

**Arrangement
of the Court of First Instance of the Unified Patent Court Local Division
Düsseldorf
issued on October 18, 2023
concerning EP 2 546 134 B1**

Guiding principles:

1. If a court order is not complied with by one of the parties, the court of first instance of the relevant Division can decide, at the request of the other party or ex officio, on the imposition of the penalty payments provided for in the order. The decisive criterion for determining the amount of the penalty payment is the significance of the order and thus ultimately the creditor's interest in its enforcement, which may, for example, consist of distributing the patented products.
2. The penalty payment is intended to reliably deter the debtor from future infringements and violations and therefore primarily has a deterrent function. In addition, however, the penalty payment also represents a penalty-like sanction for the violation of the court prohibition, which is why the imposition of penalty payments also requires the debtor to be at fault as an unwritten element of the offense.
3. The dual purpose of the penalty payment requires the penalty payment to be calculated primarily with regard to the debtor and their behavior. In particular, the type, scope and duration of the infringement, the degree of culpability, the advantage to the infringer from the infringing act and the danger of the past and possible future infringing acts for the infringed party must be taken into account.
4. The debtor's past conduct is a decisive, although not necessarily the sole, indicator of the amount of the penalty payment to be imposed. The more frequently and intensively the debtor has violated the cease and desist order imposed on him, the more clearly he has expressed his unwillingness to comply with the cease and desist order. This must be taken into account when calculating the penalty payment: If the debtor has already violated the cease and desist order several times in the past, the pressure required to force them to comply with the order in the future increases. The penalty payment must therefore be correspondingly higher. If, on the other hand, the debtor has made a serious effort to comply with the cease and desist order, this must be taken into account in their favor.

5. The term "offer" within the meaning of Art. 25(a) UPCA is to be understood in purely economic terms in patent law. In the case of a product, it includes any act committed within the scope of the European patent in question which, according to its objective explanatory value, makes the object of demand available in an outwardly perceptible manner for the acquisition of the right of disposal. Therefore, the exhibiting of goods at a trade fair taking place within the scope of the respective patent is an offering within the meaning of this provision.
6. It is not necessary for all features of the patent claim to be shown in the advertising and thus also on a trade fair stand in order for an offer to be made if, when objectively considering the circumstances actually existing in the case in dispute, it must be assumed that the product presented corresponds to the subject matter of the patent in its technical design. It depends on whether the patent-compliant design can be reliably inferred from the existence of other objective circumstances. A key aspect here is the view of the relevant public on the objective explanatory value of the advertising, which must be determined taking into account all the factual circumstances of the individual case.

Keywords:

Interim measures, injunction, infringement, enforcement, penalty payment, threat, determination, amount, fault, offer, trade fair, Instagram account, Sunday sales, security deposit

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Debtor:

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Disposal patent:

European patent EP 2 546 134 B1

Panel/Division:

Panel of the Local Division Düsseldorf Participating

judges:

This order was issued by Presiding Judge Thomas, the legally qualified judge of the court. Dr. Thom and the legally qualified judge Kupecz.

BRIEF DESCRIPTION OF THE FACTS:

The creditor is co-owner of the European patent EP 2 546 134 B1 (hereinafter: patent in suit) together with Fairy Bike Manufacturing Co Ltd (hereinafter: Fairy Bike). The patent in suit is currently in force in Austria, Germany, France, Italy, Liechtenstein, Switzerland and the Netherlands. It was filed on October 11, 2011, claiming the priority of a Taiwanese patent application dated July 11, 2011, in the English language of the proceedings. The reference to the grant of the patent was published on March 25, 2015. No opposition was filed against the grant of the provisional patent. No national nullity proceedings were initiated after the expiry of the opposition period.

The injunction patent protects a "combination structure of bicycle frame and motor hub". With an application for interim measures dated June 22, 2023, the creditor was directed against speed pedelecs of the "OPIUM" series (hereinafter: attacked design), the delivery of which the debtor had initially promised on its website for April 2023. However, the delivery was delayed and, according to the information provided by the creditor in the run-up to the aforementioned application, no delivery took place. However, the challenged design could be test ridden from June 21, 2023 at the "Eurobike 2023" trade fair in Frankfurt am Main. In addition, an order form was available on the debtor's website in both German and English, which could be used to order the attacked design from the specialist dealers listed on this website.

The Düsseldorf Local Court issued the order sought by the creditor on the same day (ORD_526778/2023 ref.: ACT_525740/2023; UPC_CFI_177/2023) and ordered the debtor to, among other things,

I. refrain from combining bicycle frame and motor hub structures,

in Germany, the Netherlands, France and/or Italy, or to import or possess them for the aforementioned purposes,

where the combination structure comprises:

a bicycle frame including a first fork and a second fork arranged opposite each other, wherein the first fork is provided with a through hole, while the second fork has a recess with an internal threaded hole, characterized in that the second fork is provided with a threaded hole.

which axially corresponds to the through hole, and the first fork is provided with a positioning groove at its inner side adjacent to the through hole; a motor hub provided at its center with a sleeve having, with respect to a positioning end, an end such that the positioning end is engageable with and abutable against the positioning groove of the first fork; and an elongate shaft having a front end and a rear end, the rear end having an external thread; the elongate shaft being passable through the through hole of the first fork and the sleeve of the motor hub therethrough, and wherein the external thread of the rear end is correspondingly engaged in and secured to the internally threaded hole of the second fork;

[...]

- III. to hand over to a bailiff to be appointed by the applicant, at the applicant's expense, the products described under I. that are in the applicant's direct or indirect possession or ownership at the "Eurobike 2023" trade fair, in order to prevent their further marketing and circulation on the distribution channels during the "Eurobike 2023" trade fair.

At the same time, the Düsseldorf Local Division threatened the debtor with a penalty payment of up to EUR 250,000 for each case of non-compliance with the order.

This order was served on the debtor by the competent bailiff on June 23, 2023 at 3:30 p.m. at the "Eurobike 2023" trade fair (Exhibit Ast 12). Nevertheless, the debtor's stand in the exhibition hall remained open until 18:00. In addition, the debtor's website was switched off relatively quickly and could no longer be accessed the night after service. However, the debtor's Instagram account, on which, among other things, it was possible to book test rides with the e-bikes in dispute, could still be accessed in the night from June 23 to 24, 2023. On June 28, 2023, the debtor also sent a letter entitled "Confirmation" to its Belgian authorized dealers, which stated, among other things

"Selling the "OPIUM" on site to end customers from DE, NL, FR and IT remains permitted."

In a written submission dated July 21, 2023, the creditor therefore filed an application for the imposition of a penalty payment, which it initially justified with the aforementioned (alleged) violations of the cease and desist order in accordance with item I. of the order.

Despite the ongoing foreclosure proceedings, the company "Fahrrad Fischer" (hereinafter: "Fahrrad Fischer") in 72818 Trochtelfingen, Germany, presented an e-bike in dispute, which the debtor had provided for this purpose shortly beforehand, on September 24, 2023 as part of a Sunday sales event.

MOTIONS BY THE PARTIES:

The creditor requests the Local Division Düsseldorf, taking into account Article 82 (4) UPCA and R. 354. 4 VerfO in conjunction with R. 264 VerfO, to R. 264 VerfO,

to impose an appropriate penalty payment to be paid to the court on the debtor for violation of the injunction requirement pursuant to item I. of the order for interim measures of the Düsseldorf Local Division of the Unified Patent Court dated June 22, 2023 (file no. UPC_CFI_177/2023, application number 525740/2023), whereby the amount of the penalty payment is left to the discretion of the Düsseldorf Local Division;

order the debtor to pay the costs of the proceedings.

The debtor applies,

reject the creditor's application.

order the creditor to pay the costs of the proceedings.

FACTUAL AND LEGAL ISSUES:

In the opinion of the creditor, the debtor violated the injunction of June 22, 2023 in four respects.

Since not only the debtor's trade fair stand in the outdoor area, but in particular also the one in the indoor area was open for several hours after service of the injunction and accessible to the trade fair public, a large number of trade fair visitors had the opportunity to inform themselves about the e-bikes at issue during this time. These had therefore continued to be offered contrary to the injunction. The fact that the debtor had - indisputably - removed the component referred to as the "torque sensor" in its protective letter from three of the e-bikes exhibited at the trade fair stand did not preclude the resulting breach of the injunction. The e-bikes modified in this way were not roadworthy without the torque sensor. As the motor hub is not firmly anchored to the fork, the necessary stability of the bicycle construction is lacking. In addition, it is impossible to transfer power to the belt driving the rear wheel.

Furthermore, the debtor switched off its website relatively soon after the injunction order was served. However, its Instagram account was - undisputedly - available unchanged in the night from June 23, 2023 to June 24, 2023 and thus, in particular, including the possibility of booking test drives.

Moreover, with its letter of June 28, 2023 to its authorized dealers, entitled "Confirmation", the debtor not only guaranteed smooth delivery from Switzerland to Belgium, but also encouraged the dealers there to make further deliveries to customers from Germany, France, Italy and the Netherlands. In this letter, the debtor not only informed that the e-bikes at issue could be distributed in Belgium, where the injunction package was not validated. Rather, the letter also expresses that the debtor consciously and intentionally contributes to the distribution in the countries covered by the injunction (Germany, the Netherlands, France and Italy) with its deliveries to Belgium. A "sale" by the Belgian dealers to end consumers, for example from Germany, also exists if such customers order the e-bike in the store in Belgium and then have it delivered to Germany by Belgian dealers or the debtor. An e-bike configured according to individual customer requirements, which is not already in stock at the dealer due to a previous "pre-order" and therefore has to be ordered separately from the debtor, is often not picked up on site, but delivered directly to the debtor.

delivered by the Belgian dealer or the debtor to the customer located in Germany, for example. The above-quoted passage of the letter is also relevant in this scenario, as a "sale" is also made on site at the Belgian dealer's premises, irrespective of the terms of delivery. The letter does not contain a sufficiently clear and unambiguous prohibition of such a delivery. Against this background, the debtor had to assume that the Belgian dealers, as addressees of this letter, would also deliver the e-bikes in dispute to end consumers in Germany or have them delivered by the debtor itself, in which the injunction would take effect.

Finally, on September 25, 2023, the creditor became aware that the infringing e-bike had been exhibited the day before by the dealer "Fahrrad Fischer" in 72818 Trochtelfingen, Germany, as part of a Sunday sale. Further investigations by the creditor had revealed that the debtor had delivered the e-bike exhibited there from Switzerland to Trochtelfingen as a single delivery one week before the Sunday sales event, whereby the e-bike was also available after the event at "Fahrrad Fischer" had been on display. Furthermore, it turned out that "Fahrrad Fischer" had already taken orders for the e-bike. The e-bike on display had remained unchanged from the version exhibited at Eurobike and still had the patent-infringing rear axle design.

The debtor has countered the creditor's argument.

It claims that it had already closed the exhibition stand located in the outdoor area at 1:00 p.m. of its own free will. Even if the exhibition stand in the indoor area was (initially) still open, the debtor no longer made any offers of any kind there. The e-bikes exhibited there had neither a torque sensor nor a quick-release axle. Since the patented device was no longer part of the bikes on display, there was no infringement of the injunction by the continued operation of the trade fair stand. In particular, contrary to the creditor's opinion, the debtor did not offer any unroadworthy bicycles with a patented device. The technical detail that had been realized in the patented device was not important to the relevant public. This was also not emphasized by the debtor at any time.

Insofar as the creditor continues to refer to the debtor's Instagram account, no culpable breach of the cease and desist order is discernible from this point of view either. After the managing director of the debtor had closed and dismantled the trade fair stand together with his team, he arrived in his hotel room at around 8 p.m., where he immediately began to take all further measures to comply with the cease-and-desist order. All employees, customers and authorized dealers in the countries concerned had to be informed. After the debtor's CEO had organized the conversion of the website, he had written to the debtor's social media consultant during the night and informed her that she should shut down the Instagram account. By the morning of the following day, the Instagram account was no longer accessible. The debtor's CEO had therefore not "waited a minute" with this action, but had gradually completed everything necessary. Apart from that, the e-bike in dispute as such was advertised on the Instagram account, but not the patented device. Moreover, the potential customers addressed by the Instagram account did not care whether the e-bikes shown or offered for a test ride were equipped with the patented technology or not.

Furthermore, in the letter addressed by the creditor to its Belgian authorized dealers, the debtor merely pointed out that e-bikes with the patented device may be sold to end consumers in Germany, the Netherlands, France and Italy, which is correct. The debtor did not write that the e-bikes could be sold to corresponding end consumers in the aforementioned countries. The dealers in Belgium had pointed out that they also sold some of their products to end consumers from the countries mentioned, whereby the dealers could not know where each individual customer who entered their store lived. The debtor was therefore asked whether it would be necessary to show the identity card of each individual customer in the future. The debtor responded to this request as can be seen from the letter, which also contains the following additional information:

"The only restriction: The "OPIUM" should not be advertised or offered on websites that can be accessed by Internet users from DE, NL, FR and IT."

This information was particularly important to the debtor, as it had already modified its own website accordingly and wanted to draw the attention of its dealers in Belgium to the fact that their offers could not be accessed in the aforementioned countries due to the order.

The e-bikes in question would also not be delivered to Germany. Precisely because of their size, their weight (around 37 kg) and, in particular, their price (approx. EUR 10,000), they would not be delivered to customers without exception, but would only be handed over personally in the store, where the customers would be instructed in the use of the e-bikes (which would not have been possible in the case of delivery to Germany). Such a delivery to Germany or to another country outside Belgium was therefore never threatened and had never occurred in the past. The debtor was aware of this, as the products at issue also required a registration and a license plate in order to use them on the road. Therefore, the debtor knows the distribution and delivery routes of each individual product.

With regard to the allegation of a disregard of the order in connection with the Sunday sales at "Fahrrad Fischer", the creditor had largely reproduced the facts correctly. The owner of Fahrrad Fischer GmbH was personally acquainted with the debtor's managing director. At the beginning of this year, "Fahrrad Fischer" had already sold four "OPIUM" bicycles from the debtor and paid for them in the meantime. However, these could not have been delivered due to the order of the local Division. Mr. ... had been assured by the debtor that technically modified bicycles without the allegedly infringing technology ("new models") would be delivered instead as soon as the development had been completed. However, this development had been delayed so that no new models were available on the Sunday on which the Fischer company sold the bicycles. Since Mr. ... had referred to invitation flyers that had already been printed, the managing director of the debtor, after consulting with Mr. ... spontaneously came up with the idea of providing him with a private test bike, which had the allegedly infringing technology, for the Sunday sales event. The managing director's test bike, which was a mobile, unsaleable prototype owned by the debtor without German registration, had been handed over to "Fahrrad Fischer" by an employee of the debtor a few days before the Sunday open for business and had in the meantime been used as agreed.

were also collected again. The four orders referred to by the creditor had all been placed some time before the open Sunday. No further orders were received by "Fahrrad Fischer" after the Sunday sales. The sales talk approached and arranged by the creditor had only taken place because the mystery shopper was a former employee of Kalkhoff who was known to Mr ... from the relevant business relationship and who had introduced himself as "... " on September 26, 2023. After a professional exchange, the latter then asked whether he could test an e-bike for his wife.

Reference is also made to the further submissions of the parties together with the annexes.

REASONS FOR THE ORDER:

The application for a coercive remedy pursuant to Art. 82 (3) and (4) UPCA in conjunction with. R. 354.4 VerfO is largely successful on the merits. The debtor has repeatedly violated the cease and desist order of the Düsseldorf Local Court, although not in all cases mentioned by the creditor, which is why a penalty payment in the amount shown in the operative part was to be imposed on her.

I.

The existence of the general requirements for enforcement is rightly not in dispute between the parties. The cease and desist order issued by the local Division on June 22, 2023 was served on the debtor's CEO on June 23, 2023 at 3:30 p.m. at the trade fair "Eurobike 2023" in Frankfurt am Main (Exhibit Ast 12) and thus enforced, whereby the debtor was also already threatened with a penalty payment of up to EUR 250,000 for each case of non-compliance under Section III of the order.

According to Section VI. of the injunction order, it was (initially) provisionally enforceable even without the provision of security. The security of EUR 500,000.00 to be provided within a period of 10 days from service of the injunction was provided by the debtor on June 26, 2023 by depositing it with the Frankfurt am Main court cashier (Annex ASt 13).

II.

The debtor violated the injunction order served on its managing director within the meaning of R. 354.4 VerfO by offering the e-bikes in dispute at the "Eurobike 2023" trade fair even after the injunction had been served. The delayed deletion of the debtor's Instagram account also constitutes a breach of the injunction. Furthermore, the exhibition of a test bike by "Fahrrad Fischer" during a Sunday sales event constitutes a patent-infringing offer of the e-bikes in dispute. Since the debtor provided the test bike presented by "Fahrrad Fischer", its conduct is to be regarded as a further violation of the injunction order of the local Division. On the other hand, the debtor's letter to its Belgian authorized dealers, which was also criticized by the creditor, does not constitute a violation of the injunction issued by the Local Division.

1.

By keeping its trade fair stand open on June 23, 2023, even after service of the cease-and-desist order, the debtor violated the cease-and-desist order imposed on it, regardless of the content of specific sales talks. The trade fair stand as such can already be classified as a patent-infringing offer. The fact that the e-

bikes did not have a torque sensor or a thru axle after their modification does not preclude a patent-infringing offer.

a)

In patent law, the term "offer" is to be understood in purely economic terms. Offering is not merely a preparatory act preceding manufacture, placing on the market, importation or possession, but an independent type of use in addition to these acts, which must be assessed independently. According to Art. 25(a) UPCA, the concept of offering comprises - in the case of a product - any act committed within the scope of the European patent in question which, according to its objective explanatory value, makes the subject-matter of the demand available in an outwardly perceptible manner for the purpose of acquiring the power of disposal.

Therefore, exhibiting goods at a trade fair taking place within the scope of the respective patent is an offering within the meaning of this provision. The purpose of Art. 25 UPCA is, on the one hand, to secure the patent proprietor all economic advantages which may result from the use of the patented invention and, on the other hand, to grant him effective legal protection. For this reason, it is not necessary for the offer to fulfill the requirements of a concrete, legally effective and binding contractual offer. Furthermore, it does not matter whether the offering party is aiming to conclude its own or third-party business transactions and whether it has been commissioned or authorized by a third party in the case of an offer for the benefit of a third party. Rather, the only decisive factor is whether the act in question actually arouses a demand for a property right infringing object, which the offer is intended to satisfy.

On this basis, an "offer" within the meaning of Art. 25 UPCA also includes, in particular, preparatory acts which are intended to enable or promote the conclusion of a subsequent transaction concerning an item protected by the patent, which includes the use of the item. This can be done in such a way that interested parties can submit offers for transfer. This is exactly what regularly happens at a trade fair: With their presentations, exhibitors pursue the purpose of establishing business relationships with interested trade fair visitors and selling their products. They present their products in the expectation that they will be in demand by trade fair visitors. The exhibition is intended and suitable to arouse interest in the products and to enable business transactions related to them, which is sufficient for an offering within the meaning of Art. 25 (a) UPCA.

b)

It was the same at the "Eurobike 2023" trade fair in Frankfurt am Main. This was a sales fair at which companies presented their products in order to sell them. The company's own performance, which is showcased at a trade fair, is an important sales argument and is intended to promote sales of the products on display. On this basis, the proof of a specific offer to a specific company required by the debtor is not necessary for an offer, because the display of the challenged e-bikes at the "Eurobike 2023" trade fair already fulfilled the use element of the patent-infringing offer of Art. 25 (a) UPCA.

The fact that the debtor has its registered office in Switzerland and thus outside the scope of the UPCA does not preclude this. Acts of offering at a trade fair within the scope of the patent in question constitute an offering within the meaning of Art. 25 (a) UPCA even if the exhibitor resides exclusively abroad and only makes offers there.

can take. The only requirement in such a case is that, from the recipient's point of view, his offer can at least also relate to the countries covered by the scope of the respective patent. However, as with the e-bikes on display, the trade fair visitor usually assumes that this is the case.

c)

The imposition of a penalty payment cannot be successfully countered by the fact that the e-bikes exhibited at the debtor's trade fair stand were modified in such a way that they had neither a torque sensor nor a quick-release axle.

It is not always necessary for all features of the claim to be shown in the advertising and thus also on a trade fair stand for an offer to be made if, when objectively considering the circumstances actually existing in the case in dispute, it must be assumed that the product shown corresponds to the subject matter of the patent in its technical design. It depends on whether the patent-compliant design can be reliably inferred from the existence of other objective circumstances. A key aspect here is the view of the relevant public on the objective explanatory value of the advertising, which must be determined taking into account all the factual circumstances of the individual case.

Based on this, the presentation of the e-bikes at issue could not be understood by the target public in any other way than that the debtor does not offer e-bikes in the condition visible at the trade fair stand - which is indisputably not functional due to the lack of a thru axle and torque sensor - but that the offer relates to fully functional e-bikes. It can be assumed in the debtor's favor that its customers are not interested in the details of the technical design of the thru axle and torque sensor. However, they expect the model on display to be delivered in working order. The fact that the e-bike at issue was also available in a non-infringing but nonetheless functional configuration at the time of the trade fair is not even claimed by the defendant. Against this background, the debtor's trade fair stand conveyed only one message to potential interested parties: functional e-bikes of the "OPIUM" series are advertised and thus offered, which requires the presence of the torque sensor and the quick-release axle previously removed by the debtor at short notice. In any case, the debtor has not been able to show anything to the contrary.

d)

Nor can the debtor successfully rely on the fact that visitors to the exhibition stand were explicitly informed 15 minutes after the order was served that the bicycles on display were no longer on offer because there was a ban on selling them. On the one hand, "offering", as already explained in detail above, is to be understood purely commercially, which is why the exhibition stand as such is already to be classified as an offer. Secondly, customers who merely look around the trade fair stand, which itself constitutes the infringing offer, naturally do not become aware of such a reference made by employees in a personal conversation.

2.

The deletion of the Instagram post containing the possibility of booking test rides with the e-bike in dispute, which only took place on the morning of the day following the service of the injunction order of the local Division, constitutes a further violation of the injunction order.

a)

In the absence of any indications to the contrary, the obligation to cease and desist from an act that has created a persistent state of disturbance must generally be interpreted as meaning that it not only includes the cessation of such acts, but also the performance of possible and reasonable acts to eliminate the state of disturbance. An obligation to cease and desist is not limited to mere inaction, but also includes the performance of actions to eliminate a previously created state of disturbance if this is the only way to comply with the cease and desist order. This is the case if the non-removal of the infringing condition is tantamount to the continuation of the infringing act. This requirement is met here. The debtor's Instagram account explicitly contained the possibility of booking test rides with the e-bikes at issue. It is therefore an offer of the contested embodiment within the meaning of Art. 25 (a) UPCA and thus a continuing infringement of the injunction order of the local division. Since this infringement could only be remedied by a corresponding change or deletion of the corresponding Instagram account, it was up to the debtor to arrange this immediately after it had been served with the injunction order of the Local Division. If the order for interim measures is issued ex parte - as is the case here - the debtor must comply with the order, which is accompanied by the threat of a penalty payment, as soon as it is served.

The debtor did not sufficiently fulfill this obligation. According to the debtor's own submission, the deletion of the Instagram account initiated by its managing director did not take place immediately after service of the cease and desist order, but only on the morning of the following day, which constitutes a breach of the cease and desist order imposed on the debtor.

b)

The fact that the debtor has its registered office in Switzerland and possibly administers its Instagram account from there does not lead to a different assessment. It is true that the enforcement procedure under Art. 82 (3) UPCA is subject to the law of the Contracting Member State in which enforcement takes place. According to this provision, decisions of the court can also be enforced under the same conditions as decisions issued in the Contracting Member State in which enforcement takes place. However, in the case of the enforcement of injunctions, this provision is overridden by Art. 82(4) UPCA in conjunction with R. 354.3 and .354.3. R. 354.3 and .4 of the Implementing Regulation ("without prejudice to this Convention"). Therefore, if the debtor violates an injunction order of the court, penalty payments can be imposed on him on the basis of the UPCA and the procedural order, irrespective of the provisions of national enforcement law. Such an infringement is given in the present case - as explained - since the debtor has offered the attacked embodiment via its Instagram account in the Federal Republic of Germany, among other places, and thus in violation of the injunction order. National enforcement law becomes relevant in such a case, for example, if a debtor does not pay the penalty payment already imposed on him and these are therefore to be enforced (BeckOK PatR/Augenstein, UPCA, 29th edition, as of 15.07.2023, Art. 82 para. 17).

3.

By providing "Fahrrad Fischer" with a test bicycle after service of the injunction order, which was used there for demonstration purposes as part of a Sunday sales event, the debtor has once again breached the injunction order imposed on it. Even if - which can be assumed in the debtor's favor - no contracts were concluded during this event, the bicycle was used for the purpose of a demonstration.

at least offered as part of this event, applying the standard already described in detail. Even if the test bike itself was not for sale during the Sunday sales event based on the debtor's submission, its presentation was suitable to generate a corresponding demand on the part of customers. This is all the more true as the corresponding e-bike was not only featured in an advertising flyer of "Fahrrad Fischer", but was also the subject of at least one specific sales discussion. There is no evidence that "Fahrrad Fischer" was informed during the Sunday sales event that the e-bikes to be delivered later differed in their technical design from the test bike presented. This applies all the more since the managing director of the debtor already failed to point out to "Fahrrad Fischer" that the customers must not only be informed during the presentation that it is a prototype that cannot be purchased, but also about the specific technical modifications that the models actually delivered later will have compared to the prototype.

The debtor imported the test bicycle into the Federal Republic of Germany for the purpose of offering it for sale and (indirectly) possessed it there for this purpose, thereby simultaneously participating in the offering of the same by "Fahrrad Fischer". By doing so, the debtor disregarded the injunction issued by the local Division. The fact that the managing director of the debtor possibly assumed that only new, technically modified models were being advertised with the test bike cannot change this finding. The existence of a breach of the cease and desist order within the meaning of R. 354.4 VerfO must first be determined purely objectively. Any misconceptions on the part of the debtor are at most relevant when assessing culpability and thus for the question of whether and, if so, in what amount a penalty payment is to be imposed against the background of the infringement.

4.

Insofar as the creditor also objects to the debtor's letter to its Belgian dealers dated June 28, 2023 (Annex Ast 5) with its application for coercive measures, it cannot prevail.

a)

The allegation made by the creditor that the letter expresses the intention of selling to end customers from the countries covered by the injunction cannot be substantiated by the wording of the letter alone. The statement "Selling the "OPIUM" on site to end customers from DE, NL, FR and IT remains permitted" (emphasis added) found there and referred to by the creditor does not in itself say more than that there are no obstacles to distribution by the Belgian dealers to customers from the countries mentioned. Since the injunction does not extend to Belgium, such a reference is applicable as long as the Belgian dealers only sell and deliver the e-bikes at issue locally. If the Belgian dealers as addressees of the letter are visited by customers from the aforementioned countries, they are still entitled to sell the e-bikes at issue to these customers and to deliver the e-bikes to them on site.

The creditor rightly points out that the delivery of e-bikes ordered from the Belgian authorized dealers to Germany may constitute a violation of the injunction patent and a violation of the injunction order of the local Division. However, the debtor has expressly denied such a business model. It would therefore have been up to the creditor to substantiate its initially generalized submission, for example on the

basis of a test purchase and to offer evidence for the factual assertions made by them (R. 171.1 p. 1 VerfO). However, the creditor has not complied with this, which is why the local Division cannot establish either the actual possibility of delivery by the Belgian authorized dealers to Germany or the delivery of e-bikes ordered from the Belgian authorized dealers by the debtor from Switzerland to Germany.

b)

The framework conditions of the letter confirm the understanding outlined above.

The debtor has (undisputedly) admitted to the background of the letter to the effect that on the day the order was served in the evening it had contacted all authorized dealers who sold the model "OPIUM" at that time that a court had ordered a ban on the sale of this model. The debtor then invited the Belgian distributors to a video conference on June 27, 2023, in which it informed the distributors that the "OPIUM" model may not be distributed in Germany, the Netherlands, France and Italy (see also Exhibit Ast. 5, penultimate paragraph). On the other hand, resale in Belgium was possible. As a result, some dealers had raised the question of what behavior was still permitted in Belgium and whether they had to inquire about the customer's place of residence, especially during sales talks with customers on site. To clarify these questions, the debtor sent the letter referred to by the creditor to its Belgian authorized dealers and made it clear that sales to end customers from the countries covered by the injunction remained permissible. There are no indications of a sale from Belgium to Germany beyond the wording of the letter, even taking into account the general conditions described in the letter.

c)

Finally, a violation of the injunction issued by the local Division cannot be justified by the "Funkuhr" case law of the Federal Court of Justice referred to by the creditor (see BGHZ 204, 114, para. 26 = GRUR 2015, 467 - Audiosignalcodierung).

Even if, according to this case law developed at national level, a company based abroad and thus outside the Federal Republic of Germany which supplies products to a customer also based abroad may be involved in an act of use in Germany if it knows or, due to negligence, does not know that the customer is continuing to supply the products to Germany, this liability is not unlimited. A supplier of a product protected by a patent in Germany who is domiciled abroad and supplies a customer who is also domiciled abroad is not automatically obliged to check or monitor the further use of the supplied goods by the customer. The customer of a product is generally responsible for ensuring that it is only used in a legally permissible manner. By supplying the product abroad in a manner that does not infringe patent law, the supplier has not automatically created a situation that poses a particular threat to the rights of the patent holder. Therefore, the supply in itself does not establish any special protective obligations in favor of the patent holder.

Similarly, the merely abstract possibility that the customer could redeliver the delivered goods to the domestic market or offer them there is not sufficient. As the supplier is in principle not obliged

If the patent proprietor is not obliged to examine or monitor the conduct of its customers, it cannot be expected to carry out an examination simply because a patent-relevant use appears possible, for example because the customer maintains business relations in Germany or because it has already supplied or offered similar products in Germany.

Against this background, concrete indications of an onward supply to the domestic market are often only likely to exist in practice if the supplier has become aware of an actual or imminent onward supply. According to the circumstances of the individual case, sufficiently concrete indications may also exist due to other circumstances - for example, because the quantity purchased is so large that it can hardly be distributed only on markets without intellectual property rights, or because the purchasing behavior correlates conspicuously with a perceptible and potentially infringing activity of the customer on the domestic market. If such concrete indications have clearly come to light, the supplier can no longer rely on the fact that its customer will refrain from patent infringing activities. Instead, the supplier has reason to ask the customer about deliveries and offers in Germany and to point out the possibility of patent infringement as a precaution. If no plausible answer is given to such an inquiry, the supplier must seriously reckon with the possibility that he is participating in a third-party patent infringement - even if without positive knowledge. In this situation, the supplier is in breach of a duty of conduct serving to protect the third-party patent by continuing its deliveries unchanged, even if it subjectively assumes that the customer's conduct complies with the law.

Even if the principles of this case law, which does not require a final decision in the present case, also apply before the Unified Patent Court with the proviso that the member states covered by the scope of protection of the respective patent take the place of the domestic territory, this does not help the creditor to succeed. There are no concrete indications that products supplied abroad are being supplied to one of the countries covered by the injunction.

5.

Since the debtor has repeatedly violated the cease and desist order of the Local Division, the imposition of a penalty payment totaling EUR 26,500 appears necessary but also appropriate in order to effectively enforce the creditor's cease and desist order and to enforce future compliance with it by the debtor.

a)

Pursuant to Art. 82 (4) sentence 2 UPCA, the penalty payment must be proportionate to the importance of the order to be enforced. Correspondingly, the amount of the periodic penalty payment to be paid to the court in the event of a breach is to be determined in accordance with R. 354.4 of the Implementing Regulation with regard to the significance of the order in question. The decisive criterion for determining the amount of the penalty payment is therefore the importance of the order and thus ultimately the creditor's interest in enforcing it, which may consist, for example, in distributing the patented products (BeckOK PatR/Augenstein, UPCA, 29th edition, as at: 15.07.2023, Art. 82 para. 41). The penalty payment is intended to reliably deter the debtor from future infringements and violations and therefore primarily has a deterrent function. As both the English ("penalty payment"; "be sanctioned") and the French ("sanc- tionée") version of Art. 82 (4) UPCA make clear, the penalty payment is also a deterrent.

However, it is also a penalty-like sanction for the violation of the court prohibition, which is why the imposition of penalty payments also requires the debtor to be in debt as an unwritten element of the offense.

b)

This dual purpose of the penalty payment requires the penalty payment to be calculated primarily with regard to the debtor and their conduct. In particular, the type, extent and duration of the infringement, the degree of culpability, the benefit to the infringer from the infringing act and the dangerousness of the committed and possible future infringing acts for the infringed party must be taken into account. The more frequently and intensively the debtor has violated the cease and desist order imposed on him, the more clearly he has expressed his unwillingness to comply with the cease and desist order. This must be taken into account when calculating the penalty payment: If the debtor has already violated the cease and desist order several times in the past, the pressure required to force him to comply with the order in the future is increased. If, on the other hand, the debtor has already shown his willingness to comply with the cease and desist order in the past, this can reduce the necessary pressure and thus the penalty payment to force the debtor to behave in accordance with the order in the future. When assessing the intensity of the infringement, the debtor's entire conduct must therefore be taken into account. In particular, the type, scope and duration of the breach, the degree of culpability and the risk to the creditor of the breach committed and possible future breaches must be taken into account.

c)

Based on these principles, the Local Division considers the imposition of a penalty payment of EUR 26,500 to be justified, but also necessary to force the debtor to comply with the injunction imposed on her in the future, of which EUR 1,000 is for the continued operation of the trade fair stand, EUR 500 for the delayed deletion of the Instagram account and EUR 25,000 for the Sunday sales at "Fahrrad Fischer".

aa)

With regard to the continued operation of the exhibition stand, the Local Division considers a penalty payment of EUR 1,000 to be sufficient and appropriate in the present case.

The fact that the debtor at least made an effort to comply with the cease-and-desist order by removing the quick-release axles and the torque sensor speaks in its favor. It also no longer operated its trade fair stand on the following day, which means that the infringement was limited to a few hours. Furthermore, the local division took into account in the debtor's favor that a large number of questions arose at the trade fair stand that needed to be clarified, especially considering that this was the first ex parte injunction issued by the Unified Patent Court. In addition, the mere offering at the trade fair through the design of the trade fair stand, but not actual distribution, was at issue, which had a reducing effect on the amount of the penalty payment. Nonetheless, the debtor, who was already represented by a lawyer prior to service of the cease and desist order, did not immediately comply with the cease and desist order, but rather initially tried (unsuccessfully) to evade it - as well as the confiscation order - by merely removing the thru axle and the torque sensor from the e-bikes presented at the trade fair stand.

bb)

With regard to the delayed deletion of the Instagram account, taking into account

that the continued operation of the Instagram account for a few hours achieves a significantly lower advertising effect than a trade fair appearance at a leading trade fair, a penalty payment of EUR 500 is appropriate.

In this respect, it must be taken into account that the debtor's managing director instructed the deletion of the account in the night of June 24, 2023, whereby this instruction was then also implemented promptly. The fact that its managing director had to complete a large number of tasks within a short period of time in order to comply with the cease and desist order also played a role in the debtor's favor. Nonetheless, with knowledge of the injunction, he only turned to deleting the Instagram account for the first time during the night and therefore deliberately postponed this task for the time being, even when the relevant trade fair stand was already closed. The debtor does not explain why she was able to delete her website, but not her Instagram account, immediately after the cease-and-desist order was served. Nor has she comprehensibly explained why it should not have been possible for her managing director to contact her social media consultant on the afternoon of June 22, 2023 and instruct her to delete the account. Since the debtor was at fault for failing to issue such a prompt instruction and thus culpably violated the local Division's cease-and-desist order, there is no need for further considerations as to the time frame in which the social media consultant would have had to implement such a direct instruction.

cc)

In relation to the aforementioned infringements, the provision of the e-bike presented by "Fahrrad Fischer" as part of a Sunday sales event is significantly more serious. The test bike in question was not only made available to "Fahrrad Fischer" after service of the injunction and despite an existing export ban on the e-bikes in question from Switzerland. Rather, the creditor had already initiated enforcement proceedings against the debtor at this time, in which various violations of the injunction order issued by the local Division were already pending. By providing the test bike for the purpose of holding a Sunday open for sales in Germany, the debtor therefore deliberately disregarded the injunction issued by the local Division. In order to prevent the repetition of such behavior and thus to do justice to the importance of the cease and desist order for the plaintiff to protect its business interests, the imposition of a severe penalty payment is indispensable. Insofar as the debtor, on the other hand, argues that its managing director did not realize that the provision of the test bike for the purpose of presentation during a Sunday sales event could be a violation of the injunction order of the local Division, this argument does not justify a different assessment because the parties were also intensively discussing the question of offering the attacked design at a trade fair stand in the context of the enforcement proceedings already underway at that time. For this reason alone, the debtor's managing director had to recognize that he was (once again) disregarding the local Division's injunction with this delivery. In order to prevent this from happening in the future and to help the creditor to effectively enforce the injunction and thus to protect its business interests, the imposition of a penalty payment of EUR 25,000 for this infringement appears necessary, but also sufficient.

dd)

An overall assessment taking all of this into account justifies the imposition of a penalty payment

in the amount of EUR 26,500. There are no apparent reasons to assess the significance of the order to be enforced differently from this.

6.

The decision on costs is based on a corresponding application of R. 118.5 sentence 1 Verfo.

When allocating the costs, the Local Court took into account the fact that the creditor did not formally apply for a penalty payment to be set at a specific amount. However, it based its request for a penalty payment on a total of four allegations of infringement (trade fair stand; Instagram account; letter to the Belgian dealers; "Fahrrad Fischer"), of which only three proved to be justified in the end. This must be reflected in the distribution of the costs of the enforcement proceedings.

7.

As the present order is one of the first to impose periodic penalty payments for breach of an order of the Court, the Local Division considers it appropriate to grant leave to appeal to both parties, thus giving them the opportunity to have the order reviewed by the Court of Appeal (Art. 73(2)(b)(ii) UPCA, R. 220.2, 354.4 Verfo).

8.

There was no reason to make the order dependent on the provision of security within the meaning of R. 352.1 Verfo. The creditor has already provided the security requested by the debtor by depositing collateral for any damages that the debtor may incur from the enforcement of the injunction order.

ARRANGEMENT:

1. A penalty payment of EUR 26,500.00 to be paid to the Unified Patent Court is imposed on the debtor for breach of the injunction pursuant to Section I. of the order for interim measures of the Düsseldorf Local Division of the Unified Patent Court of June 22, 2023 (ORD_526778/2023, Ref.: ACT_525740/2023; UPC_CFI_177/2023).
2. The creditor is ordered to pay 25% of the costs of the enforcement proceedings and the debtor 75%.
3. This order is immediately enforceable.
4. The appeal is allowed.
5. The amount in dispute in the enforcement proceedings is set at EUR 150,000.

DETAILS OF THE ARRANGEMENT:

on application APP_552740/2023 concerning the main file reference

ACT_525740/2023 UPC number: UPC_CFI_177/2023

Type of proceedings: Application for the imposition of periodic penalty payments

Issued in Düsseldorf on October 18, 2023 NAMES

AND SIGNATURES

Presiding Judge Thomas

Legally qualified judge Dr. Thom

Legally qualified judge Kupecz

INFORMATION ABOUT THE APPEAL

Both parties may appeal against this order within 15 days of its notification (Art. 73(2)(b)(ii) UPCA, R. 220.2, 354.4 RP).

PAYMENT INFORMATION:

The penalty payment is to be paid to the court to the following account: LU55 0019 7355 1895 9000.