerpt from a comparative calculation as Annex HL 34. The starting point for the comparative calculation is to be the calculation on which the defendant's offer of 15 December 2016 was based. The defendant identified those elements of the hypothetical offer based on the Pavlodar model that differ from the patent-infringing model actually submitted and analysed how this difference affects the price (see statement by Frank-Peter Schaum, engineer at the defendant, Annex HL 10a, section 2, and Florian Rietz, Annex HL 11). Extrapolated to the 12 PTMs advertised, the patent-free alternative offer would have been EUR XXX more expensive than the actual offer of 15 December 2016 (XXX euros).

88 The claimant, on the other hand, assumes EUR XXX per PTM (table under para. 302 of the Reply). Based on 12 PTMs, the following values result for a modified offer based on the Pavlodar model:

- Claimant: XXX euros
- Defendant: XXX euros

89 The claimant's offer on 2/15 December 2016 was XXX euros. Based on the mutual calculation, the defendant's offer based on the Pavlodar model would therefore still have been cheaper than the defendant's offer using the patent in suit.

### 3. Price reduction

90 Since it cannot be established that, in the normal course of events or under the specific circumstances, the Claimant would probably have been awarded the Alba 6 project in December 2016 without the defendant's patent-infringing offer, the following section will only briefly discuss whether the Claimant's price reduction of EUR 6.5 million, i.e. a reduction of XXX%, economically reasonable.

91 The FTI report submitted by the Claimant (Exhibit BBY 25) comments on this issue in detail in section 4. On the one hand, it describes that the Claimant was in a tense economic situation, so it was very important for it to win the tender. The market environment for aluminium manufacturers and thus for specialised plant engineering had deteriorated significantly since 2010 due to

competitive pressure from China. The increase in energy prices also led to increased cost pressure on aluminium producers and thus to lower investments.

92 XXX

X  
X  
X

93 XXX

94 The figures may explain the reason why a reduction was actually made. This is easily understandable, as the Claimant was given the opportunity to submit a new bid after the tender procedure was reopened. However, this cannot be seen as a comprehensible (mathematical) justification for the amount of the reduction actually made. Neither the Claimant nor the expert provide any information on this circumstance. The claimant, through its Vice-President Alain Periers, states in Annex BBY 24:

"When we had the opportunity to submit another bid for the PTM in February 2017, we assumed that Reel had certainly proposed a minimum margin and pursued the same strategy by offering a discount of €6.5 million for the same desired scope of services."

95 According to the Claimant's explanations in the oral hearing, the minimum margin in the industry may be XXX%, so that the calculated reduction results from applying such a minimum margin. However, the assumption of a minimum margin of XXX% presupposes that the specific amount of the defendant's bid must have been known. This is because the assumption of a minimum margin only leads to the defendant's bid being undercut if the amount of the bid is known. In other words, if there is a significant discrepancy in the respective amounts of the bids, even applying a minimum margin does not result in economically comparable bids.

96 If subjective considerations are taken into account, the reduction may have been too high, as the Claimant could assume, due to the reopening of the tender process at its instigation, that it would most likely be awarded the contract if the technical offer was convincing, so that any suspicion of a renewed inconsistency in the award of the contract on the part of the contracting authority could be ruled out.

#### 4. Result

97 Overall, it can be concluded that it cannot be established that the Claimant can claim the amount of EUR 6,500,000 as lost profit. This is because the court cannot determine that the profit could have been expected with a high degree of probability in the normal course of events or under the

special circumstances, cannot be made by the court.

98 The court is unable to estimate the damages referred to by the Claimant in its Reply, as there are no relevant facts on which to base such an estimate.

99 Since there is no claim for damages, the claimant cannot claim interest either.

#### **IV. Loss of profit pursuant to Art. 68 of the UPC Agreement**

100 The Claimant is also not entitled to compensation if, contrary to the above opinion, the assessment is based not on German law but on the UPC Agreement, and in particular Art. 68 UPC Agreement.

101 Article 68 of the UPC Agreement provides:

"(1) On application by the injured party, the court shall order the infringer who knew or should reasonably have known that he was infringing a patent to pay the injured party damages appropriate to compensate for the actual damage suffered by him as a result of the infringement.

(2) The injured party shall be placed as far as possible in the position it would have been in had the infringement not occurred. The infringer shall not benefit from the infringement. However, the damages shall not be punitive in nature.

(3) In determining the damages, the court shall proceed as follows:

a) It shall take into account all relevant aspects, such as the negative economic effects, including the loss of profits for the injured party and the unjust profits made by the infringer, and, in appropriate cases, factors other than economic factors, such as the non-material damage suffered by the injured party, or

b) it may instead, in appropriate cases, determine the damages as a lump sum, based on factors such as at least the amount of the remuneration or fee that the infringer would have had to pay if it had obtained permission to use the patent in question. (...)"

102 Art. 68(3)(a) UPC Agreement, like § 139 PatG, is based on Directive 2004/48/EC (Enforcement Directive), with Art. 68(3)(a) UPC Agreement essentially adopting the wording of Art. 13(1) of the Enforcement Directive. In contrast to German law, Art. 68 of the UPC Agreement is not formulated as a claim, but as a (non-discretionary) power of the court to issue an order upon application by a party. Given the wording "the court shall order", there is unlikely to be any significant difference to a genuine claim as formulated in German law. Upon application, the court must award damages to the injured party if the factual requirements are met. The same applies in German law: an order is issued if a claim exists.

103 According to the UPC Agreement, the damage suffered by the injured party as a result of the patent infringement is compensable. Any

any monetary devaluation that has occurred since the damage occurred. Interest may be claimed regardless of default and the filing of a lawsuit. It is part of the amount of damages, because the outcome depends on how the injured party would have been without the infringement and the damage caused by it (see, for EU law, ECJ, C-271, 91 – Marshall II, ECR 1993, I-4367, para. 31; Luginbühl/Hüttermann/Hauck, Unified Patent System, Art. 68, para. 43). A "claim" to interest therefore exists if damage can also be established.

104 With regard to the content of the compensation, the principle of restitution in kind applies. The injured party should be placed in the position they would have been in had the infringement not occurred, Art. 68(2) UPC Agreement. The sole aim is to compensate for the damage caused by the tortious act (see Luginbühl/Hüttermann/Hauck, loc. cit. Art. 68 marginal no. 47f.).

105 In order to calculate the specific damages, the causal negative economic effects of the prohibited patent use are decisive and must be determined. This means determining the lost profits and the infringer's profits. Since the wording of Art. 68(3) of the UPC Agreement corresponds to Art. 13(1) of the UPC Agreement (a) of the Enforcement Directive, according to which the calculation methods are not to be considered separately from each other, but rather combined into a single method for calculating damages, the same applies to Art. 68(3)(a) of the UPC Agreement. However, this contradicts the wording in Rule 131(2)(a) of the RoP, according to which the compensation claimed must be specified.

106 Ultimately, it should not matter whether the damage is determined using a single calculation method or a specific calculation method. If the infringer makes it clear that it wishes to claim damages on the basis of the "partial calculation factor" of lost profits, the court is bound by this in the absence of any other factual submissions on the "partial calculation factor" of infringer profits.

107 Specific guidelines on how to determine the negative economic impact as damage are not provided in Article 68(3)(a) of the UPC Agreement. It is therefore important to determine the loss of profits for the injured party. In this respect, it is decisive for the lost profits as specific damage that this can be based on the sales lost as a causal result of the patent infringement. In the UPC Agreement, too, the determination of lost profits requires that facts be presented which enable the court to assess whether the amount claimed as damages would actually have been earned as profit if the patent infringer had not committed the patent-infringing acts. To this end, the injured party must present a profit calculation relating to the product in dispute (Luginbühl/Hüttermann/Hauck, loc. cit. Art. 68 para. 58).

108 On this basis, even if the UPC Agreement is applied, the present claim for lost profits fails because it has not been sufficiently demonstrated that the Claimant actually lost profits. This is justified in the private expert opinion with the XXX% margin, which led to a reduction in profits due to the reduction in supply. However, this was not verified by the private expert in the FTI expert opinion, and the first offer from December 2016 and the calculation were not available. The defendant disputed this.

109 In addition, even if it can be established that profits have been lost, it must also be verified under the UPC Agreement whether the loss of profits can be attributed to the patent-infringing act. In this respect, as in German law, it must also be possible to establish attribution. Otherwise, an infringer would be obliged to pay compensation for any amount without it being verified whether the injured party would actually have made the profit even without the patent-infringing behaviour.

110 According to the above findings, this cannot be determined. It cannot be ruled out that the potential profit would also have been lost if the defendant had made a non-patent-infringing offer.

#### **V. Legal consequences**

111 Overall, it cannot therefore be established that the claimant is entitled to the amount claimed or that a corresponding order for payment of damages can be made. The action must therefore be dismissed.

112 The costs of the legal dispute shall be borne by the Claimant in accordance with Art. 69(1) of the UPC Agreement, including the costs of the opposition proceedings. Art. 69(1) of the UPC Agreement standardises the principle of uniform cost decisions. The unsuccessful party shall, in principle, bear all the costs of the proceedings. An exception to this rule may be made in accordance with Article 69(3) of the UPC Agreement if the successful party has caused the unsuccessful party to incur unnecessary costs. This is the case if the costs were incurred as a result of a measure that was unsuitable for the defence of the rights and can be separated as such. To justify the lack of suitability for legal defence, it is not sufficient that the measure was unsuccessful. Suitability for defence can only be lacking if a measure is procedurally inadmissible or obviously futile on the merits. This cannot be established in the present case.

113 The costs of the preliminary objection and the related appeal proceedings are also included in the uniform decision on costs and are not to be borne by the defendant simply because it did not succeed in the appeal court with the grounds raised in the preliminary objection. This is because the defendant's preliminary objection was not a priori unsuitable for legal defence within the meaning of Article 69(3) EPC. This is already apparent from the fact that the rapporteur initially upheld the preliminary objection.

The defendant was not from the outset unsuitable for legal defence within the meaning of Article 69(3) of the UPC Agreement. This is already apparent from the fact that the judge-rapporteur initially upheld the preliminary objection. The fact that the Court of Appeal ultimately decided the controversial legal issue differently does not, quite obviously, make the preliminary objection an appeal that is from the outset unsuitable for legal defence.

DECISION:

1. The action is dismissed.
2. The claimant shall bear the costs of the legal dispute.
3. The value of the proceedings is set at €6,500,000.00.

Sabine Klepsch Presiding Judge and judge- rapporteur	
Dr Stefan Schilling legally qualified judge	
Mojca Mlakar Legally qualified judge	
Max Tilmann technically qualified judge	
For the Deputy-Registrar	

INFORMATION ON THE APPEAL

Any party whose applications have been rejected in whole or in part may appeal against this decision within two months of its notification to the Court of Appeal (Art. 73(1) UPC Agreement, R. 220.1(a), 224.1(a) RoP).

INFORMATION ON ENFORCEMENT

A certified copy of the enforceable decision shall be issued by the Deputy-Registrar on application by the enforcing party (Art. 82 UPC Agreement, Art. 37(2) EPGs, R. 118.8, 158.2, 354, 355.4 RoP, R. 69 RegR).

The decision was announced in open court on 11 February 2026.

Dr Stefan Schilling legally qualified judge	
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