

Recent Developments in SEP-Related Case-Law in Germany (DE)

Heinz Goddar

Boehmert & Boehmert

The Future of SEP Litigation in DE/EP

- On November 26, 2020, the Düsseldorf Regional Court („Landgericht Düsseldorf“) has stayed an SEP-related patent litigation procedure by Nokia (plaintiff) against Daimler (defendant), serial no. 4c O 17/19, and referred a catalogue of questions to the European Union Court of Justice (EUCJ).
- The questions referred to the EUCJ according to the decision of the Düsseldorf Regional Court of Nov. 26, 2020, should be answered/decided by EUCJ before the Düsseldorf Litigation Case 4c O 17/19 would go forward.
- By the referral of Nov. 26, 2020, the Düsseldorf Regional Court has followed a recommendation of the German Federal Cartel Agency (FCA), i.e. the „Bundeskartellamt“, of June 22, 2020, to all German courts presently handling SEP-related patent litigation cases and to refer a catalogue of questions to the EUCJ.
- The recommendation of BKA first had been more or less ignored by several patent dispute regional courts in Germany, like at Munich.

Catalogue of Questions recommended by BKA to be put by German Patent Litigation Courts to EUCJ

- 1. Does it constitute an abuse of a dominant position under EU competition law to pursue injunctive relief against an end-product maker while refusing to fully license its suppliers?
- 2. Is an SEP holder "entirely free" to choose the target of an infringement action regardless of its position in the supply chain?
- 3. Third question outlines specific cases in which BKA is inclined to believe that suppliers are entitled to a license.
- 4. The fourth and final question raises the issue of whether SEP holders are free to offer a license only to a particular level of the supply chain.
- BKA's proposal of June 22, 2020, apparently at that time already based on consultation with the EU Commission, pointed to a forthcoming principle to establish that FRAND obligation means that FRAND-obliged SEP-owners are bound to offer/grant FRAND licenses to all kinds of implementers in the supply chain.

Bullet Points of Referral of Questions by Düsseldorf Court to EUCJ - I -

- 1. Is the owner of an SEP obliged to grant, under FRAND conditions, a license to each and every entity in a supply chain, which would e.g. enable the manufacturer/supplier of a chip or other component high-up in the supply chain to manufacture a component under the license and then to sell that license to customers "lower" or even at the end of the supply chain, like a car manufacturer?
 - ◆ In other words, is the SEP holder under FRAND conditions obliged to „License-To-All“ („LTA-principle“)?
 - ◆ Or is the FRAND-obliged SEP holder only obliged to give „Access-To-All“ („ATA-principle“)?

Bullet Points of Referral of Questions by Düsseldorf Court to EUCJ - II -

- 2. Is question 1. particularly to be answered in favor of the entity asking for a license "high-up in the supply chain" particularly entitled to get such a license if in the respective industry it is customary that suppliers deliver the components made by them to entities lower in the supply chain, like to end-users patent-free, i.e. with the warranty that no patents of third parties are infringed?
- 3. Do have FRAND negotiations conducted with a sequence of steps as requested by Huawei ./ ZTE of EUCJ (of July 16, 2015, C-1 70/13) to take place before a court procedure is started by the SEP owner against the SEP user, or can any steps that have not been properly dealt with before the court procedure still be taken by the parties involved during the litigation?
- 4. Is the SEP user only to be considered as a "willing licensee" if the licensee has made clear that under all and any circumstances the SEP user is willing to take a license under FRAND conditions, whatever they might be?
- 5. Is it to be assumed that an infringing user which for several months does not react towards the patent warning of the SEP owner factually is not willing to take a license, so that injunctive request of the SEP owner would be justified?
- 6. Is a counter-offer of the SEP user (following the sequence requested by Huawei ./ ZTE) to be checked for FRAND-conformity at all without beforehand or simultaneously checking the question as to whether the initial FRAND offer of the patentee is in conformity with FRAND conditions?

Reducing/Removing “Injunction Gap” in

- On October 28, 2020, the German Federal Cabinet, upon proposal of German Federal Ministry of Justice (“BMJV”), has sent draft 2nd Patent Law Modernization Act to German parliament for starting ratification procedure
- The injunction gap, i.e. causing injunctive relief in German patent litigation comparably often achievable without sufficiently testing the validity of the patent in dispute, shall be narrowed/removed
- Term for entering national phase in Germany based on PCT patent application shall be harmonized (i.e. becoming 31 months after earliest priority date, instead of presently 30 months, thereby harmonizing German Patent Act (GPA) with e.g. EPO term of 31 months

Proportionality in Injunctive Relief

- Sec. 139 para. 1, new second sentence GPA is proposed to read: „Der Anspruch ist ausgeschlossen, soweit die Inanspruchnahme aufgrund der besonderen Umstände des Einzelfalls für den Verletzer oder Dritte zu einer unverhältnismäßigen, durch das Ausschließlichkeitsrecht nicht gerechtfertigten Härte führen würde. In diesem Fall kann der Verletzte einen Ausgleich in Geld verlangen, soweit dies angemessen erscheint. Der Schadensersatzanspruch nach Absatz 2 bleibt hiervon unberührt.“
- In English language translation the new second sentence Sec. 139 para. 1 GPA is proposed to read as follows: „The claim shall be excluded to the extent that its assertion would, due to the special circumstances of the individual case, cause disproportionate hardship for the infringer or third parties that is not justified by the exclusive right. In this case the infringed party may request a financial compensation provided that this appears adequate. The damage claim pursuant to para. 2 shall remain unaffected.“

Removal/Reduction of Injunction Gap

- Section 82 para. 3 GPA shall read as follows: „If the response is filed in time, the Patent Court will inform the complainant accordingly. The respondent may provide reasons within two months following the service of the complaint. The Presiding Judge may extend this period for a maximum of one month if the respondent submits relevant reasons for such an extension.“
- Section 83 para. 3 Patent Act shall read as follows: “This notice shall be provided within six months following the service of the complaint. If an infringement procedure is pending, the notice shall be transmitted to the other Court ex officio.”
- Still under discussion: Invalidation Action by defendant in patent litigation may become allowed in DE even during still pending opposition procedure(s) with regard to the patent in dispute (presently excluded in Germany)