

Von: Karcher, Johannes
Gesendet: Freitag, 15. Januar 2016 16:59
An: 'Louise Petrelius'; Jacobi, Axel; András Jókúti (); Julie SAINT-PAUL; 'PELISSIER Flora'; Jussi (jussi.karttunen@); Laura Starrs; Emily Jones; Ian Webber; 'Tracey Webb'; jean.bergevin@
Betreff: Guidelines
Anlagen: 633538v1-Guidelines 2016 II-DUSLIB01.DOCX

Dear colleagues,

as agreed upon at our last meeting I have been in contact with the experts regarding a final take on the guidelines. Please find attached the outcome to be looked at next Tuesday.

I think the experts have once again done an excellent job. The only additional comment I have is concerning principle I, 3 which says that the Court should only interfere with the value agreed between the parties if the valuation is implausible. While it is true that in practice this is how it will be handled, stating this formally as a rule would be giving it a different turn attributing an importance to the parties' suggestion which it doesn't seem to deserve. Maybe one could formulate a little softer "Where the parties agree on a valuation the Court should in principle base itself on their estimate."

But let's have a look at the draft together next week in Paris.

2.d. A

I'm looking forward to seeing you

Mon. 4/8/16

Kind regards

Johannes

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Guidelines for the determination of Court fees and the ceiling of recoverable costs of the successful party

The purpose of these Guidelines is to provide UPC judges with a set of methods for establishing the value of actions for the determination of Court fees and the level of recoverable costs (cap) for the representatives of the successful party. The Guidelines do not interfere with the liberty of judges to apply in a given case other methods which may be required by the circumstances of the case.

I. Principles

1. The method of determining a value-based fee should be as simple as practically possible. A valuation based on the claimant's loss of profits or the defendant's profits gained will in most cases be too complex to be determined at the beginning of proceedings and may result in a mini-trial. The most practicable method, in most cases, will be a valuation based on an appropriate licence fee.
2. The valuation should relate to the summed up values of the main remedies claimed (injunction for the future, damages for the past), not excluding, where appropriate, the value of other remedies claimed.
3. Where the parties agree on a valuation the Court should only interfere if the agreed valuation is implausible.
4. References in these Guidelines to a patent shall include a supplementary protection certificate.

II. Suggested Approaches

1. Infringement action

a) Determining the value for applying the Rules on Court fees:

The calculation of the value of the injunction claim and for the damage claim should be based on a royalty calculation as follows:

- (1) The defendant's turnover in the alleged infringing product for the future up to the expiry of the patent (injunction claim) and for the past (damage claim) should be calculated based upon the known existing turnover of the defendant or, if not known or not yet existent, the market share the defendant has taken and/or may reasonably be assumed to take.
- (2) A royalty rate should be applied to (1) based upon:
 - (a) the existing royalty rate for the same invention charged by the claimant, or
 - (b) the generally accepted industry rate for the type of invention in question, or
 - (c) a royalty rate determined by the Court after hearing the parties.
- (3) [Where a damage claim
 - (i) is limited to awarding damages in principle, the value of that claim (pursuant (1)) should be reduced by 50%;

(ii) specifies the amount of damages, the value should correspond to the amount claimed.]

- (4) The value of an Application for the Determination of Damages including any Request to lay open books should correspond to the amount of damages specified in the Application or if no such sum is specified the value as calculated in accordance with (1) and (2).
- (5) If the action is based on more than one patent and/or if the action is directed against more than one party the value should be calculated in accordance with (1) and (2) on the basis of a combined licence for all patents and all defendants across all territories covered by the patents.

b) Determining the value for applying the Rules on recoverable costs (cap):

The calculation should be the same as according to II.1.a).

2. Counterclaim for revocation and revocation actions

a) Determining the value for applying the Rules on Court fees:

There is no need to determine the value of revocation counterclaims or revocation actions since for both actions there is only a fixed fee to be paid.

b) Determining the value for applying the Rules on recoverable costs (cap):

(1) The value of a counterclaim for revocation or of a revocation action should be determined having regard to the value of the patent to be revoked.

(2) In the absence of relevant information the value of the revocation counterclaim may be assumed as being equal to the value of the infringement action (II.1. a), above) plus 50%.

(3) If the action concerns more than one patent, the value of each patent should be calculated separately and the values determined should be added together to become the value of the action.

(4) The value of the infringement action and the value of the revocation counterclaim should be added together for determining the level of recoverable costs. This level should continue to apply, if the revocation counterclaim is transferred to the central division. Also the value of a revocation action and the value of an infringement counterclaim should be added together for determining the level of recoverable costs.

3. Actions for Declaration of non-infringement

Determining the value for applying the Rules on Court fees and the Rules on recoverable costs (cap):

The value of an action for a Declaration of non-infringement should be calculated in accordance with II.1. a) and b) above (infringement action)

4. Application for interim relief pursuant to Article 62 of the UPC Agreement

a) Determining the value for applying the Rules on Court fees:

There is no need to determine the value of an Application for interim relief since for such an Application there is only a fixed fee to be paid.

b) Determining the value for the Rules on recoverable costs (cap):

Irrespective of whether the application for interim relief is made before or during an infringement action on the merits the value of an application for interim relief for determining the level of the recoverable costs should be calculated at 66% of the value calculated in accordance with II.1. b) above.

Von: Karcher, Johannes
Gesendet: Freitag, 29. Januar 2016 15:00
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Betreff: Guidelines post Paris
Anlagen: 16_01_29 Guidelines post Paris 19-1-19.docx

Dear colleagues,

please find attached the guidelines in which I have incorporated the amendments discussed at our Paris meeting on 19 January. It has taken me some additional days in order to feed our result back to the Experts and discuss with them. They are not happy with all our choices. In particular they do not like the 50% reduction for the damages in principle saying that in practice almost always only damages in principle is decided upon. I have made brackets around that paragraph which could be looked at in Prep Com. They also continue to hold the view that in case of bifurcation only one ceiling relating to the combined value of infringement and revocation should apply. I have explained our discussions which they accept.

As Alexander is keen on having the guidelines on the table at the next Prep Com together with the fees we should wrap up this subject now. If I do not hear to the contrary until Wednesday next week (3 Feb.) c.o.b. I will assume that we can go ahead on the basis we have reached.

Thank you very much for a very dedicated and constructive discussion.

Kind regards

Johannes

Guidelines for the determination of Court fees and the ceiling of recoverable costs of the successful party

The purpose of these Guidelines is to provide UPC judges for both the Court of First Instance and the Court Appeal with ~~one~~ set of methods for establishing the value of actions for the determination of Court fees and the ceilings for the level of recoverable costs (cap) for the representatives of the successful party. The Guidelines do not interfere with the liberty of judges to apply in a given case other methods which may be required by the circumstances of the case.

I. Principles

1. The method of determining a value-based fee should be as simple as practically possible. The most practicable method, in most cases, will be a valuation based on an appropriate licence fee (infra II). A valuation based on the claimant's loss of profits or the defendant's profits gained may also be applied, where appropriate, but will in most cases normally be too complex to be determined at the beginning of proceedings and may resulting in a mini-trial. ~~The most practicable method, in most cases, will be a valuation based on an appropriate licence fee.~~
2. The valuation should relate to the summed up values of the main remedies claimed (injunction for the future, damages for the past), not excluding, where appropriate, the value of other remedies claimed.
3. Where the parties agree on a valuation the Court should ~~only interfere if the agreed valuation is implausible in principle base itself on their estimate.~~
4. References in these Guidelines to a patent shall include a supplementary protection certificate.

II. Suggested Approaches

1. Infringement action

a) Determining the value for applying the Rules on Court fees:

The calculation of the value of the injunction claim and for the damage claim should be based on a royalty calculation as follows:

- (1) The defendant's turnover in the alleged infringing product for the future up to the expiry of the patent (injunction claim) and for the past (damage claim) should be calculated based upon the known existing turnover of the defendant or, if not known or not yet existent, the market share the defendant has taken and/or may reasonably be assumed to take.
- (2) A royalty rate should be applied to (1) based upon:
 - (a) the existing royalty rate for the same invention charged by the claimant, or
 - (b) the generally accepted industry rate for the type of invention in question, or
 - (c) a royalty rate determined by the Court after hearing the parties.

(3) [Where a damage claim

- (i) is limited to awarding damages in principle, the value of that claim (pursuant (1)) should be reduced by 50%;
 - (ii) specifies the amount of damages, the value should correspond to the amount claimed.]
- (4) The value of an Application for the Determination of Damages including any Request to lay open books should correspond to the amount of damages specified in the Application or if no such sum is specified the value as calculated in accordance with (1) and (2).
- (5) If the action is based on more than one patent and/or if the action is directed against more than one party the value should be calculated in accordance with (1) and (2) on the basis of a combined licence for all patents and all defendants across all territories covered by the patents.

b) Determining the value for applying the Rules on recoverable costs (cap):

The calculation should be the same as according to II.1.a).

2. Counterclaim for revocation and revocation actionsa) Determining the value for applying the Rules on Court fees:

There is no need to determine the value of revocation counterclaims or revocation actions since for both actions there is only a fixed fee to be paid.

b) Determining the value for applying the Rules on recoverable costs (cap):

(1) The value of a counterclaim for revocation or of a revocation action should be determined having regard to the value of the patent to be revoked.

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(2) In the absence of relevant information

(i) the value of a revocation action may be assumed to be equal to the value of an appropriate licence fee calculate on the basis of the turnover of the parties for the remaining lifetime of the patent.

(ii) the value of the revocation counterclaim may be assumed as being equal to the value of the infringement action (II.1. a), above) —plus up to 50%.

(3) If the action concerns more than one patent, the value of each patent should be calculated separately and the values determined should be added together to become the value of the action.

(4) The value of the infringement action and the value of the revocation counterclaim pending before the same division should be added together for determining the level of recoverable costs. ~~This level should continue to apply, if the revocation counterclaim is transferred to the central division. Also the value of a revocation action and the value of an infringement counterclaim should be added together for determining the level of recoverable costs.~~

3. Actions for Declaration of non-infringement

Determining the value for applying the Rules on Court fees and the Rules on recoverable costs (cap):

The value of an action for a Declaration of non-infringement should be calculated in accordance with II.1. a) and b) above (infringement action).

4. Actions for compensation for license of right

Determining the value for applying the Rules on Court fees and the Rules on recoverable costs (cap):

The value of an action for compensation for license of right should be calculated in accordance with II.1. a) and b) above.

54. Application for interim relief pursuant to Article 62 of the UPC Agreement

a) Determining the value for applying the Rules on Court fees:

There is no need to determine the value of an Application for interim relief since for such an Application there is only a fixed fee to be paid.

b) Determining the value for the Rules on recoverable costs (cap):

~~Irrespective of whether in case of the application for interim relief which is not followed by is made before or during an infringement action on the merits the value of an application for interim relief for determining the level of the recoverable costs should be calculated at 66% of the value calculated in accordance with II.1. b) above.~~