



BARDEHLE
PAGENBERG

Impact.
Passion.
IP.

COMPULSORY LICENSE OBJECTION BASED ON ANTITRUST LAW ("FRAND OBJECTION")

Dr. Jan Bösing
Attorney-at-law, Partner



- I. Background**
- II. SEP Case Law Development**
- III. Tipps and Tricks**
- IV. Summary and Outlook**

I. Background

ᵇ.

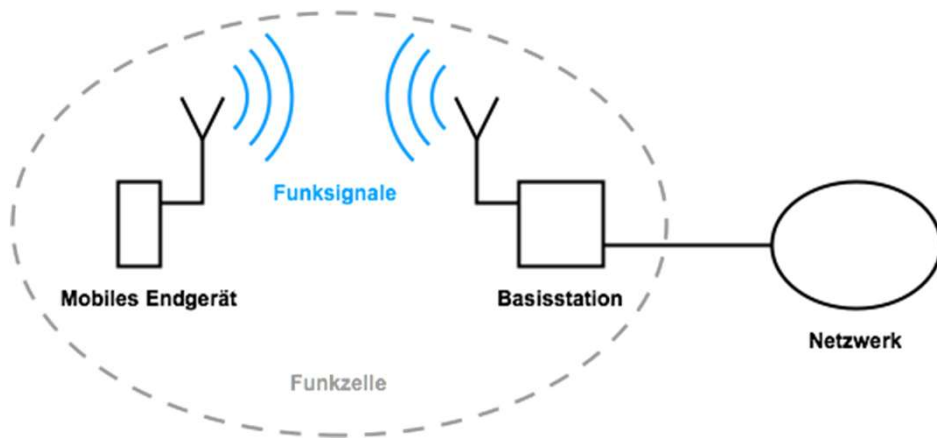
IP Academy - FRAND
objection
5/22/2025

Slide 3

I. BACKGROUND

What are standards?

b.



Source: <https://www.elektronik-kompodium.de/sites/kom/0410041.htm>



I. BACKGROUND

How are standards created?



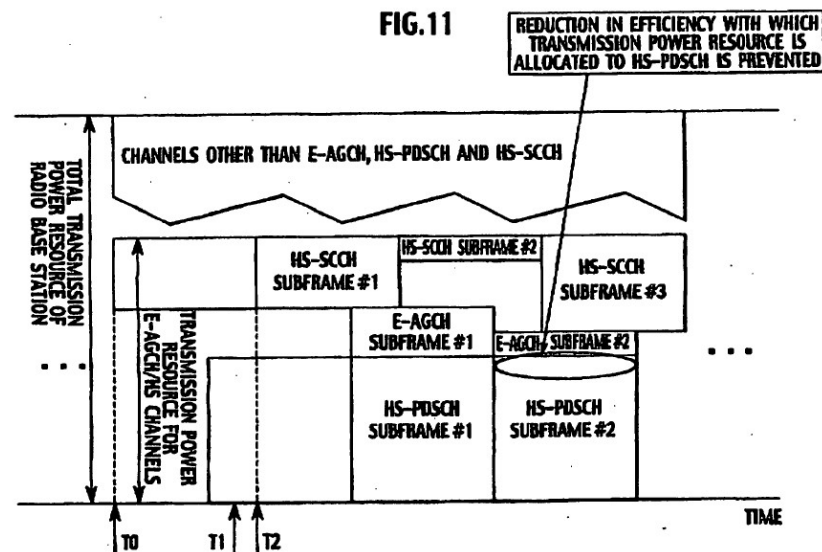
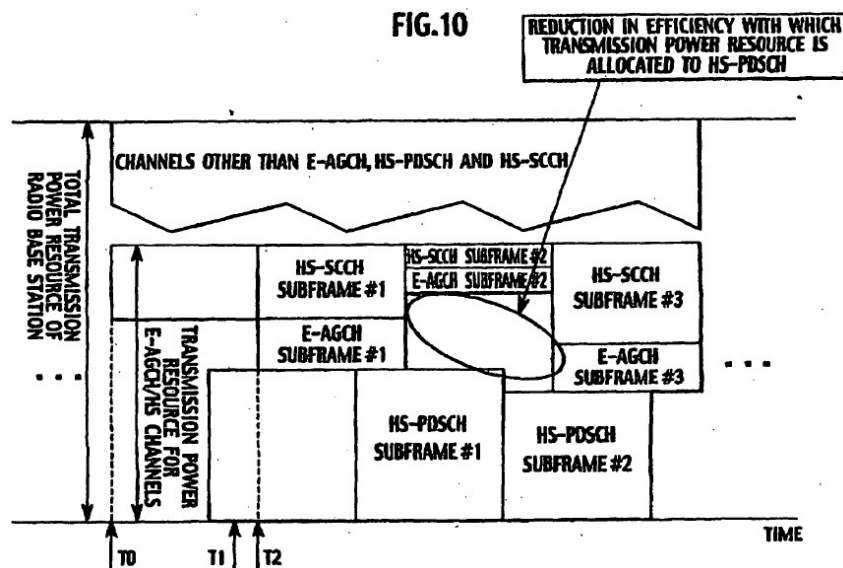
- Standard-setting organizations
- Participation / unification of the industry
- Adoption of specifications

I. BACKGROUND

Legal particularities?

b

- Patent protection for agreed technologies



I. BACKGROUND

Legal particularities?



- Necessary use of patents when implementing the standard
 - Standard-Essential Patents (SEPs)
- SEPs as a barriers to market entry
 - „One bullet kills all“
- Commitment by SEP owner to SSO to grant licenses
- Appropriate remuneration (FRAND)
 - **F**air, **R**easonable and **N**on-**D**iscriminatory

I. BACKGROUND

Legal conflict



- Patent law establishes exclusive rights
 - Sec. 9, 10 German Patent Act
- Antitrust law prohibits abuse of a dominant market position
 - Art. 102 TFEU
- Contractual license claim of the implementer?

II. SEP Case Law Development

h.

IP Academy - FRAND
objection
5/22/2025

Slide 9

II. SEP CASE LAW DEVELOPMENT

German Federal Court of Justice: *Standard-Spundfass* (2004)



- Industry standard establishes a separate upstream licensing market
- The patent holder is the only supplier in this market and is therefore market dominant
- Refusal to grant a license may be abusive if licenses are granted to competitors, unless the refusal can be justified
- Antitrust law can provide claim for infringer to get a license

II. SEP CASE LAW DEVELOPMENT

German Federal Court of Justice: *Orange-Book-Standard* (2009)



- Objection of abuse of a dominant market position against claim for injunctive relief possible
- Abuse only if defendant has made an offer to conclude a license agreement which the patentee may not refuse without violating antitrust law
- License seeker must comply with obligations arising from the license offer

II. SEP CASE LAW DEVELOPMENT

European Commission: *Motorola vs. Apple* (2014)



- SEP for GPRS provides dominant market position
- Apple was willing licensee, license offer under Sec. 315 German Civil Act
- Infringement actions for injunctions by Motorola were abusive
- Request for unreasonable terms and conditions was abusive

II. SEP CASE LAW DEVELOPMENT

CJEU:

Huawei vs. ZTE (2015)



- Questions referred by the Düsseldorf Regional Court
- Under what circumstances does an SEP holder who has committed to the standardization organization to grant licenses on FRAND terms violate Art. 102 TFEU by bringing an infringement action for injunctive relief/recall?

II. SEP CASE LAW DEVELOPMENT

CJEU:

Huawei vs. ZTE (2015)



- SEP owner must notify the infringer of the patent infringement before filing suit
- Infringer must express willingness to take license
- SEP owner must submit specific license offer on FRAND terms
- Infringer must diligently react and submit FRAND counteroffer
- Infringer must render accounts and provide security

II. SEP CASE LAW DEVELOPMENT

Case Law in Germany after CJEU *Huawei*



- Regional Court /Higher Regional Court Düsseldorf rather implementer-friendly
- Regional Court Mannheim balanced
- Regional Court Munich I patent proprietor-friendly

II. SEP CASE LAW DEVELOPMENT

FCJ:

FRAND-Einwand and *FRAND-Einwand II* (2020)



- No strict sequential assessment of the „Huawei steps“
- Focus on both parties' willingness to grant/take license
- Infringer must be demonstrably willing to take a license
- SEP holder must not refuse to license an infringer that is willing to take a license
- Overall assessment of the conduct of both parties in the license negotiations
- License offers part of the overall assessment

II. SEP CASE LAW DEVELOPMENT

Case Law in Germany after FCJ *FRAND-Einwand*



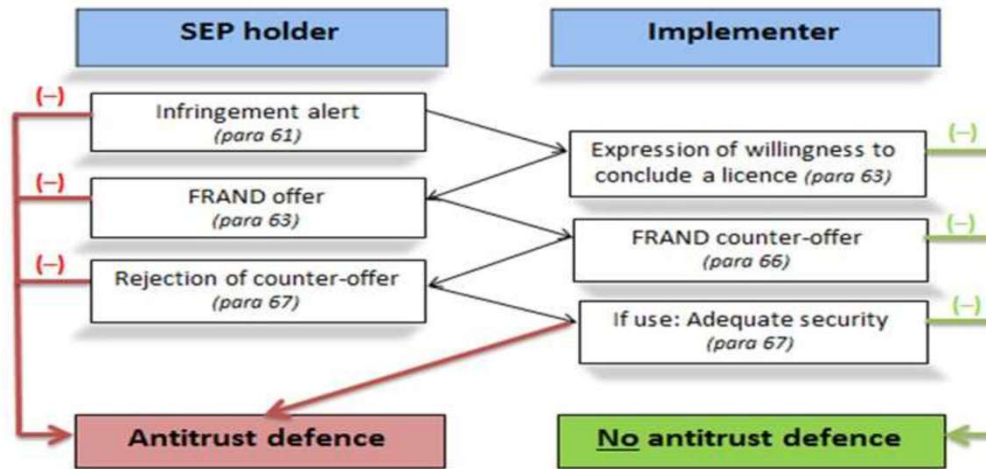
- Munich continued patentee-friendly approach
 - Full focus on the infringer's willingness
- Düsseldorf continued to be more balanced
 - General / specific willingness of the infringer
 - Specific willingness only assessed after assessment of the SEP owner's license offer
- Mannheim inconsistent between the two chambers
 - 2nd Chamber more like Munich, but at least summary assessment of the SEP owner's license offer
 - 7th Chamber more like Düsseldorf
- **Only one (1) known successful FRAND objection since 2020**

II. SEP CASE LAW DEVELOPMENT

European Commission: *Amicus curiae* brief (2024)



- „Huawei steps“ must be assessed strictly sequentially
- Both parties must fulfill all of their obligations before the infringement action starts
- If one party fails one obligation, it „loses“



II. SEP CASE LAW DEVELOPMENT

Higher Regional Court Munich: *VoiceAge vs. HMD* (2025)



- No strict sequential assessment of the „Huawei steps“
- Parties' negotiation activities during the infringement proceedings can be considered
- Infringement notification and declaration of willingness to take a license almost irrelevant
- Assessment of SEP owner's license offer only if the infringer provides counteroffer, renders account and provides security
 - Security must cover the SEP owner's last offer
 - Infringer must commit accepting SEP owner's offer if it is FRAND
- If SEP owner's offer is FRAND, infringer must take license or is enjoined
- If SEP owner's offer is not FRAND, no injunction

II. SEP CASE LAW DEVELOPMENT

UPC Local Division Mannheim: *Panasonic vs. OPPO* (2024)



1. Infringement notice

- Insufficient: reference to webpage without readily accessible information re patent in suit
- Not necessary: identification of patent in first letter (≠ EC amicus curiae)
- Certainly sufficient: Claim charts



2. Willingness to take FRAND license

- Consideration of current and later circumstances
- Both parties have to work towards license agreement (≠ EC amicus curiae)
- License offer must be considered (≠ DC Munich)
- Implementer must respond to license offer



3. License offer

- Complete agreement not required
- Explanation why offer is FRAND
- Depth depends on specific case
- Disclosure of 3rd party licenses not always required



4. Constructive Response

- Implementer must analyse offer, voice concerns, counter proposal, technical discussions
- Complaints during proceedings too late
- Sales data must be disclosed
- Provide security

II. SEP CASE LAW DEVELOPMENT

UPC Local Division Munich: *Huawei vs. Netgear* (2024)



- No strict sequential assessment of the „Huawei steps“
- Focus on infringer's willingness to take a license
- If infringer does not provide security, then no FRAND objection

II. SEP CASE LAW DEVELOPMENT

United Kingdom



- Different approach: Determination of global FRAND rates
 - Unwired Planet vs. Huawei
 - Apple vs. Optis
 - InterDigital vs. Lenovo
- Rates rather implementer-friendly
- Court may grant interim license
 - Panasonic vs. Xiaomi

II. SEP CASE LAW DEVELOPMENT

China



- Global FRAND rate-setting proceedings available
- Nokia vs. OPPO
 - Confirmed international jurisdiction
 - Rates substantially below Nokia's ask of \$ 3.27

PRC + „R2-Countries“	„R1-Countries“
4G : \$ 0.477	4G: \$ 0.777
5G: \$ 0.707	5G: 1.151

III. Tipps and Tricks

b.

IP Academy - FRAND
objection
5/22/2025

Slide 24

III. TIPPS AND TRICKS

For the SEP Owner



- Complaint first for information/rendering of accounts, subsequently extended to include injunctive relief and recall
 - Might not work at the UPC (LD Munich, Ericsson vs. Motorola)
- Infringement notice with selected claim charts
- Provide a complete license offer at an early stage
- Substantiate royalties on existing license agreements, explain calculation
- Contest the dominant market position

III. TIPPS AND TRICKS

For the Implementer



- Always react, do not use dilatory tactics
- Identify specific terms that are not FRAND as early as possible
- Respond to license offer with counteroffer, explain deviations
- Counteroffer in accordance with Section 315 German Civil Code
- Render accounts and provide security
- Do not rely on the FRAND objection

IV. Summary and Outlook

ᵇ.

IV. SUMMARY AND OUTLOOK

Summary and Outlook



- Successful FRAND objection difficult, especially if SEP owner has an established licensing practice
- Further case law alignment expected with UPC Court of Appeal decisions and potentially new FCJ decision in Germany
- But: Each new case will bring up new questions
- Unclear how European Commission will respond to the rejection of their interpretation
- EU SEP Regulation?



Thank you!

BARDEHLE PAGENBERG
Partnerschaft mbB
Prinzregentenplatz 7
81675 München

Patent Litigation Firm of the Year in Germany 2024 – IAM Global IP Awards
Patent Disputes Firm of the Year in Germany 2024 – Managing IP
Best IP Advisor DACH 2024 – Leaders League
Law Firm of the Year for Patents in Germany 2023 – JUVE
Best Lawyers for Intellectual Property Law – Best Lawyers® and Handelsblatt
Europe's Leading Patent Law Firms 2024 – Financial Times
TOP-KANZLEI Patentrecht 2024 – WirtschaftsWoche



BARDEHLE
PAGENBERG

Impact.
Passion.
IP.



bardehle.com