

# UPC: COSTS AND FEES

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Legal Briefings

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Following a lengthy consultation, the Preparatory Committee for the Unified Patent Court (UPC) published its [Rules on Court fees and recoverable costs](#) (**the Rules**) along with [Guidelines for the determination of value-based Court fees and the ceiling of recoverable costs of the successful party](#) (**the Guidance**).

## KEY POINTS

- No fees will be charged to opt-out European patents from the jurisdiction of the UPC, nor to withdraw an opt-out.
- Infringement actions and declarations of non-infringement will have fixed court fees of 11,000 euros, with revocation actions set at 20,000 euros.
- Additional value-based court fees will be (self) assessed by the claimant (primarily on a licence fee basis) and paid at the same time as the fixed fee. If there is any disagreement over the value assessment this will be resolved at the interim conference. The Guidance provides general principles and specific suggestions for such assessment for particular actions. The value-based fees range from 0 euros (for actions of value up to and including 500,000 euros) to 325,000 euros (for actions of a value of more than 50 million euros).
- Value is also used to determine the ceiling of recoverable costs of the successful party (from 38,000 euros for proceedings with a value or up to and including 250,000 euros, all the way up to 2 million euros for proceedings with a value of more than 50 million euros). The ceiling may be raised in some instances for particularly complex cases but cannot exceed the maximum of 50 million euros.
- Fees and costs that could "threaten the economic viability" of one or other party may be reimbursed or decreased.

# SUMMARY

## FIXED FEES

Fixed court fees payable for the following actions (see tables I and III in the Rules):

- **11,000 euros:**

- Infringement action
- Counterclaim for infringement
- Action for declaration of non-infringement

- Action for compensation for license of right
- **3,000 euros:**

- Application to determine damages
- **20,000 euros:**

- Revocation action [R.47]

- Counterclaim for revocation [R.26] (or rather the same fee as the infringement action subject to a fee limit of 20,000 euros)

### **See other fixed fee procedures/action in table III in the Rules**

Fees for "other counterclaims pursuant to Art 32(1)(a) UPCA" were deleted as the consultation showed that this was an unclear and inexact reference. The fee for an application to freeze assets has been reduced to 1000 euros to bring it in line with other interim measures and reflect the level of work involved.

### **ADDITIONAL VALUE BASED FEES**

- Value-based court fees are due in addition to fixed fees for actions in the Court of First Instance that exceed a value of 500,000 euros (see table II in the Rules). These range from 0 euros (up to and including 500,000 euro value actions) to 325,000 euros (for actions of a value of more than 50 million euros). These particular two ranges were added post consultation to add clarity.
- The Guidance on the determination of value for the purposes of value-based fees sets out some general principles including the value-based fee based on a value set as an appropriate licence fee (valuation based on the claimant's loss of profits or the defendant's profits gained may also be applied but will usually be too complex at this early stage of a case) and suggests specific approaches for particular actions (infringement, counterclaims for revocation and revocation actions, declarations of non-infringement, actions for compensation for licence of right and application for interim relief pursuant to Art 62 of the UPCA).

### **FEE REDUCTIONS**

- Small enterprises and micro-enterprises are entitled to pay only 60% of these fees under specific criteria set out in the Rules (see paragraph 8).
- Reimbursement of fixed and value-based fees will be made if the action is heard by a single judge (25%) or withdrawn (60,40 or 20% depending at which stage it is withdrawn), or settled (again staged at 60, 40 or 20%). The Court has discretion to reimburse fees where the amount payable threatens the economic existence of a party (who is not a natural person) (see paragraph 10).

### **RECOVERABLE COSTS**

- The Preparatory Committee admits to finding the ceiling difficult to set given the lack of parity between costs levels in different Member States. The compromise ceiling sits at 38,000 euros for proceedings with a value of up to and including 250,000 euros, all the way up to 2 million euros for proceedings with a value of more than 50 million euros.

The same principles outlined in the Guidance apply, with specific mention of the impact on the ceiling on the actions listed above. There is also an ability to go beyond the levels set out in the table in a case of particular complexity:

- for proceedings valued up to and including 1 million euros, recoverable costs ceilings may be increased by 50%;
- for proceedings valued at more than 1 million euros but less than or equal to 50 million euros, the maximum increase is 25%;
- but for proceedings valued at greater than 50 million euros the ceiling is fixed at 5 million euros and cannot be increased

NB the ceiling may to be lowered (without limit) on request if the amount of recoverable costs would threaten the economic viability of the requesting party (similar to the Court fees provision outlined above).

### **OPT-OUT AND WITHDRAWAL**

- No fee for opt-out of a European patent from the UPC's jurisdiction (and none for withdrawal of such an opt-out).

Fees of 80 euros for both had been suggested in the consultation to cover the administrative burden of these processes, but the Preparatory Committee concluded that the burden fell almost entirely on the applicant and any administrative burden on the Court would be solely associated with processing the fees themselves.

### **APPEALS**

- Clarification of fees for appeals

The fee structure and the level of the fees of the actions/procedures at the Court of First Instance remain the same in the Court of Appeal. As a consequence the appeals on revocation actions and counterclaims for revocation are not subject to value-based fees. For clarity there is now a separate table of Court of Appeal fees (see table IV).

## **VALUE-BASED FEES**

<u>Value of Action</u> (up to and including stated figure)	<u>Additional value-based fee</u>
€500,000	€0
€750,000	€2,500
€1,000,000	€4,000
€1,500,000	€8,000
€2,000,000	€13,000
€3,000,000	€20,000
€4,000,000	€26,000
€5,000,000	€32,000
€6,000,000	€39,000
€7,000,000	€46,000
€8,000,000	€52,000
€9,000,000	€58,000
€10,000,000	€65,000
€15,000,000	€75,000
€20,000,000	€100,000
€25,000,000	€125,000
€30,000,000	€150,000
€50,000,000	€250,000
More than €50,000,000	€325,000

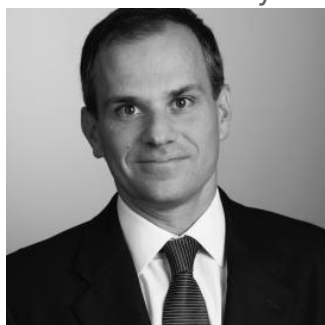
## **SCALE OF CEILINGS FOR RECOVERABLE COSTS**

<u>Value of the proceeding</u> (up to and including stated figure)	<u>Ceiling for recoverable costs</u> (up to stated figure)
€250,000	€38,000
€500,000	€56,000
€1,000,000	€112,000
€2,000,000	€200,000
€4,000,000	€400,000
€8,000,000	€600,000
€16,000,000	€800,000
€30,000,000	€1,200,000
€50,000,000	€1,500,000
More than €50,000,000	€2,000,000

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## KEY CONTACTS

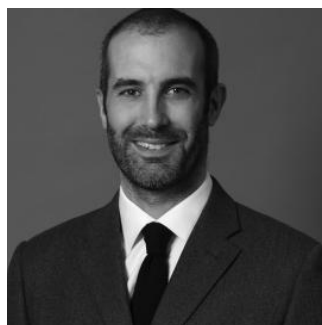
If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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