



„Are Patents merely Paper Tigers?

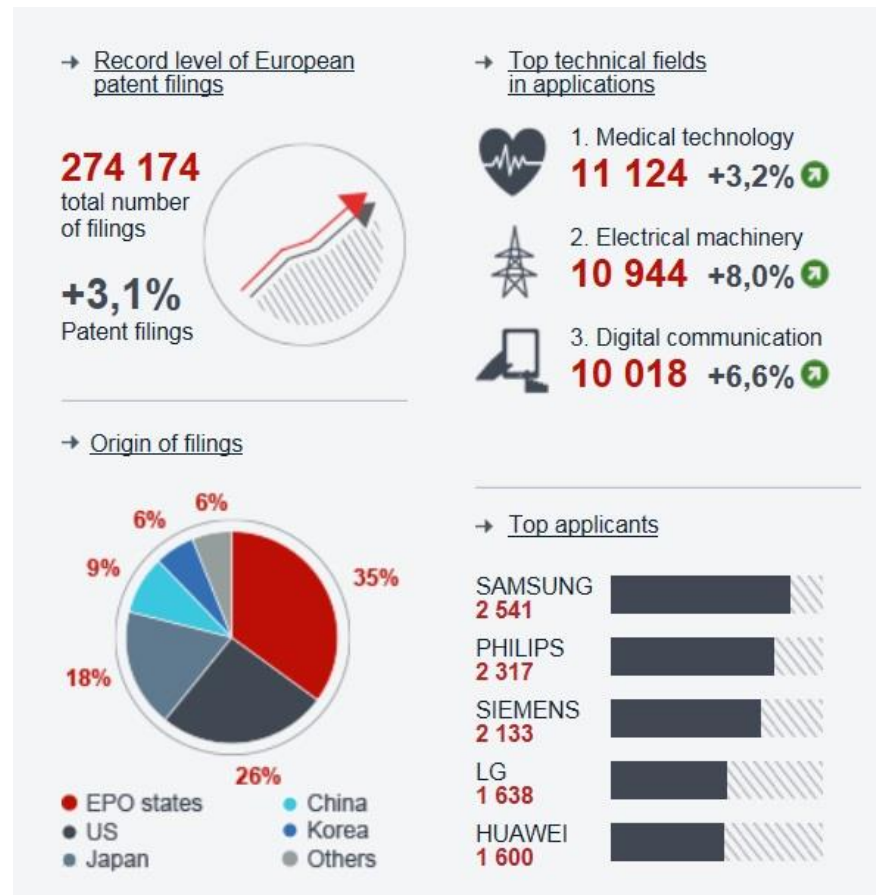
BARDEHLE
PAGENBERG

Seminar on December 12, 2015
Peter K. Hess, Managing Partner

I. Introduction

b.

1. Patents are increasingly popular:



See <http://www.epo.org/about-us/annual-reports-statistics/annual-report/2014.html>

I. Introduction



2. Patent applicants/proprietors

- **Invest in R&D**, what is particularly important for industrialized countries
- **Disclose their invention** in a workable manner (= „nacharbeitbar“) to the public, propelling generally the technical evolution thereby
- There are **investments in the corresponding new technology** (by patentee & licensees!)
- **Pay fees** to Patent Offices worldwide (and support an „IP industry“)

Why?

They believe that they receive a corresponding protection by obtaining a patent ..

Do they?

I. Introduction



3. „Observations“:

- **The successful defense of a patent in a nullification procedure appears to be rather the exception than the rule.**
- **The tendency of nullifying patents is apparently even increasing –starting from a high level), particularly as far as hightech patents (software & telecom), are concerned.**
- **There are only a very few publications on the issue, basically only the official statistics of the courts.**
- **Conclusions are drawn only hesitantly, see *Kühnen/Claessen*, “Die Durchsetzung von Patenten in der EU ...”, GRUR 2013, 592, 595**
- **There is only one basic past (1963-1971) investigation on the issue by Lidel („Das deutsche Patentnichtigkeitsverfahren“, Köln 1979):**

II. Historical Situation (1963 – 1971), Liedel



A) Federal Patent Court (1963-1971)

Decision:	invalid	part. invalid	valid	sum
Number:	55	30	35	(120)
%:	45,8	25	29,2	(100)

II. Historical Situation (1963 – 1971), Liedel



B) Federal Supreme Court

Decision:	Invalid	Part. invalid	valid	sum
Number:	58	29	35	(122)
%:	47,5	23,8	28,7	(100)

II. Historical Situation (1963 – 1971), Liedel



1. Result:

The (partial) nullification rate at the Federal Patent Court and the German Supreme Court was between 1963 and 1971 **higher than 70%**

2. Explanations:

- The established examination capacity of the German Patent Office was not yet recaptured yet (World War II)
- For this reason, the German lawmaker suspended the examination of patents from 1949. The examination was re-introduced only later for patent applications filed after 1952.
- Nullification procedures only filed for about 1% of all patents= the other 99% are valid ...

III. The investigation (2010 – 2013)



1. The numbers:

A) Federal Patent Court

Decision:	invalid	part. invalid	valid	sum
Number:	171	139	82	(392)
%:	43,62	35,46	20,92	(100)

III. The investigation (2010 – 2013)



A) Federal Patent Court (S/T Patents)

Decision:	invalid	part. invalid	valid	sum
Number:	83	43	17	(143)
%:	58,04	30,07	11,89	(100)

III. The investigation (2010 – 2013)



B) Federal Supreme Court (X. and Xa. Senate)

No. of appeal procedures	Amending judgements	Confirming judgements
173	71	102
100%	41,04	58,96

III. The investigation (2010 – 2013)



B) Federal Supreme Court (amending decisions)

Amend. decisions	invalid	partially invalid	partially restored	restored	referred back to BPatG
72	8	12	38	9	5
100	11,11	16,67	52,78	12,50	6,94

III. The investigation (2010 – 2013)



2. Summary:

Remark:

The term „nullification rates” as used below **include judgments which nullify/revoke patents partially and as a whole.**

This choice of “negative terminology” (from the viewpoint of the patent proprietor) reflects that in cases of merely restricted maintenance of the patent, there are often, if not regularly, problems concerning the infringement question which may lead to the dismissal of the infringement complaint, see also *Kühnen/Claessen* ...

For the same reason, partial restorations (by the Supreme Court) are included, since, also in this case, the patent remains partially invalid.

III. The investigation (2010 – 2013)



The above figures presented in detail can be summarized as follows:

- The nullification rate of all Senates of the German Federal Patent Court is **79.08%** in total.
- The nullification rate the German Federal Patent Court regarding S/T patents which are (currently) of particular relevance from an economic point of view is **88.11%**.
- The nullification rate of the German Supreme Court regarding confirming judgments is **75.25%**
- The nullification rate of the German Supreme Court regarding amending judgments is **80.56%**.
- The destruction rate of the German Federal Court of Justice regarding confirming judgments concerning S/T patents is **79.41%**.

III. The investigation (2010 – 2013)



- The nullification rate of the German Supreme Court regarding amending judgments concerning S/T patents is **73.34%**.
- The German Supreme Court confirmed approx. **60 %** of the judgments of the German Federal Patent Court, and has amended approx. **40 %** of the judgments of the German Federal Patent Court.
- About **2/3** of the amending judgments of the German Supreme Court are in favor of the patent proprietor.
- The main reason for invalidity at the German Federal Patent Court is “lacking patentability” (**75%** of the cases), followed by “Miscellaneous” (almost **12%**), inadmissible extension (almost **11%**), and lacking enablement (approx. **2%**).
- A significant difference in the destruction rate of German patents as compared to the destruction rate of German parts of European patents cannot be recognized; in fact, the rates are nearly identical.

III. The investigation (2010 – 2013)



3. Reasons?

There are in principle 3 different reasons allocatable:

- a. „Mistakes“ made by the Examiner („overlooked“ a certain embodiment in a considered document), see also „unallowed extension“
- b. „New Prior Art“, e.g. prior public use, nullification plaintiff as expert knows the prior art better than the examiner, and has „better“ research possibilities
- c. Other (higher) standard on patentability applied by Federal Patent Court, as compared to Patent Examiner

Thank you?