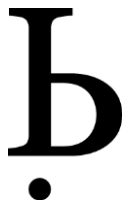
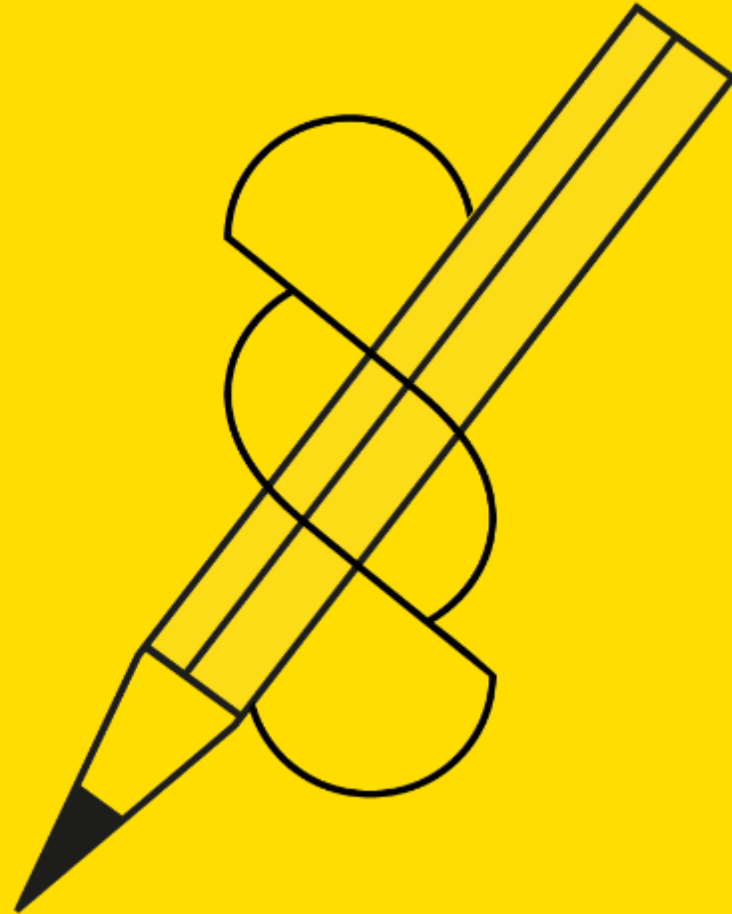


GERMAN INFRINGEMENT PROCEEDINGS: COURSE OF THE PROCEEDINGS, STAY, ENFORCEMENT

Attorney-at-law Dr. Anna Giedke



**BARDEHLE
PAGENBERG**

Impact.
Passion.
IP.



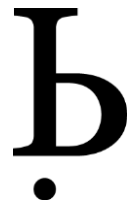
I. Course of German patent infringement proceedings

1. Overview
2. Timing
3. Points to address

II. Stay

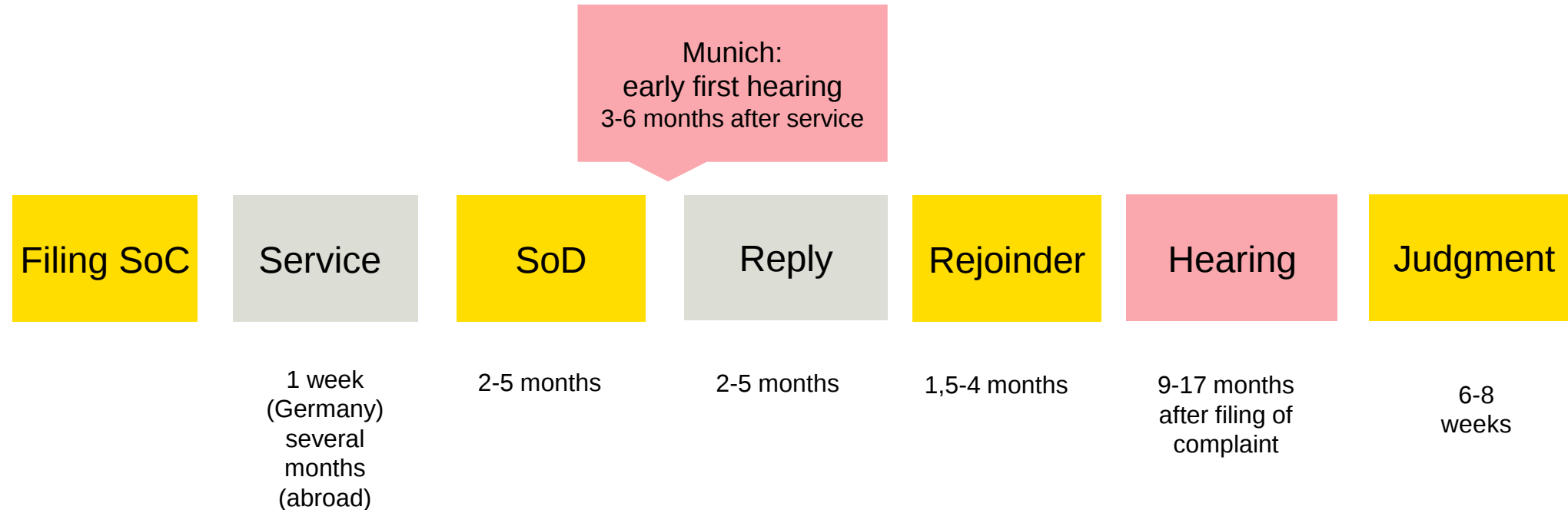
III. Enforcement

Course of infringement proceedings



Course of infringement proceedings

Main venues: Munich, Düsseldorf, Mannheim

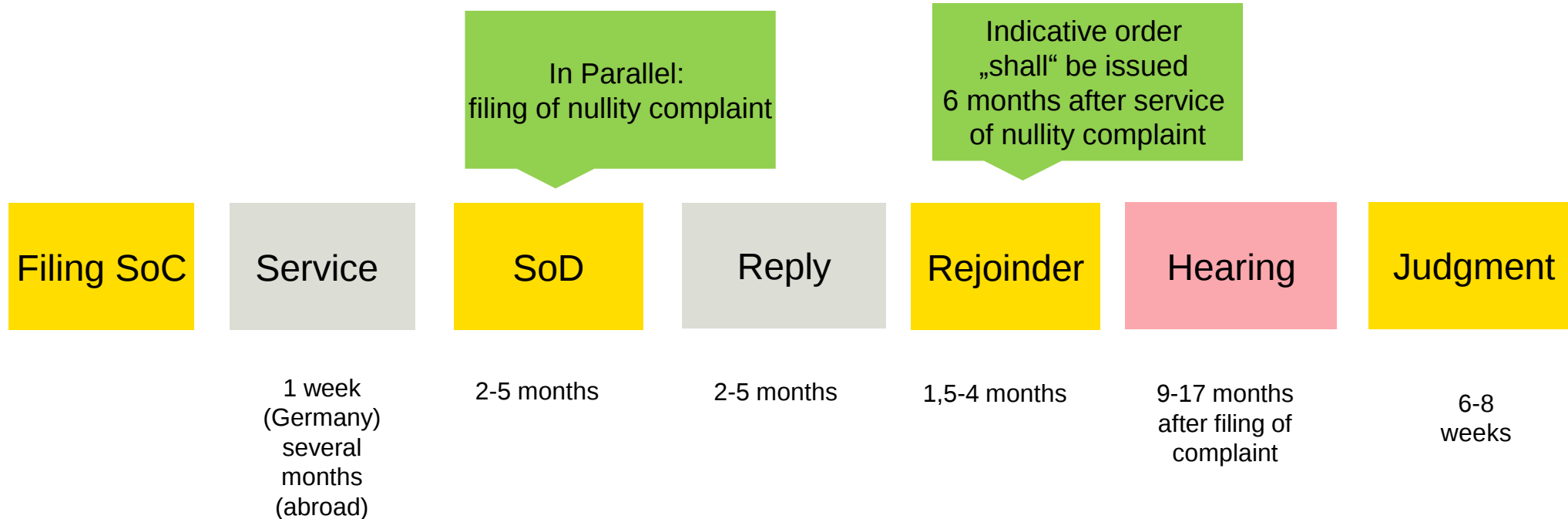


From filing to judgment between 11-19 months

Infringement proceedings: course of the proceedings, stay, enforcement
02.10.2024

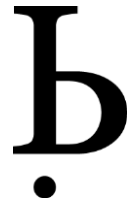
Course of infringement proceedings

Parallel nullity action @ German Federal Patent Court



From filing to judgment between 11-19 months

Infringement proceedings: course of the proceedings, stay, enforcement
02.10.2024

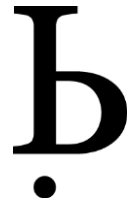


Core question of infringement proceedings

- (1) What technical teaching does the patent claim protect? (§14 PatG, Art. 69 I EPC)
= ultimately a legal question

- (2) Does the allegedly infringing embodiment realize this teaching? (§§ 9 – 13 PatG)
= Question of fact

Preparing statement of claim



- **Determining patent's scope of protection**

- Teaching of the patent claim (prior art, problem and solution)
- Feature analysis and meaning of the individual features

- **Determining facts**

- Examining whether all features are present in accused embodiment (identical use)
 - Clear definition of accused product
 - Extension to „core identical“ products („kerngleich“)
 - Evidence
- If no identical use of all features: examine equivalent use
 - Technical equality
 - Obviousness
 - Equivalence

Further points to consider for SoC

- **Who shall be plaintiff and defendant?**

- Material: standing to sue and to be sued
- Strategic: Who should be sued, who should sue?
- Formal: plaintiff and defendant must be named so precisely that there is no doubt about their identity

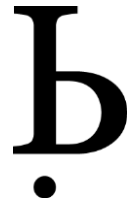
- **Value in dispute:**

- Interest of plaintiff (economic interest to repel infringement; patent term, value of patent)
- Specify partial amounts for the individual applications for enforcement security

- **More patents infringed by accused embodiment?**

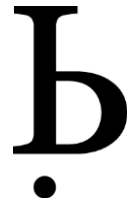
- obligation to concentrate actions (§ 145 PatG)
- Formalities:
 - demands for relief for all patents at the beginning, sorted by right of action (patent-in-suit A, patent-in-suit B)
 - Statement of grounds separately for each patent
 - Annex numbering separated

SoC – applications for relief (1/2)



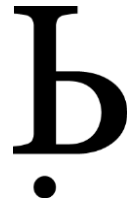
- **Injunctive relief** against (future) use
 - selection of acts of use under §§ 9, 10 German Patent Act
 - P: disproportionate in individual cases?
 - SEP cases
 - Q: labelling of accused product?*
- **Determination of obligation to pay damages**
 - from publication of the patent grant + 1 month
 - In case third-party damage is claimed (assignment): clarify "to compensate the complainant for the damage incurred by company XY in the period from ... to ..."
- **Information and rendering of accounts** (Section 140b German Patent Act or Sections 242, 259 German Civil Code)
 - disproportionate in individual cases?
 - Auditor's reservation?

SoC – applications for relief (2/2)



- **Recall / final removal** from the distribution channels and destruction (§ 140a German Patent Act; disproportionate in individual cases?)
- **Destruction** of products owned or possessed by the defendant (§ 140a German Patent Act; disproportionate in individual cases?)
- **Public announcement of the judgment** if there is a legitimate interest in this respect (Section 140d German Patent Act)
- **Determination of surrender of the enrichment (refund value)**, § 852 German Civil Code, § 141 German Patent Act
- **Determination of obligation to pay reasonable compensation** (§ 33 German Patent Act)
 - from disclosure date of application + 1 month

Structure of SoC



- (1) Brief introduction of the parties (including the background to the litigation, if applicable)
- (2) Standing to sue
- (3) Standing to be sued (objectionable performance(s) and objectionable acts)
- (4) Bibliographic data of the patent-in-suit
- (5) Teaching of the patent claim (prior art, problem and solution)
- (6) Feature analysis and meaning of the individual features
- (7) Demonstrate that and why all features are present in accused embodiments
 - If necessary: evidence
- (8) If an identical use of all features cannot be justified, demonstrate technical equality, obviousness and equivalence
 - evidence
- (9) Supplementary legal statements, if applicable

Defence – points to consider

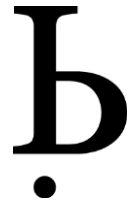
- **Jurisdiction:**

- Local/international jurisdiction
- Objections must be raised before the first oral hearing
 - Otherwise regularly waived, § 39 ZPO, Art. 26 Brüssel recast Regulation, Art. 24 Lugano Convention

- **Defence of security for costs of action, § 110 German Code of Civil Procedure**

- Principle: Plaintiffs domiciled abroad must (at the defendant's request) provide security for the expected costs of the proceedings
- Exceptions:
 - habitual residence of the complainant in an EU member state;
 - international treaties
- Amount, § 112 German Code of Civil Procedure:
 - Court's discretion
 - Generally: attorney-at-law and patent-attorney costs 1st instance + X

Defence



- **Objection of § 145 German Patent Act**

(obligation to concentrate actions):

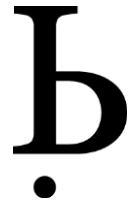
further complaint from another patent for the same or a similar act is inadmissible

- **Other lis pendens** in the sense of a "torpedo", **Art. 29 Brussel recast Regulation**

"1. Where proceedings involving the same cause of action and between the same parties are brought in the courts of different Member States, any court other than the court first seised **shall** of its own motion stay its proceedings until such time as the jurisdiction of the court first seised is established."

→ *Stay and thus considerable delay of the German proceedings*

Defence



Excursus: Torpedo (Art. 29 Regulation (EC) No. 1215/2012 - Brussels I recast Regulation)



A (potential) infringer becomes aware that a patent infringement suit may be filed against them



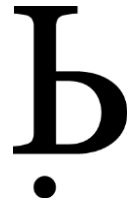
Court of First Instance

The (potential) infringer then files an action for a negative declaratory judgement with a foreign court which, in his estimation, is likely to take a particularly long time to conclude the proceedings



Second court

The patent proprietor files a patent infringement action before a German court after the (potential) infringer's action for a negative declaratory judgement: German Court needs to stay.



Content of Statement of defense (SoD)

- **Bring all defense arguments in SoD**
- **No valid defense argument: lack of legal validity of the patent-in-suit**
 - Instead: Request for a stay, §148 German Code of Civil Procedure
 - **Exception:** in case of utility models, the lack of protectability can also be asserted as grounds for a motion to dismiss
 - **In the case of claimed equivalent use:** So-called „Formstein-Einwand“: if a patent should not have been granted for the solution that embodies the contested design.

- **Core argument: no infringement**

- Non-realisation of claim features
 - incorrect description of the accused embodiment,
 - incorrect claim construction/subsumption
- Substantiation of the claim ↔ secondary burden of proof
- Observe the procedural duty to tell the truth!

P: Granting history?

- No means for claim construction
- Statements by examiner/patentee can be taken as proof of understanding of relevant person skilled in the art
- Narrow exception: restrictive declarations in opposition or nullity proceedings can be used as defense by Defendant who was involved in the proceedings in question, § 242 BGB.

Further possible contents of a SoD

- **No standing to be sued** (false defendant)
- **Right of use**
 - Licence agreement
 - Co-ownership of the patent-in-suit
 - Defendant is entitled to a patent with a higher priority than the right of action and only uses its teaching (FCJ, Trägerplatte, Xa ZR 116/07).
 - Acts that are excluded from patent protection under Section 11 German Patent Act, e.g.:
 - Actions for private/non-commercial/experimental purposes,
 - Studies/experiments necessary for obtaining authorization to put medicinal products into circulation in the European Union
- **Private right of prior use (Section 12 German Patent Act):**
 - if the defendant has begun to use the invention/made respective arrangements in Germany at the time the patent application was filed/date of priority

→ *Possession of invention + Exercising possessed invention*

P: amended use?

Further possible contents of a SoD (continued)

- **Statute of limitations (§ 141 German Patent Act)**

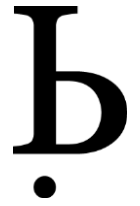
- Defence of limitation period must be expressly raised, not to be considered ex officio
- Calculation of the limitation period according to §§ 193 ff. German Civil Code
- NB: remaining compensation claim, §§ 141 German Patent Act, 852 German Civil Code

- **Forfeiture § 242 German Civil Code**

- High requirements
 - Accepting infringement despite knowledge or negligent ignorance
 - over a longer period of time and
 - infringer was allowed to believe that no claims would be raised anymore and
 - built a valuable possession on this basis (wertvoller Besitzstand)

- **Objection to unlawful extraction, § 242 German Civil Code**

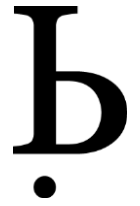
- Essential content of the patent has been taken from the descriptions, drawings, etc. of another person or from a process used by this person **without their consent** (§ 21 (1) No. 3 German Patent Act)
- Only possible until 2 years from grant (unless patent proprietor acted in bad faith: then limitation period applies)



Further possible contents of a SoD (continued)

- **Defense of compulsory licence under antitrust law:**

- Defence that the Complainant is obliged to grant a licence to the Defendant under antitrust law (market dominance) or market dominance and a declaration of willingness to license to a standardisation organisation.
- Comprehensive case law
- Corner stone decisions
 - German Federal Court of Justice, 6 May 2009, KZR 39/06, GRUR 2009, 694 - Orange Book
 - ECJ, 16 July 2015, C 170/13, GRUR 2015, 764 - Huawei/ZTE
 - German Federal Court of Justice, 5 May 2020, KZR 36/17, GRUR 2020, 961 - FRAND defence I
 - German Federal Court of Justice, 24 November 2020, KZR 35/17, GRUR 2021, 585 - FRAND defence II



Further possible contents of a SoD (continued)

- Claimed injunctive relief **disproportionate**? § 139 (1) 3 German Patent Act
 - NPE
 - Subordinate part of complex product which cannot be easily removed
 - Interest of plaintiff can be satisfied by monetary compensation

Further possible contents of a SoD (continued)

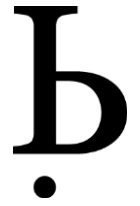
- **Prohibition of double protection, Art. II § 8 German Law on International Patent Treaties:**

- DE patent loses its effect insofar as an EP with the same priority has been granted to its proprietor or his legal successor for the same invention with effect for Germany.
- Loss of effect remains if the EP ceases to exist at a later date (Art. II § 8 para. 2 German Law on International Patent Treaties)

- **Exhaustion**

- only regarding certain individual products (including direct products of a process patent),
- if the specific product was placed on the market by the patent proprietor or with his approval by the licensee.
- EU-wide or for the territory of the EEA
- P: Covenant not to sue? Covenant to be sued last? (FCJ GRUR 2023, 474)

Defence if there is no prospect of success



- **Minimizing costs:**

- Immediate acknowledgement § 93 German Code of Civil Procedure
 - The party bringing the action shall bear the costs of the proceedings;
 - Requires:
 - Immediate declaration of acknowledgement, and
 - Defendant has not given cause for complaint (e.g. by rejecting a proper warning)

Third party notice, §§ 72 et seqq. German Code of Civil procedure

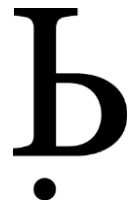
- **Purpose:**

- To bind the third-party (e.g. supplier) to the court's findings
 - Relevant for possible future follow-up lawsuit between defendant and third-party if the supplied products are deemed to infringe the patent in the first lawsuit.
- Enhance cost risk for plaintiff

- **Joinder of third-parties:**

- optional,
- effect of the third-party notice does not depend on the joinder, unless the third-party notice was inadmissible

B. Stay



Infringement
proceedings: course of
the proceedings, stay,
enforcement
02.10.2024

- **Separation principle:**

- Infringement court bound by the grant procedure;
- No authority to decide on protectability itself
- But infringement action can be stayed

- **Requirements for a stay, § 148 German Code of Civil Procedure:**

- Pendency of opposition/cancellation proceedings
- Question of invalidity must be decisive for infringement action („vorgreiflich“)
 - only if there is unlawful patent infringement
 - Exception: Stay despite unclear infringement situation (procedural economy, e.g. if it would be necessary to take evidence on the question of infringement)
 - If the parties agree, a stay without detailed preliminary examination (party proceedings)

- **Discretionary decision:**

- Courts rather **reserved**
- Relevant basis are **submissions in invalidity proceedings (!)**
 - Submission of the pleadings (including Exhibits) as an Exhibit in the infringement proceedings
 - Explanations in infringement proceedings; mere reference to briefs in infringement proceedings is not sufficient
- Summary examination of the prospects of success of the opposition or nullity complaint
- **Threshold: High probability** of revocation / destruction required for a stay
 - More likely to be justified in the event of an attack on novelty
 - Usually insufficient: documents already taken into account in the granting procedure
 - Obviousness (lack of inventive step) must be demonstrated very convincingly
 - Inadmissible extension: serious concerns required

Case groups – high probability of invalidation?

• Stay generally (+)	• Stay generally (-)
Patent-in-suit revoked at first instance	Patent-in-suit upheld at first instance
Negative indicative order/qualified notification	Positive indicative order/qualified notification Prior art has already been taken into account in the granting/previous legal status procedure
Interpretation by infringement court would lead to revocation/destruction	Highly complicated/complex technical facts
Restriction in legal validity proceedings (with a corresponding unconditional restriction in infringement proceedings): grant procedure may no longer be meaningful/ no forecast for legal validity <i>Combination of claims vs. addition of new features</i>	„Prior use" not fully documented by liquid evidence (in particular documents), but requires taking of evidence
	Opposition/ nullity complaint only shortly before the main hearing

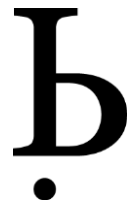
- **Discretionary decision (cont.)**

- More generous practice to stay in II. instance after conviction in the first instance;
- Reason: Prohibition right can be enforced by provisional enforcement

- **Special regulations for a stay:**

- § 140 German Patent Act for disclosed patent applications;
- § 19 GebrMG for utility models

C. Enforcement



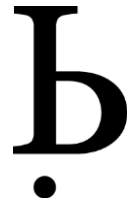
Infringement
proceedings: course of
the proceedings, stay,
enforcement
02.10.2024

Enforcement of first instance decisions - overview

- **Enforcement is necessary completion of litigation**
 - Realises protection of interests of patentee
- **General requirements for enforcement:**
 - Title (§§ 704, 794 German Code of Civil Procedure),
 - Clause (Sections 724, 725 German Code of Civil Procedure),
 - Service (§§ 750, 166 ff. German Code of Civil Procedure)
- **Which judgments can be enforced? § 704 German Code of Civil Procedure**
 - Final judgments
 - Non-final judgments declared to be preliminary enforceable, §§ 704, 708 et seq.
 - Typically against security, § 709

Security for preliminary enforcement

- **Provision of security generally required** (Sections 709, 751 (2) German Code of Civil Procedure (ZPO); exceptions e.g. (§ 708 ZPO):
 - default judgements,
 - acknowledgement judgements,
 - appeal judgements
- **Purpose:** secure damage caused by enforcement (Section 717 (2) ZPO)
- **Amount:** Discretionary decision, Section 108 (1) ZPO
 - Basis: expected damage by provisional enforcement until a decision is handed down at second instance
 - If no/insufficient facts by defendant: Orientation on the value in dispute!
 - Plaintiff should request partial securities for the individual claims
- **Provision:** By bank guarantee or deposit, Section 108 (1) German Code of Civil Procedure



Means to protect interests of defendant in preliminary enforcement proceedings

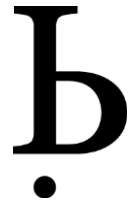
- **Overview:**

- Temporary suspension of enforcement proceedings, e.g. in case of appeal, §§ 719, 707 ZPO
- Averting enforcement by providing security if extreme disadvantage would arise, § 712 ZPO

Temporary suspension of preliminary enforcement proceedings, §§ 719, 707 ZPO

- **Discretionary decision**
 - balancing of interests in individual cases
- **Usually (-) if preliminary enforcement was only allowed against security (§ 709 ZPO)**
 - defendant sufficiently protected
- **Possible if:**
 - judgement is unlikely to be upheld after summary examination
 - patent probably not legally valid
 - FRAND defense likely to be successful
 - Extraordinary disadvantages for defendant (destruction of existence)

Temporary suspension of enforcement proceedings

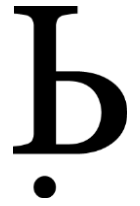


- **No suspension of enforcement proceedings by FCJ if:**
 - debtor has failed to file an application for protection against enforcement pursuant to § 712 ZPO in appeal proceedings,
 - although possible and reasonable

Enforcement protection, § 712 German Code of Civil Procedure

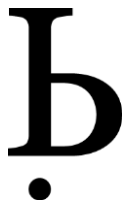
- **Debtor may request to avert preliminary enforcement by provision of security**
- **Prerequisites:**
 - Enforcement must cause the debtor an irreparable disadvantage
 - High hurdles
 - Not enough: the disadvantages inherent in the enforcement of an exclusive right (stop of production and distribution, non-fulfilment of contractual obligations, etc.).
 - Rather: irreversible destruction of existence
 - No overriding enforcement interest of the creditor
 - Application in the respective instance before the end of the oral hearing
 - Facts must be substantiated
 - No enforcement protection for declaratory judgement claim (compensation, damages, enrichment compensation) because no enforceable content

Means of enforcement



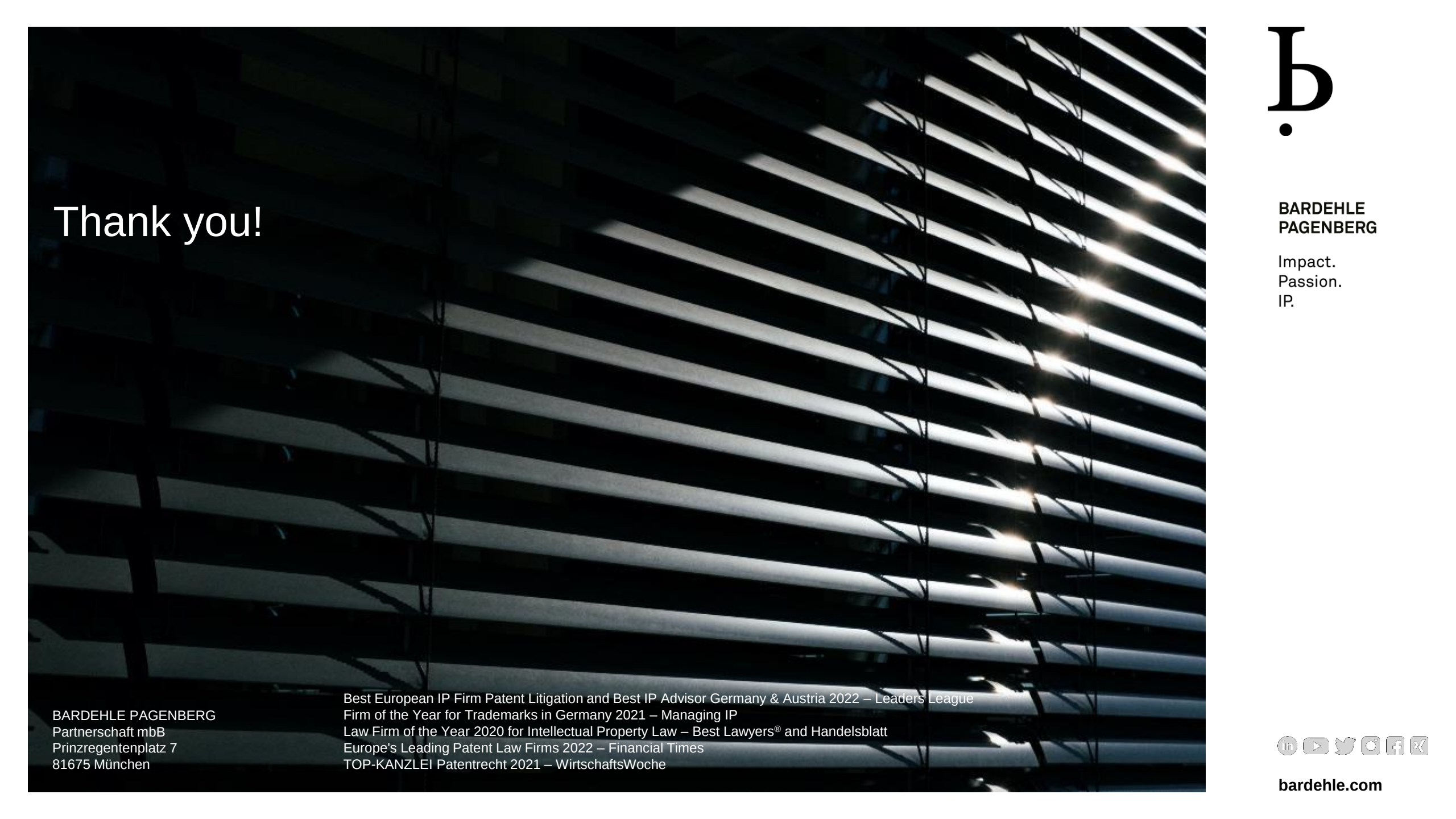
- **Enforcement of the claim for injunctive relief (§ 890 ZPO) and of claim for accounting and recall** (controversial) (**§888 ZPO**):
 - **Fine** (up to EUR 250,000.00 per infringement)
 - **Imprisonment** (up to 6 months)
 - In case of alleged incorrect rendering of accounts: affidavit, §259 (2) German Civil Code
- **Enforcement of claim for destruction:** can be **substituted** by third party on defendant's costs, § 887 German Code of Civil Procedure

Contact us



Attorney Dr Anna Giedke

Infringement
proceedings: course of
the proceedings, stay,
enforcement
02.10.2024



Thank you!

BARDEHLE PAGENBERG
Partnerschaft mbB
Prinzregentenplatz 7
81675 München

Best European IP Firm Patent Litigation and Best IP Advisor Germany & Austria 2022 – Leaders League
Firm of the Year for Trademarks in Germany 2021 – Managing IP
Law Firm of the Year 2020 for Intellectual Property Law – Best Lawyers® and Handelsblatt
Europe's Leading Patent Law Firms 2022 – Financial Times
TOP-KANZLEI Patentrecht 2021 – WirtschaftsWoche



BARDEHLE
PAGENBERG

Impact.
Passion.
IP.



bardehle.com