

Recent Case Law in German Patent Law



2016



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CONTENT

Foreword.....	2
I. Patent interpretation, patent infringement	3
1. Delineating contributory and direct infringement.....	3
<i>Düsseldorf Upper District Court, judgment of 11.02.2015, I-15 U 39/14 – Primäre Verschlüsselungslogik.....</i>	3
2. Equivalence	5
<i>Federal Court of Justice, judgment of 14.06.2016, X ZR 29/15 – Pemetrexed</i>	5
<i>Federal Court of Justice, judgment of 23.08.2016, X ZR 76/14 – V-förmige Führungsanordnung.....</i>	7
3. Meaning of the dependent claims and deadline for use.....	9
<i>Federal Court of Justice, judgment of 10.05.2016, X ZR 114/13 – Wärmetauscher</i>	9
II. Validity	11
4. Actual disclosure, impermissible broadening, priority	11
<i>Federal Court of Justice, judgment of 15.09.2015, X ZR 112/13 – Teilreflektierende Folie</i>	11
<i>Federal Court of Justice, judgment of 19.07.2016, X ZR 36/14 – Funkrufsystem mit Standortbekanntgabefunktion</i>	13
5. Undisclosed disclaimers	15
<i>Federal Patent Court, court order of 11.09.2015 – 14 W (pat) 30/13 – Kosmetische Zubereitung</i>	15
<i>EPO decision of 17.10.2016, T0437/14 – Complexes of form L2IrX</i>	15
III. Other issues in substantive law	17
6. Standard-essential patents	17
<i>Düsseldorf Upper District Court and District Court, Karlsruhe Upper District Court, Mannheim District Court: various judgments.....</i>	17
7. Usurpation.....	21
<i>Federal Court of Justice, judgment of 20.10.2015, X ZR 149/12 – Kfz-Stahlbauteil.....</i>	21
8. Licensing law	23
<i>ECJ, judgement of 07.07.2016, C-567/14 – Genentech/Hoechst.....</i>	23
9. Liability of a managing director.....	25
<i>Federal Court of Justice, judgment of 15.12.2015, X ZR 30/14 – Glasfasern II.....</i>	25
10. Rights of exploitation in communities of co-inventors	27
<i>Federal Court of Justice, judgment of 27.09.2016, X ZR 163/12 – Beschichtungsverfahren</i>	27
IV. Procedural law	30
11. Late submissions in revocation proceedings.....	30
<i>Federal Court of Justice, judgment of 15.12.2015, X ZR 111/13 – Telekommunikationsverbindung</i>	30
<i>Federal Court of Justice, judgment of 21.06.2016, X ZR 41/14 – Fahrzeugscheibe II.....</i>	30
<i>Federal Court of Justice order of 23.08.2016, X ZR 81/14 – Photokatalytische Titandioxidschicht.....</i>	30
12. Interpretation of requests in revocation proceedings.....	33
<i>Federal Court of Justice, judgement of 13.09.2016, X ZR 64/14 – Datengenerator.....</i>	33
13. Introduction of new grounds for opposition in opposition appeal proceedings	35
<i>Federal Court of Justice, order of 08.11.2016, X ZB 1/16 – Ventileinrichtung.....</i>	35
14. Principles of concentration	37
<i>Düsseldorf Upper District Court, judgment of 17.12.2015, I-2 U 29/10 – Analytisches Testgerät.....</i>	37

FOREWORD

This year's case law review again provides a motley assortment of substantive legal and procedural issues that have been addressed and answered by the patent courts in Germany.

Contributory infringement and defining the extent of protection conferred by the doctrine of equivalents are perennials, so it should come as no surprise that case law in those areas has made further progress this year as well.

With regard to validity, attention remains focused on 'disclosure' issues. The dispute between the two courts for validity proceedings, the Federal Court of Justice and the Federal Patent Court, has calmed down somewhat, and we are now seeing more and more judgments from the Federal Patent Court that include its own patent interpretation arguments. Questions of detail that require clarification are raised again and again, nevertheless. One focus of last year's review was on non-disclosed disclaimers.

More than ten years after the *Gummielastische Masse II* judgment, the Federal Court of Justice has finally ruled again on rights of exploitation in communities of co-inventors. One case in particular stands out when it comes to the new procedural law for revocation actions, namely one in which auxiliary requests submitted late by the patent proprietor were dismissed for the first time ever.

All in all, however, the year was dominated (also from our personal perspective) by a whole series of judgments in which the Mannheim/Karlsruhe and Düsseldorf infringement courts endeavoured to apply the Huawei vs. ZTE judgment handed down by the European Court of Justice. You can read our summary in Section 6 of this case law review. It should go without saying that we can only briefly throw a spotlight on the situation as it currently stands. The debate is ongoing and ever-changing, so further developments can only be awaited with enormous anticipation.

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EISENFÜHR SPEISER

I. PATENT INTERPRETATION, PATENT INFRINGEMENT

1. Delineating contributory and direct infringement

Düsseldorf Upper District Court, judgment of 11.02.2015, I-15 U 39/14 – Primäre Verschlüsselungslogik

BACKGROUND

Distinguishing between contributory or indirect infringement and direct infringement continually raises some difficult issues. As a basic principle, direct infringement requires that all the features of the claim be used. If one or more features are not used, then contributory infringement is the most that can be considered.

However, exceptions and additions to these clear principles have been elaborated again and again in case law and can make it much more difficult to draw a distinction in given cases. It is generally accepted, for example, that a claim is directly infringed even when a product does not use all its features, but the person who sells that product is well aware that his customers will add the missing features. Actions by his customers can thus be attributed to the seller as his own actions, which then result in direct infringement when combined with the seller's own actions.

In one decision handed down in 2015 but published only recently, the Düsseldorf Upper District Court had to consider the question of when such attribution of third-party acts is possible, and when not.

The Düsseldorf Upper District Court decision centred on set-top boxes that are used to receive and decode television signals. The defendant sold devices which, in addition to the usual operating system, also contained (on delivery) a special program library with the aid of which it was possible to (illegally) decrypt specially encrypted television signals, for example of pay-TV broadcasting stations. However, the program library was not active on delivery, and first had to be activated by the final customer, instead. This required at least rudimentary IT skills.

This program library was crucial for infringement of the patent in suit, because a number of features in the patented method claim for decoding television signals could only be used by drawing on the library. The core issue was therefore whether the defendant must accept responsibility when its customers implement the software that is pre-installed on the set-top boxes.

DECISION

After the Düsseldorf District Court had granted the plaintiff's claims in large measure, the Upper District Court set that judgment aside and dismissed the action in its entirety.

There was no direct infringement, in the view of the Upper District Court. Although such infringement must be assumed when the accused device is able to achieve the characteristics and effects according to the patent,

on account of its objective design, that was not the case here, in the view of the appeal court (in contrast to the view taken by the District Court). With the factory defaults, namely, the devices did not implement the program library that was crucial for using the patent.

Nor could subsequent activation of the program library be ascribed to the defendant. Direct infringement can be assumed in the case of a combination patent, by way of

exception, when a third party first has to add an ingredient that then results in the protected combination – but only when the extra ingredient is a trivial element that is of no significance for the patented teaching.

The Upper District Court doubts that the program library can qualify as an 'insignificant ingredient', because it embodies features that are essential to the inventive concept. Above all, however, the court went on, it was not possible to establish with the necessary certainty that the end-users will activate the program library in the first place, and by doing so implement the patented invention, because such activation requires 'rudimentary IT skills' that an average consumer does not have. Moreover, the devices could also be used free of problems without involving the library in question, so there was basically no reason for the end-user to activate it.

There is no contributory infringement, either, in the view of the Upper District Court. Only if it can be expected with sufficient certainty that the consumers of a product will actually use it in a patent-infringing manner can such contributory infringement be acknowledged in the case of objects that can also be used 'patent-free', i.e. in a non-infringing manner. The appeal court does not consider these conditions to be met in this case. The plaintiff did not show sufficiently that the final customers were aware of the possibility of activating the program library and thus performing the decryption method according to the patent.

ASSESSMENT

The Upper District Court decision deserves approval, even if the 'gut reaction' is to find it rather dubious at first. After all, the defendant had stored software on its devices which can be used to decrypt television signals that were specially encrypted. At first sight, this indicates that the defendant was assuming that the final customers would also exploit that opportunity.

However, that cannot substantiate any direct infringement of the patent, even if the defendant had actually acted with such expectations. The interference with the software that is necessary to activate the program library cannot be seen as a 'trivial ingredient'. Even though the relevant technical capabilities were provided on the devices, and did not need to be 'added', strictly speaking, a relatively complicated activation process was nevertheless required. The present case thus differs significantly from constellations in which addition of the missing features is a triviality – for example when a side mirror for a car is sold and it is subsequently combined with the (missing) vehicle.

The failure to assert contributory infringement was ultimately due less to legal aspects, but to the fact that the plaintiff had been unable to prove that buyers of the devices do in fact activate the software. Given that the plaintiff had failed to present such evidence, the court could not establish that any contributory infringement had been committed at all, and that this was foreseeable for the defendant, with a degree of certainty.

In other words, if the plaintiff had presented further facts and evidence, he may well have achieved the judgment he sought. This might also be the consolation for those whose sense of justice is disappointed and who are worried that the actual causer of the (subsequent) patent infringement is escaping scot-free. This shows once again that contributory patent infringement is a complicated matter and requires a challenging amount of substantiation from the plaintiff. (Müller)

2. Equivalence

Last year, the Federal Court of Justice handed down two decisions on equivalent patent infringement which go to show that there is indeed some 'life in the old dog yet'. Attempts are still being made, quite obviously, to attack forms of infringement that lie beyond the literal extent of protection conferred by a claim – and although established case law in recent years has applied very strict criteria for equivalent patent infringement, not all of these attacks are unsuccessful.

The Federal Court of Justice decisions cannot be understood as a change in direction, never mind a reversal of previous precedents. However, they do show that equivalent patent infringement is by no means dead, but a line of attack that must always be taken into account.

Federal Court of Justice, judgment of 14.06.2016, X ZR 29/15 – Pemetrexed

BACKGROUND

The *Pemetrexed* decision must be viewed in the context of the judgments handed down by the Federal Court of Justice in the *Okklusionsvorrichtung* and *Diglycidverbindung* cases.

In the *Okklusionsvorrichtung* case, the Federal Court of Justice initially ruled that equivalent infringement is out of the question if several embodiments are described in the patent, but only one of them is claimed.

Use of embodiments for which no protection is claimed cannot substantiate an equivalent infringement due to the selective decision made by the patent proprietor. This view was then upheld in the *Diglycidverbindung* judgment that was handed down soon afterwards. In the latter, the Federal Court of Justice affirmed such a selective decision, even in a case where embodiments not included in the claim were disclosed in the prior art cited in the patent, not in the description itself.

DECISION

The patent sued upon in this case related to the use of pemetrexed disodium in combination with vitamin B12 for inhibiting tumour growth in mammals. The action filed by the patent proprietor was aimed at preventing sales of a drug containing pemetrexed dipotassium as active agent. Pemetrexed disodium and pemetrexed dipotassium both belong to the group of antifolates, which are explicitly mentioned in the description and assessed as antineoplastic agents (i.e. active against tumours). The patent in suit mentions five different substances as examples of antifolates, including pemetrexed disodium, the substance mentioned in the claim. Pemetrexed dipotassium is not mentioned in the patent specification.

The Upper District Court in Düsseldorf denied any equivalent infringement by pemetrexed dipotassium of the claim relating to pemetrexed disodium, arguing that the

patent proprietor had limited the claim to an example of antifolates mentioned in the patent specification and must now keep to that specification. An equivalent infringement by another antifolate was out of the question, it ruled.

The Federal Court of Justice disagrees with that view in its judgment and uses the present case to be more specific about the established precedent referred to above.

The Federal Court of Justice begins by noting that naming the generic term 'antifolates' does not result in the patent specification disclosing all the substances belonging to that group to a person skilled in the art. The fact that the claim relates to a particular antifolate, namely pemetrexed disodium, does not constitute a selective decision in respect of other antifolates which are not explicitly mentioned in the patent.

However, a different principle would apply in a particular case if the claim were limited in the granting procedure to a particular substance from a larger group of substances, in order to delineate the invention from the prior art. This was not such a case, however, although the application as initially filed related to the use of any antifolate and was subsequently limited to pemetrexed disodium. In the view of the Federal Court of Justice, that limitation was not made in order to delineate the

invention from the prior art, but for formal reasons that were not relevant for the question of equivalent infringement. If the patent proprietor limits a claim to a particular substance for the sake of clarity or to avoid any impermissible broadening, then that cannot be construed as a selective decision in respect of another embodiment that no longer falls under the wording after the limitation has been applied.

ASSESSMENT

The Federal Court of Justice judgment provides further indications, exceptionally valuable for practitioners, for assessing equivalent patent infringement, and some important orientation in a field that is characterised by evaluation issues and the imponderables these entail.

It is noteworthy, first of all, that claiming a specific substance from a group of substances does not fundamentally preclude equivalent infringement by other substances from that group which are not claimed. This is congruent with the established legal practice of the Federal Court of Justice on the question of novelty, according to which a generic term does not disclose, *ipso jure*, the specific embodiments that come under it to a person skilled in the art. This parallel drawn by the court provides the consistency that is needed between infringement proceedings and validity proceedings, and for that reason is to be welcomed.

The Federal Court of Justice also draws this parallel with the validity of the patent in the rest of its analysis, when

it states that a limitation applied during the granting procedure can be seen as a selective decision only when its purpose is to delineate the claim from the prior art. By making a distinction between limitation of a claim in order to delineate it from the prior art, on the one hand, and to remedy formal deficiencies, on the other, the concept of the disclosure of alternative embodiments is maintained: when delineating a claim from the prior art, the applicant deliberately excludes prior art embodiments from the extent of protection conferred by his patent. The alternative solutions disclosed in the prior art are therefore waived. The situation is different when claims are limited for formal reasons. In such cases, the extent of protection is not deliberately limited to exclude a solution that is already known, but purely to remedy a formal deficiency, which cannot be seen as waiving a particular embodiment. (Müller)

Federal Court of Justice, judgment of 23.08.2016, X ZR 76/14 – V-förmige Führungsanordnung

BACKGROUND

The question of when the patent proprietor has made a 'selective decision' (which then usually means that a non-selected embodiment cannot be attacked under the

doctrine of equivalents) is also addressed in this Federal Court of Justice ruling.

DECISION

The patent in suit in this case claimed protection for a replaceable spare part, for example for agricultural machinery, and related in particular to the configuration of the connection between the wearing part and the working tool. According to the patent, the wearing part was to be received by V-shaped guide formations for preventing relative rotation of the wearing part about its own axis.

The guide formation of the accused machine was U-shaped, in contrast.

The Düsseldorf District Court and Upper District Court had therefore dismissed the action brought by the patent proprietor, not only on the grounds that a U-shaped guide formation is not only qualitatively poorer than a V-shaped one, but also because the patent proprietor had made a selective decision in favour of the V shape. In its grounds for judgment, the Upper District Court cited the B1 patent specification that was amended in opposition proceedings, and where it was stated that other cross-sectional shapes may be used to prevent undesired rotation about the longitudinal axis. Since only a V-shaped guide formation was claimed in the patent in suit, in contrast, this was to be understood as a selective decision and a confinement to that particular shape.

The Federal Court of Justice disagrees in its decision with this assessment by the Upper District Court: the Upper District Court did not specify whether the accused product had the same effect and could be discovered. For that reason, these two requirements for equivalent patent infringement were assumed to be met, in the appeal on points of law, and in its grounds for judgment the Federal Court of Justice directly

addresses the issue of whether the thoughts of a skilled person, by which he recognises the equivalence, are based on the claim in such a way that they are also manifestly equivalent.

The assessment made by the Upper District Court, namely that this is not the case, was rejected as erroneous by the Federal Court of Justice.

The court firstly criticises the comparison made by the Upper District Court between the claimed V-shape and a U-shape used by the accused product. There is no support in the patent specification for that contrast, because a U-shaped cross-section is not mentioned anywhere in the patent in suit. The only relevant criterion, according to the Federal Court of Justice, is what a skilled person can find, as such and in the context of the teaching of the patent, regarding modification of the claimed V-shaped guide formation.

The court goes on to argue that confining the claim to a V-shaped guide formation cannot substantiate the argument that the patent proprietor had realised (or could have realised) that replacement means are conceivable for that feature. The definition provided by the patent proprietor in the claims does not specify either positively or negatively whether a particular replacement means is seen by a skilled person as equivalent.

The Federal Court of Justice also rejects the view taken by the court of appeal that the amendment of the description in the patent as granted, compared to the B1 specification, is a selective decision. The court rules that deleting a paragraph in the description, according to which cross-sectional shapes other than the claimed

V-shaped cross-section are possible, does not constitute such a selective decision on the part of the patent proprietor. The simple reason why no such decision

exists is because the deleted paragraph does not disclose the U-shaped variant, either.

ASSESSMENT

With this decision, the Federal Court of Justice has specified further important guidelines concerning the scope of equivalent patent infringement. The judgment firstly emphasises that assessing whether a particular modification must be deemed to have an equivalent effect cannot be done by comparing the modification with the wording of the claim. The only relevant criterion, rather, is the patent specification, and whether, for a person skilled in the art, the modified variant is obvious as an equivalent from the patent specification.

Furthermore, this judgment also specifies the limits of case law regarding selective decisions by the patent

proprietor. Deleting a disclaimer, according to which embodiments other than the claimed preferred embodiment are conceivable, does not result in such other embodiments no longer constituting equivalent forms of infringement. That principle applies in any case whenever the passage deleted from the description does not name any specific alternatives, since no decision would then be made between two technical solutions. (Müller)

3. Meaning of the dependent claims and deadline for use

Federal Court of Justice, judgment of 10.05.2016, X ZR 114/13 – Wärmetauscher

BACKGROUND

In the *Wärmetauscher* decision presented here, the Federal Court of Justice concerned itself (for the first time in patent matters) with the issue of limits to the entitlement to injunctive relief. The decision specifies whether and under which conditions the patent infringer must be given a deadline by which to use up a product.

Whereas a deadline for use is conceivable for reasons of good faith (Section 242 of the German Civil Code (BGB)), according to the established legal practice of the Federal Court of Justice in competition disputes, a supreme court ruling on the extent to which a deadline for use can also be granted in the case of a patent infringement had not been issued hitherto. However, the topic has been much discussed in the patent law literature. Scope for granting

a deadline for use, by way of exception, has been seen, for example, when the object of infringement relates only to a small but functionally essential component of a technically complex apparatus and cannot be replaced within a reasonable period by a patent-free or licensable product. Others have fundamentally argued for strict criteria to be applied, taking the type and extent of the infringer's culpability, the behaviour of the patent beneficiary, and the business impacts.

The present judgment is also informative with regard to the interpretation of claims. It is one of the rare decisions in which equivalent patent infringement could be successfully argued.

DECISION

A non-practising entity had sued companies in the automotive industry for patent infringement. The subject-matter of the patent in suit (DE 196 54 370) was a heating system for cabriolet cars, which was designed as an additional heater with a separate heat exchanger and in which air nozzles were provided in the backrest region to feed warm air to the head, neck and shoulder areas of the vehicle occupants. This 'cabriolet heating' technology is also called an 'airscarf'.

One aspect of the dispute initially revolved around whether the accused product has a heat exchanger within the meaning of claim 1 of the patent in suit. The court of appeal had negated both literal and equivalent patent infringement – referring in particular to a dependent claim that led to an interpretation of a heat exchanger within the meaning of claim 1 which did not cover the accused product.

The Federal Court of Justice has now opposed that view, arguing that a dependent claim cannot contribute, on principle, towards correct interpretation of the main claim.

However, it should be noted that dependent claims generally do not narrow down the subject-matter of the main claim, but merely show ways of embodying it and to that extent perform a function similar to embodiments that show an additional advantage. Another factor in the case under consideration, according to the Federal Court of Justice, is that the language usage in respect of the 'heat exchanger' is inconsistent, and that there may even be a literal infringement. However, it was not necessary to rule conclusively on that aspect, because in the view of the Federal Court of Justice, the conditions for equivalent infringement were met anyhow, even when the expression 'heat exchanger' is interpreted more narrowly.

Accordingly, the Federal Court of Justice now had to concern itself with the deadline for use claimed by the defendant as a precaution. In a first step, the Federal Court of Justice draws a distinction between trademark law and competition law.

In trademark law, lawfully produced goods, as such, bore signs that infringed trademark rights. Just as in competi-

tion law, therefore, the purpose of the deadline for use was to bridge the period needed for conversion and removal. This may be necessary in a given case (namely under trademark law) if immediate enforcement of the prohibitory injunction would be in bad faith and signify unreasonable hardship for the infringer, unjustified by exclusivity rights, even when the interests of the right holder are taken into consideration.

In contrast, a patent infringement involves a protected product being unlawfully and directly manufactured or placed on the market, or a protected method being used unlawfully. A necessary consequence of the claim to injunctive relief in patent law is therefore that the infringer must stop producing or selling patent-infringing products, and that he cannot place the product on the market again until he has either acquired the necessary rights from the patent proprietor or has modified the product in such a way that it no longer infringes the patent.

International treaties, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), EU regulations, in particular the 'Enforcement Directive', or national British case law on the requirements and limits of claims to injunctive relief, do not support a deadline for use in any mandatory sense.

The Federal Court of Justice comes to the conclusion that the hardships invariably associated with the claim to

injunctive relief must essentially be accepted under patent law. For that reason, a deadline for use is justified only in special exceptional cases, for example when the business repercussions of immediate compliance with the prohibitory injunction would affect and disadvantage the infringer in a given case and due to special circumstances (over and beyond the adverse impacts associated with the purpose of the prohibitory injunction) to an unreasonable extent.

When that criterion is applied, the aspects asserted by the defendants do not justify a deadline for use. Although the infringing object is only a single element of a component (car seat) which is installed in a complex supply item (a motor vehicle), said component is an essential functional component because the heating system is merely a feature of special equipment which does not affect the general availability and usability of the vehicle and the vehicle seat. Moreover, the defendants had not shown that there was no option (or no reasonable option) to license the invention, nor were there any indications that a supply stoppage would have severe economic impacts on the entire business operations of the defendants, not even in a specific segment within their product range. All in all, therefore, there is no legitimate trust in the body of decisions handed down by the courts of instance that negated the patent infringement.

ASSESSMENT

The reasons initially given by the Federal Court of Justice for its ruling against a deadline for use are that trademark and patent infringements are not comparable on this point. The Federal Court of Justice also acknowledges in all clarity that the hardships invariably associated with a prohibitory injunction granted under patent law must be accepted. A supply stoppage for complex items that contain a patent-infringing element is no reason as yet, according to the Federal Court of Justice, for granting a deadline for use, as long as that element is not functionally essential. A limitation of the claim to injunctive relief can only be considered if there are special

circumstances that render an unconditional injunction unacceptable.

The Federal Court of Justice has thus defined very tough criteria regarding the conditions to be met before a possible deadline for use can be set. Given the narrow limits set here by the Federal Court of Justice, it remains to be seen whether any future cases arise in which these exceptional conditions are actually fulfilled. Internationally, the rule of thumb that Germany is the go-to country for prohibitory injunctions still applies, in any case. (Winkelmann)

II. VALIDITY

4. Actual disclosure, impermissible broadening, priority

Federal Court of Justice, judgment of 15.09.2015, X ZR 112/13 – Teilreflektierende Folie

BACKGROUND

The issue concerning disclosure of the claimed subject-matter (be it in the application as originally filed or in the priority document) continually plays a crucial role in assessing the admissibility of subsequent amendments

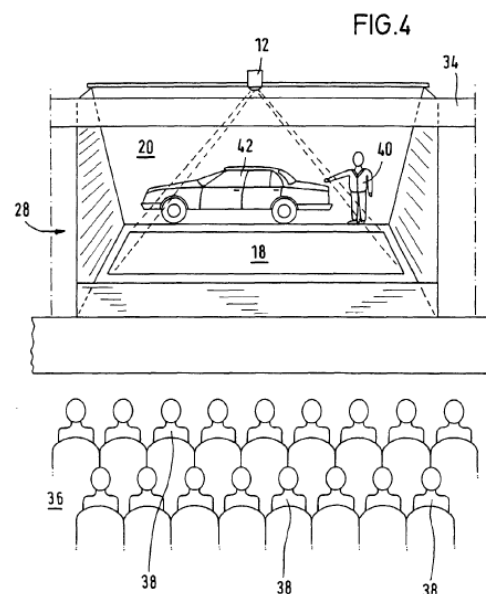
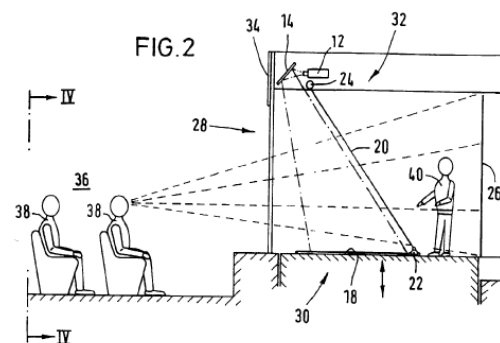
to claims. In the decision presented here, the Federal Court of Justice had to assess two features of the contested patent whose wording could not be found in the application as originally filed or in the priority document.

DECISION

The *Teilreflektierende Folie* judgment relates to the German part of European patent EP 0 799 436, which claims the priority of the German utility model DE 295 15 073. Claim 1 of the patent at issue relates to the use of an image projector, a reflective surface and a smooth, transparent and partially reflecting film having a surface area of at least 3 m by 4 m for displaying images in the background of a stage.

The important aspect in the case under consideration was whether the 'partially reflecting' and 'surface area of at least 3 m by 4 m' features were disclosed in the application as originally filed and in the priority application, and whether the priority of the utility model had been validly claimed.

Neither feature was mentioned in such literal form in the original application, and for the rest, the setup was as follows: in Figures 2 and 4 of the application, the reflecting surface was marked with reference sign 18 and the partially reflecting film with reference sign 20. Light is projected from image projector 12 (via a mirror 14) onto reflecting surface 18 and is then mirrored in partially reflecting film 20 such that a virtual image 26 is created for the viewer on the background of the stage. If the presenter 40 is standing behind reflecting surface 18 and partially reflecting film 20, as shown in Figure 2, presenter 40 can point to details of the image or can move with the images, without interfering with the display of the image (e.g. of a car 42).



In the revocation proceedings, the applicant for revocation had asserted that the subject-matter of claim 1 had been impermissibly broadened and that it also lacked patentability. Since the priority of the utility

model had not been validly claimed, the utility model also had to be considered as prior art.

The Federal Patent Court then revoked the patent. Although the impermissible broadening in respect of the 'partially reflecting' feature was remedied in the proceedings at first instance by adding an additional feature according to which the film reflected 30% to 50% of the incident light (as stated in the original application), the minimum required surface area of 3 m by 4 m was not disclosed in the priority utility model. Since the priority had not been validly claimed in that respect, the claimed subject-matter was obvious from the utility model and therefore not patentable.

The Federal Court of Justice took the opposite view.

It noted, first of all, that the 'partially reflecting' feature did not constitute impermissible broadening compared to the application as originally filed. Although the film was not explicitly described as partially reflecting, either in the description or in the claims, that characteristic of the film was directly and unambiguously evident from the application, in the opinion of the Federal Court of Justice. A person skilled in the art could readily infer that the transparent film was neither totally transparent

(since otherwise the light would simply shine through it and the image would not be visible for the viewer) nor totally reflecting (since otherwise the viewers would not be able to see the presenter behind the film). So the film could only be partially reflecting. In the opinion of the Federal Court of Justice, a person skilled in the art will understand the 30% to 50% reflectance specified in the application merely as an advantageous variant of the general disclosure of a partially reflecting film.

The Federal Court of Justice also takes a positive view, for the patent proprietor, of the specified dimensions of the film. Although the utility model does not include any specific details regarding the size of the film, it does refer very generally to the presentation of films and pictures to viewers. This means that the utility model is not limited to a particular stage size. The Federal Court of Justice also considers the specifically claimed surface area of the film, namely at least 3 m by 4 m, to be disclosed directly and unambiguously in the embodiments shown in Figures 2 and 4. That the size of the film is at least 3 m by 4 m is clearly evident, in the opinion of the Federal Court of Justice, from the ratio of the height of the presenter 40 to the distance between the floor and ceiling of the stage, and from the fact that the film is at a slant.

ASSESSMENT

Both of the features at issue here, 'partially reflecting' and 'at least 3 m by 4 m', were not literally disclosed – yet the Federal Court of Justice considered both features to be disclosed in the earlier application or priority document. This stance by the Federal Court of

Justice must be welcomed. With this ruling, the Federal Court of Justice has shown once again that the question of disclosure is not 'glued' to the wording of the earlier application, but depends, rather, on the technical understanding of a person skilled in the art. (Winkelmann)

Federal Court of Justice, judgment of 19.07.2016, X ZR 36/14 – Funkrufsystem mit Standortbekanntgabefunktion

BACKGROUND

As in the decision presented above, the Federal Court of Justice had another opportunity in the case under consideration here to clarify its position on the issue of original disclosure. In doing so, the Federal Court of Justice addresses a whole series of different objections regarding possible instances of impermissible broadening. In the following, we present the criteria applied by the Federal Court of Justice with reference to selected examples.

In the final analysis, the Federal Patent Court set aside the revocation based on impermissible broadening and

referred the matter back to the Federal Patent Court for examination of patentability. The Federal Court of Justice used this opportunity to draw attention once again to the basic concept behind the reformed patent revocation proceedings, in which patentability is initially assessed by Patent Court courts having technical expertise, and the matter is to be referred back if such an assessment has not been carried out by the Federal Patent Court (on this point, see also our discussion of the **Bitratenreduktion** judgment on pp. 35 f. of our 2015 Case Law Review).

DECISION

In the case of the contested patent in question here (EP 1 133 827 - *Funkrufsystem mit Standortbekanntgabefunktion*), the Federal Patent Court had seen impermissible broadening in the simple fact that a feature of the claim was directed, according to its wording, at *users* and not – as in the description – at *callers*. However, the Federal Court of Justice has now ruled that, from the outset and as indicated by the overall context of the disclosure, only *callers* were meant, and that there was merely an editorial error that a reader must correct. As in the **Rotorelemente** judgment (Federal Court of Justice, judgment of 12.05.2015, case no. X ZR 43/13, see also our discussion on pp. 19 f. of our 2015 Case Law Review), to which reference is explicitly made, such an error had to be corrected and did not result in the patent being revoked.

Another question raised by the disclosure was whether the subject-matter of claim 1 admissibly relates to a

‘paging communication system’ rather than to a ‘satellite paging communication system’ as mentioned in the description. In that regard, the Federal Court of Justice emphasises the basic intention of an applicant for a patent: the applicant would like to see the actual disclosure of his application registered in unshortened form, wishes to obtain the broadest possible protection and for that reason does not want to limit the invention to the embodiments described. In the opinion of the Federal Court of Justice, it was clearly not the aim of the inventor in the application under consideration to acquire patent protection only for very specific radio paging systems for message transmission, such as space satellites or land-based facilities. The inventor’s interest, rather, was to include radio paging systems in a general form as the basis for the invention. That feature, too, was therefore considered admissible.

ASSESSMENT

The position of applicants and proprietors is strengthened in several respects by this decision also. Editorial errors in the original patent specification which are clearly identifiable as such are not interpreted by the Federal Court of Justice to the disadvantage of the applicant or proprietor. The Federal Court of Justice also takes into consideration a 'typified' intention of the inventor or applicant, according to which the invention is not to be reduced by the application as filed to particular embodiments (at the time of the application, in any case!). One can say that the application is received as a declaration of intention that is amenable to interpretation.

If a patent is to be attacked for lack of disclosure, it will not suffice in future to demonstrate mere differences between the version as granted and the application as originally filed. What is required, rather, are well-grounded arguments regarding how a person skilled in the art understands the original disclosure and why the contested feature goes beyond said disclosure. (Winkelmann)

5. Undisclosed disclaimers

Federal Patent Court, court order of 11.09.2015 – 14 W (pat) 30/13 – Kosmetische Zubereitung

EPO decision of 17.10.2016, T0437/14 – Complexes of form L2IrX

HINTERGRUND

Cases concerning undisclosed disclaimers are pending, for clarification of fundamental issues, at both the Federal Court of Justice and the Enlarged Board of Appeal of the European Patent Office.

The Federal Court of Justice must decide whether inclusion of an undisclosed disclaimer is admissible during

the granting procedure. The Enlarged Board of Appeal of the EPO must decide whether the 'gold standard' for assessing sufficient disclosure in the original application is also applicable to undisclosed disclaimers. In the following, we discuss the underlying decisions at first instance.

DECISION

The *Kosmetische Zubereitung* decision concerns German patent application DE 101 23 771.5, which relates to a cosmetic use of electrolytes to enhance skin function. In the case under consideration, the applicant had not disclosed the feature '*wherein said preparations are free of phosphatidylcholine*' as belonging to the invention, in the application as originally filed, and failed to remedy that deficiency to which the Examining Division had drawn attention.

The Federal Patent Court assessed this inclusion of an undisclosed disclaimer in the claim, in support of patentability during the patent granting procedure, to be inadmissible and based that assessment on the following:

- On the question of the admissibility of disclaimers that are undisclosed in the original application, the Federal Court of Justice has commented so far only with regard to opposition, revocation and utility model cancellation proceedings. An undisclosed feature which merely limits the claim may remain in the latter, as a basic principle. However, it may not be cited in support of patentability. If, due to the amendment of the application as originally filed, an aliud is claimed, revocation of the patent is unavoidable.

- In contrast to opposition and revocation proceedings, the public interest in the granting procedure is that only valid patents are granted. In the opinion of the Federal Patent Court, the established legal practice of the Federal Court of Justice in two types of proceedings is not transferable to the granting procedure, therefore. Thus, the inclusion of new, originally undisclosed features during the granting procedure is basically inadmissible, in the opinion of the Federal Patent Court, and leads (as in the present case as well) to the application being rejected unless the inadmissible broadening of the claim is not remedied by the applicant.

- No other legal assessment results, in the view of the Federal Patent Court, when consideration is also given to the case law of the Boards of Appeal at the European Patent Office on the admissibility of disclaimers that were not disclosed in the original application.

The appeal against that decision was admitted by the Federal Patent Court and is pending at the Federal Court of Justice under the above case number. In the next issue of our Case Law Review, we will presumably be reporting on the outcome of said appeal.

A case concerning undisclosed disclaimers is currently pending before the Enlarged Board of Appeal of the European Patent Office under the catchword **Complexes of form L2IrX** (G 1/16).

The Board of Appeal will need to clarify whether the examination criterion defined in the G 2/10 decision for the admissibility of amendments in the form of disclosed disclaimers, pursuant to Article 123 (2) EPC (the 'gold standard'), is also applicable to claims containing undisclosed disclaimers. According to that standard, a disclaimer is generally admissible if a skilled person, taking general technical knowledge into account, would regard the subject-matter remaining after inclusion of the disclaimer in the claim as explicitly or implicitly disclosed, or in any case as directly and unambiguously disclosed in the original version of the application.

In contrast thereto, the G1/03 decision had defined certain exceptions in which undisclosed disclaimers are

also allowable (namely to provide novelty over subsequently published prior art or over accidental anticipations, or to exclude subject-matter which is excluded for non-technical reasons from patent protection).

In the opinion of the Technical Board of Appeal referring the case, the introduction of an undisclosed disclaimer which comes under the exceptions defined in G1/03 and for that reason would be allowable must be seen as a fundamental breach of the G2/10 gold standard. The Enlarged Board of Appeal must therefore decide whether the gold standard is also applicable to claims containing undisclosed disclaimers, and whether the exception defined in the G1/03 decision lose their validity – or whether a modified examination criterion is to apply.

ASSESSMENT

There is no provision for undisclosed disclaimers either in German patent law or in the European Patent Convention. The issue concerns an approach that case law has developed for dealing with certain special situations.

The cases currently pending before the Federal Court of Justice and the Enlarged Board of Appeal of the

European Patent Office show that the conditions and prerequisites for undisclosed disclaimers have not been fully clarified as yet in German case law or in the case law of the European Patent Office. (Winkelmann)

III. OTHER ISSUES IN SUBSTANTIVE LAW

6. Standard-essential patents

Düsseldorf Upper District Court and District Court, Karlsruhe Upper District Court, Mannheim District Court: various judgments

BACKGROUND

'Essential patents litigation' is back in fashion. In last year's Case Law Review, we noted that the European Court of Justice had revived the debate with its judgment in *Huawei vs. ZTE* (C-170/13). One can meanwhile point to a new wave of litigation, and it appears as if the patent proprietors have regained their courage and are stepping into the ring. A number of issues are still unresolved, also according to the grounds for judgment issued by the European Court of Justice.

We briefly summarise the ECJ judgment handed down in summer 2015 as follows:

The judgement mainly adheres to the line adopted by Advocate-General Wathelet and specifies a set of obligations to be fulfilled, in a ping-pong manner, by the patent proprietor and the patent infringer.

- If the patent proprietor wants to assert its portfolio of standard-essential patents, he must first alert the infringer to the infringement, designating the SEP and specifying the way in which it has been infringed.
- The infringer is then required to express its willingness to conclude a licensing agreement on FRAND terms.
- In the next step, the patent proprietor must present a specific, written offer for a licence on FRAND terms, specifying, in particular, the amount of the

royalty and the way in which that royalty is to be calculated.

- That puts the ball back in the court of the patent infringer – it must diligently respond to that offer, in accordance with recognised commercial practices in the field and in good faith, and must not adopt any delaying tactics. In particular, the infringer must submit, promptly and in writing, a specific counter-offer that corresponds to FRAND terms.
- If that counter-offer is rejected, the infringer of the patent must provide security from that point onwards for the royalties it proposed.
- If no agreement is reached following the offer and the counter-offer, the parties are free to request, by common agreement, that the amount of royalty be determined by an independent third party.

The period now under review here was characterised by many decisions in which the courts of instance at the two main venues had to address how the stipulations made by the European Court of Justice are to be received. We cannot discuss those judgments individually and with reference to all the different forms of infringement, but present only the main conclusions of the current state of debate. The sequence of obligations laid down in *Huawei vs. ZTE* provides a basic structure in that regard, and we also point out where there is consensus and where there are still differences of opinion between the courts.

We begin with three general questions:

- It seems to be generally acknowledged that the Huawei/ZTE obligations are only applicable when there is actually a standard-essential patent (SEP) for which a FRAND commitment was also submitted to a standards organisation. If that is not the case (e.g. in the case of de-facto standards), the old German *Orange Book Standard* precedent is applicable, according to which the first FRAND offer (in particular) must be made by the licensee.
- The courts also appear to agree that it is necessary in each case to examine whether the SEP being sued upon actually does grant its proprietor a dominant market position in respect of the specific product accused of infringing the patent. It is possible, for example, that a patent which is relevant for the AAC-HEv2 audio standard does not grant any market power for the mobile telephone market (Mannheim District Court, case no. 7 O 16/16).
- Another unclarified aspect concerns the basic question of when the list of obligations must be fulfilled. The Mannheim District Court considers the bringing of an action as marking a clear caesura and only takes into account, as far as adherence to the Huawei/ZTE programme is concerned, the negotiations between the parties up to the filing of the action. Actions where the plaintiff had not explained the royalties adequately (in the view of the court) before bringing the action are routinely dismissed by the Mannheim District Court (see Mannheim District Court, case no. 7 O 209/15). On the other hand, prohibitory injunctions are imposed on patent infringers who failed to express their willingness to license in a timely manner (see Mannheim District Court, case no. 7 O 43/16). The courts in Düsseldorf see matters differently, adopting a perspective based on the Code of Civil Procedure, which means that the main obligations specified in Huawei vs. ZTE can be subsequently fulfilled during court proceedings (Düsseldorf Upper District Court, case no. I-15 U 36/16): everything on the judges' bench is

taken into consideration, right up to the last day of hearing.

From now on, to use the chronology of obligations ensuing from Huawei vs. ZTE:

- It has largely been clarified that the first obligation of the patent proprietor is to **explain** the licensed portfolio (and especially the patent in suit) **in technical terms**. Detailed claim charts, in which the claims are presented and subsumed in a list of features, are sufficient here, in any case. In the view of the Mannheim District Court, however, shorter versions are also sufficient, especially when the defendant can understand, by reading the (brief) explanation and by bringing in expert advice, where the patent proprietor considers its patent to be infringed (Mannheim District Court, case no. 7 O 43/16).

Many patent proprietors will probably be encouraged by this liberal approach, but caution must also be exercised. The Mannheim District Court, too, looks in some detail at the conclusions that can be drawn from the specific information that is provided. Mere placebo explanations that have no real technical content will not be sufficient in Mannheim, either.

According to what is now established legal practice, it also suffices if the parent company of the infringer is alerted to the infringement (see Düsseldorf Upper District Court, case no. I-15 U 65/15). So the patent proprietor does not have to write to all the possible subsidiaries when the ultimate aim can only be to conclude a standard global portfolio licensing agreement.

- Virtually everything has been clarified with regard to the infringer's expression of willingness to conclude a licence on FRAND terms. This '**licensing request**' is generally interpreted by the courts as a declaration of intent with almost zero consequences. It does not have to be legally binding in nature – which also means that it has to be given very quickly, according to the jurisdiction in Mannheim. In one specific case, two and a half months (including the French summer

holidays) were considered too long, with the result that the defendant lost the case (Mannheim District Court, case no. 7 O 43/16).

- The next step is for the patent proprietor to submit its **FRAND licence offer** – and this is where opinions currently differ.

Whereas all the German courts tend to the view that there is not just one FRAND offer (calculated with mathematical precision), the dispute now centres above all on the depth to which the FRAND-ness of the offer is to be reviewed (in the infringement dispute). The issue is ultimately whether a non-FRAND licence offer triggers a duty to negotiate on the part of the infringer.

The courts in Düsseldorf assume that FRAND-ness must be examined conclusively (Düsseldorf Upper District Court, case no. I-15 U 66/15), although it often bases that examination on relatively uncomplicated data only. Civil Division 7 at the Mannheim District Court assumes that only a summary examination of FRAND-ness needs to be conducted during infringement proceedings and that the simple question to be asked is whether the offer was evidently non-FRAND (Mannheim District Court, case no. 7 O 66/15). The Upper District Court in Karlsruhe rejects that view: the offer must be reviewed ‘positively’ for FRAND-ness, with the patent proprietor being granted a considerable amount of latitude (Karlsruhe Upper District Court, case no. 6 U 55/16). Clarification of this aspect will probably not be achieved until the Federal Court of Justice has issued a final ruling.

In terms of content, in contrast, a number of things are now clearer. When the patent proprietor owns a large portfolio of related patents and the defendant operates on the international market with identical products, a per-unit global portfolio licence may be insisted upon.

There are various indicators for when FRAND-ness can be positively assessed: the simplest method, which is also applied by the German courts, is to

compare with other licensing agreements that the patent proprietor has concluded. If it can show that it has already concluded a number of similar agreements, then FRAND-ness cannot normally be denied it. The situation is similar when the patent proprietor can derive the FRAND-ness of its offer by comparing it with a generally accepted pool agreement. ‘Top-down’ methods, in which a reasonable royalty rate is calculated on the basis of a hypothetical total royalty burden for the product, are more of a problem. Many details are still unresolved here.

- The Mannheim District Court, in particular, has addressed the question of how to interpret the requirement, imposed by the European Court of Justice, that the patent proprietor **specify the way in which its royalty is to be calculated**. According to the Mannheim District Court, these ‘financial explanations’ require more than the patent proprietor simply showing (for example) that a certain amount of money is payable per product. Instead, the patent proprietor must also provide background detail showing why it has come to believe that its offer satisfies the FRAND criterion. The European Court of Justice expressed the same idea in its judgment, where it is stated that the proprietor of the SEP is better placed to evaluate the background to its offer (see Mannheim District Court, case no. 7 O 109/15).

It is precisely that criterion that has caused a number of actions before the Mannheim District Court to fail. In each case, the court had noted that sufficient commercial explanations were subsequently presented in the course of the proceedings (typically with the reply). That was then too late, however, according to its established legal practice, and it was not possible to provide such explanations after the event, with the result that the actions were dismissed in each case.

The same requirement resulted in different forms of escalation before the courts in Düsseldorf. The main focus there was placed on requiring the patent proprietor to provide the infringer with copies of previously concluded licensing agreements, in order to underpin its claim to have presented a FRAND offer.

- As far as the **counter-offer submitted by the patent user** is concerned, it is now established that it must be promptly drafted. That is how all the courts see it, although the circumstances of the specific case must be taken into consideration, of course. It should be realised that, unlike the request for licence, the counter-offer is legally binding in nature, which is why the courts allow more time here.
- One highly controversial question concerns the amount of **security** to be deposited when the de-

fendant submits a counter-offer (and does not accept the first FRAND offer submitted by the patent proprietor). The District Court in Düsseldorf takes the view that the defendant must provide the full amount of security, i.e. the royalty offered by the patent proprietor (Düsseldorf District Court, case no. 4a O 73/14), whereas the District Court in Mannheim appears to be satisfied when security amounting to the royalty proposed in the counter-offer is provided (Mannheim District Court, case no. 2 O 106/14). Another completely unresolved issue is whether security must also be provided for past use.

BEWERTUNG

We can be brief at this point: it should come as no surprise that a new wave of actions based on standard-essential patents has been unleashed. Entitlement to injunctive relief has always been a serious threat, and in the post-Huawei/ZTE phase the first prohibitory injunctions have also been granted already. The development of case law on an almost weekly basis allows patent

proprietors to sharpen their weapons – and attentive infringers will also be keeping track of the stream of judgments handed down by the courts of instance.

The first Federal Court of Justice judgment is expected in 2018. The topic will keep us busy until then, at all events. (Henke)

7. Usurpation

Federal Court of Justice, judgment of 20.10.2015, X ZR 149/12 – Kfz-Stahlbauteil

BACKGROUND

Research and development partnerships are particularly prone to inventions made by the one party being made the subject-matter of patent applications filed by the other party. The real inventor can then demand assignment of the patent and/or the patent application by the unauthorised proprietor under Section 8 (1) of the Patent Act. The problem for the claimant in such cases mostly

consists in providing the evidence, necessary to assert the right to assignment, that the invention was in fact made by him or her.

A new judgment by the Federal Court of Justice addresses the legal criteria to be applied when examining who actually made an invention.

DECISION

In its judgment, the Federal Court of Justice was dealing with a patent whose features can be summarised as follows:

1. A component made of high-strength steel,
2. which has been heat-treated after thermoforming and press hardening at 320 °C to 400 °C and
3. is used as a structural and/or safety component for a motor vehicle.

The invention is based on the realisation that the steel components for which protection is claimed will rupture or break less quickly in an accident in comparison with conventional components, but crumple into folds instead. The impact energy is thus absorbed at least partially, so the energy acting on the vehicle occupants is reduced.

The Munich Upper District Court had dismissed an action filed by a Belgian company which had sued the patent proprietor for transfer of the contested patent. The reason given by the Upper District Court was that, although the claimant was in possession of an invention that was generically identical, that invention did not address the problem of crumpling, but to a anti-corrosion coating. It was not evident from the documents

presented by the claimant that they included the concept for solving the stated problem of the contested patent, so no creative contribution to the teaching of the contested patent could be identified.

The Federal Court of Justice judged these findings by the Munich Upper District Court harshly.

It firstly established that the court of appeal had interpreted the relevant claim 1 of the contested patent under its wording. The advantage of crumpling into folds, mentioned in the description, was not reflected in the claim and for that reason was unable to limit the extent of protection conferred by the patent.

It was also necessary, in order resolve the question of whether the claimant was the (co-)inventor of the teaching of the contested patent, to compare the latter with the teaching that the claimant had shown it possessed. In the view of the Federal Court of Justice, it was firstly necessary to examine to what extent the two teachings were identical. Only on the basis of identical features could it then be established in a reliable manner whether and to what extent the contested patent was based on the claimant's invention.

When conducting that examination, the Upper District Court had focused first and foremost on the differences between the invention that the claimant could prove it

possessed, and the teaching of the contested patent. In doing so, the court pursued the question of whether the core teaching of the contested patent – which had been incorrectly defined due to the incorrect interpretation – could be found in the documents presented by the claimant.

In that context, the Federal Court of Justice then concluded that the court of appeal had failed to realise,

due to its incorrect interpretation of the contested patent and its applying the wrong examination criteria, that the claimant had indeed contributed significantly to the invention of the contested patent. The judgment set the Upper District Court decision aside and referred the case back to Munich for further clarification of the matter.

ASSESSMENT

This case illustrates once again that the importance of correct interpretation should never be underestimated in patent disputes. Patent interpretation is and remains the heart of patent law, not only in infringement or revocation proceedings.

Above all, however, the Federal Court of Justice judgment must be welcomed because it provides clarity regarding the criteria to be applied when patent rights are usurped. The crucial aspect is whether someone else's invention (or parts of it at least) were adopted by

the patent applicant. This can be established by comparing identical features. The Federal Court of Justice is thus giving attorneys and the courts of instance an important tool for solving what in fact are mostly very complex cases. Until now, it has not been clear how the (allegedly) usurped and the filed invention are to be compared. The perspective from which the comparison is to be conducted (whether the focus is on differences or on common aspects, for example) is of major significance for the result – as the setting aside of the Upper District Court judgment in this case shows. (Müller)

8. Licensing law

ECJ, judgement of 07.07.2016, C-567/14 – Genentech/Hoechst

BACKGROUND

This decision by the European Court of Justice addresses the bearing that antitrust law has on the licensing of patents. Given that patents *per se* are monopoly rights that grant their holders a position of exclusiveness, anti-trust regulations must also be complied with when rights to patents are licensed.

The dispute centred on a licensing agreement between Genentech Inc. (a US company) and a legal predecessor of Hoechst AG. In return for the licence granted to it, Genentech agreed to pay Hoechst a fixed annual fee of DM 20,000 and a flexible, running royalty amounting to 0.5% of the net sales of particular 'licensed products'. These licensed products were defined as products '*in respect of which the manufacture, use or sale would, in the absence of this agreement, infringe one or more unexpired claims*' of the licensed patents.

The subject-matter of the licensing agreement were a European patent and two US patents.

Genentech paid the fixed fee, but not the running royalty. In response, Hoechst initiated arbitration proceedings against Genentech for payment of the royalties, and brought an action in the USA against Genentech for patent infringement (the European patent had previously been revoked). The infringement action was dismissed in a final decision, but Hoechst was successful in the arbitration proceedings for payment of royalties, in which the arbitrator held Genentech liable for payment.

In enforcement proceedings, the Cour d'appel de Paris referred a question to European Court of Justice, asking whether Article 101 TFEU is infringed if a licensing agreement requires the licensee to pay royalties even though the licensed patents are not infringed or have been revoked.

DECISION

The European Court of Justice has now ruled that the licensing agreement in question does not infringe European antitrust law.

In its grounds for judgment, the Court firstly referred to one of its previous judgments, according to which the requirement to pay royalties after expiry of a patent does not infringe Article 101 TFEU if the licensee may freely terminate the agreement by giving reasonable notice. The reason for this is that the royalty payable (even after the patent has expired) reflects the value of the guarantee that the patent proprietor will not exercise its intellectual property rights during the term of the agreement. The option to terminate precludes any market foreclosure or undermining of competition, the Court went on.

Based on that older case, the Court then stated that requiring the payment of royalties for a period preceding the

revocation of the patents must certainly be allowed. Since the non-infringement and the revocation of the patents has not been established in the present case until after the agreement had been terminated, there were no objections to requiring the payment of royalties for commercial exploitation of the patents during the period prior to termination.

It should be pointed out in this regard that the ECJ did not subject the decision of the arbitration tribunal to review, according to which the agreement must be interpreted in such a way that subsequent establishment that the patents are not infringed and are revoked is without prejudice to the obligation to pay royalties for the period before that. That question was beyond the remit of the preliminary ruling procedure.

ASSESSMENT

The ECJ decision is certainly an important one for practitioners. The judgment clearly states that antitrust law does not impose any restrictions on parties with regard to the royalties payable, in the sense of time limits, in any case. This means that the requirement to pay royalties may extend beyond expiry of the patents. The European Court of Justice is thus accepting that a duty to continue paying even after the intellectual property rights have expired may well reflect the commercial value of exploiting the patent before it expires.

This clarification is also relevant for the negotiation of licensing agreements involving many different IPRs. Referring to the duration of protection enjoyed by the licensed patents, licensees frequently demand that the royalty be reduced when individual IPRs expire. Such an arrangement may be desirable for the licensee – but it is not mandatory under antitrust law. The parties are free, rather, to agree that payments must continue to be made even after all the patents have expired. (Müller)

9. Liability of a managing director

Federal Court of Justice, judgment of 15.12.2015, X ZR 30/14 – Glasfasern II

BACKGROUND

In patent law, as elsewhere in intellectual property law, it is not only the company actually infringing rights that is sued, but also the managing director in many cases. That option is useful, above all when there is cause for concern that the company being sued will try to escape a judgment against it – be it by restructuring under company law or even by going into liquidation. If the managing director of the company is also being sued, this makes such circumvention tactics much more difficult to implement, because the managing director will then bear personal liability to the extent specified in the judgment. Since it is not as easy for a natural person to enter liquidation as it is for a legal entity, the patent proprietor can continue to sue the managing director even when the defendant company is no longer within reach.

The legal basis for the managing director's liability is his responsibility for the business activities of the undertaking. In the past at least, this has been taken to mean that he bears liability for actions taken by the undertaking he controls, and for his own actions.

This established legal practice has recently been watered down by the Federal Court of Justice in some respects, with its ruling that liability of the managing director for acts of unfair competition on the part of the undertaking can only be assumed if he himself exerted an influence on the acts in question. Simply holding the position of managing director is not in itself a sufficient reason for such liability.

DECISION

In the case in question, the patent proprietor had sued not only the defendant GmbH (private limited company) for infringement of the patent in suit, but also its managing director.

The Tenth Division of the Federal Court of Justice, the competent division for patent law, refers at the beginning of its *Glasfasern II* judgment to recent precedents established by the First Civil Division. According to the latter, liability on the part of the managing director of a GmbH can only be considered if he was personally involved in the infringement of rights with his own actions, or if he bears liability for the infringement of rights due to his role as guarantor that such infringement does not occur. Such a guarantor role is a basic prerequisite anyhow (according to general rules in civil law) for holding a managing director liable for inactions also.

According to the Court, such a guarantor role cannot be derived from company law rules governing the position and the function of the managing director of a private limited company. However, such liability may ensue from the fact that the protection of third-party rights is an or-

ganisational responsibility that the managing director is appointed to discharge. That responsibility means more, however, than the obligation to comply with the law. A guarantor role ensues, however, when the activities of the undertaking pose a specific risk for a third party's rights, and the managing director is responsible for controlling those activities.

In the view of the Court, that prerequisite is fulfilled, with regard to the protection of patent rights, when a company manufactures technical products or imports them into Germany. In every field of technology, there are so many patents in force that manufacturing and selling technical products always harbours the specific risk of patents being infringed. The managing director must therefore organise and manage the business operations of the private limited company in such a way that the IPR situation is adequately checked and that patent infringements are avoided. If a patent infringement does occur, this is an indication, in the view of the Court, that the managing director did not perform that duty adequately. There is no need to furnish any further proof of culpability in such a case.

ASSESSMENT

In its judgment, the Tenth Civil Division emphasises the special importance of patents and also the risk of them being infringed. Due to the large number of patents in every field of technology, every technical product constitutes a specific risk that patents may be infringed. Manufacturing and selling technical products thus leads per se to third-party patent rights being exposed to risk, so the managing director must assume that a product made by the GmbH might infringe a patent. If he fails to stop such infringement, he bears personal liability as a patent infringer (in addition to the GmbH).

The precedent set by the Court may seem harsh at first sight, but it deserves acceptance. Cases in which patent infringers have tried to circumvent prohibitory court orders by company restructuring have been increasing in frequency recently. Sales operations are simply transferred to another company. Personal liability of the natural persons involved is of key importance in preventing such tactics. (Müller)

10. Rights of exploitation in communities of co-inventors

Federal Court of Justice, judgment of 27.09.2016, X ZR 163/12 – Beschichtungsverfahren

BACKGROUND

Rights of exploitation in communities of co-inventors are an evergreen topic, whatever other trends may exist. When two parties jointly hold a patent (and if they have not made contractual arrangements for exploiting the patent), then the rights of exploitation that each of the co-owners can individually assert, the extent to which they must exercise mutual consideration, and finally whether certain measures may only be taken on a consensual basis, are all open to question.

Since 2005, the benchmark in this field has been the *Gummielastische Masse II* judgment, in which the Federal Court of Justice ruled on one aspect within this complex. Co-owners of a patent are basically authorised

to exploit the invention in their own enterprises; the other (passive) co-owner is not entitled *eo ipso* to financial compensation, but only if he also asserts such a claim. To this was added the (rather cumbersome) *Sektionaltorantrieb* judgment handed down by the Düsseldorf Upper District Court in 2014, which specifies in more detail the preconditions and the extent of the right to financial compensation (see also our 2014 Case Law Review).

Now it was the turn of the Federal Court of Justice – in the case discussed below, the issue concerned the very first step in exploiting the invention (namely filing the patent application).

DECISION

In a joint project, the parties had made an invention for improving the metallic coating on a profiled structure. A large part of the invention, namely the specific heat treatment of the profiled structure and the use of very specific iron-zinc alloy layers, came from the plaintiff – but one feature of the claim (namely the electrostatic deposition of a metal powder on the surface) was attributable to the defendant. The respondent had now filed applications in his own name for German and European patents in respect of the invention, and had named only his own employees as inventors. Neither the plaintiff (as co-applicant) nor his employees (as co-inventors) were named. The claim and delivery suit then brought by the plaintiff was partially successful (although the court of appeal clearly stated that the plaintiff had to be granted co-ownership rights without a quantified procedural share).

The interesting part of the suit (in the appeal instance) concerned the claims to damages and information. The plaintiff sought a declaratory judgment to the effect that the defendant was obligated to compensate it for any

losses incurred as a result of the unauthorised patent applications, and asserted the associated claims to information and rendering of accounts in support of that claim.

The Federal Court of Justice granted those claims and had to take two argumentational steps in doing so:

Firstly, the application (by the defendant alone) was unlawful. Although the filing of a joint invention by a single co-owner may constitute a measure necessary to maintain the joint object, within the meaning of Section 744 (2) of the German Civil Code, if such a case exists, then the application must be made in any case in the name of all the applicants. At any rate, the defendant had violated that principle, which was raised to a norm long ago by the *Reichsgericht*, and had therefore prevented the external requirements from being created that enable the plaintiff to exercise its right to joint administration (Section 745 (2) of the German Civil Code) and to demand equitable administration and use of the joint property in the interests of all the parties involved.

Unilateral application for the protective rights also infringes the rudimentary and absolute intellectual property rights in respect of the invention as a miscellaneous right within the meaning of Section 823 (1) of the German Civil Code. That norm protects co-inventors against their share in rights being appropriated or ignored by other co-owners.

In other words, an incorrect (and unlawful) application that names only some of the co-owners is the germ for subsequent substantive misuse of the invention.

Secondly, this unlawfulness actually engenders a claim to damages also. That claim to damages includes the obligation to compensate for any pecuniary losses incurred by the plaintiff as a result of the unilateral patent application, and specifically includes compensation as well for loss of the benefits that the defendant

had gained from exploiting the subject-matter of the applications. In the case of purely pecuniary losses, sufficient likelihood that losses were incurred is sufficient, and there were no indications to the contrary in this case.

In terms of content and amount, the entitlement awarded by the Federal Court of Justice is therefore subject to little limitation. The limitation specified in *Gummielastische Masse II* (to 'asserted' claims to financial compensation) has no relevance here, because it applies only when the claims to damages were not asserted despite knowledge that the community of co-inventors existed. With regard to Section 33 of the Patent Act, the amount of entitlement is capped only to the extent that the beneficiary can only demand an amount of compensation that is reasonable in the circumstances.

ASSESSMENT

The Federal Court of Justice is primarily concerned here only with a formal, secondary aspect of joint inventions filed for patent protection. It is perfectly correct that such applications can only be made in the name of all those with entitlement and with all the co-inventors being named. Only then is it also possible for all the beneficiaries to exercise their rights to the invention, which is an aspect that can acquire crucial importance as early as the granting procedure. If power to participate in the granting procedure is not ensured, then contributions by individual co-owners can easily be ignored, not to speak of further rights of exploitation.

There was no need for the Federal Court of Justice to address the substantive legal issues of who is authorised in the first place to file an application for intellectual property rights. In my view, what is required here is an analysis of the individual case, and the joint administration instruments provided by Sections 744 f of the German Civil Code are sufficient for legal classification and generally produce a satisfactory outcome as well.

- If the patent application is '*necessary to maintain the joint object*' (namely to preserve the commercial value of the inventor's rights), then Section 744 (2)

of the German Civil Code is applicable, according to which each co-owner may take action and file a patent application for the invention on his own initiative. Such situations exist, for example, when there is a risk of parallel applications being made, or when the invention is also in the public domain.

- In all other cases, one has to draw meticulous distinctions. Filing a patent application is a proper administration measure within the meaning of Section 745 (1) of the German Civil Code. That would actually indicate that majority decisions are considered sufficient. However, the first application for protective rights is more than that – its fundamental impact on future exploitation of the intellectual property rights makes it a fundamental strategic decision requiring unanimity in accordance with Section 745 (3) Sentence 1 (for further detail in this regard, see sub-section 4.1.2. of my monograph entitled *Die Erfindungsgemeinschaft* (The Community of Co-Inventors)).

In practice, the judgment discussed here may be important, above all, for the right to information that exists among co-owners and which is invoked in conjunction

with a claim to damages. It will generally be the case that no major activities to exploit a patent are engaged in during the initial phase of a patent application, and that no damages worthy of mention are incurred. So it is all the more annoying for all those who have to allow others to inspect their books in this phase.

Owners of medium-sized companies are all too familiar with the joint development – the invention has been

made, one of the partners would like to press ahead and file a patent application (because he is planning his presence at a trade fair, for example) – but the other partner is passive, hard to get hold of, unable to make decisions, or is reticent about patenting costs. In such situations, filing the application remains an option – but the partner must be named as the second co-applicant. That is nothing but equitable, of course, aside from all the property rights involved. (Henke)

IV. PROCEDURAL LAW

11. Late submissions in revocation proceedings

Federal Court of Justice, judgment of 15.12.2015, X ZR 111/13 – Telekommunikationsverbindung

Federal Court of Justice, judgment of 21.06.2016, X ZR 41/14 – Fahrzeugscheibe II

Federal Court of Justice order of 23.08.2016, X ZR 81/14 – Photokatalytische Titandioxidschicht

BACKGROUND

Ever since the reform of patent revocation proceedings in 2009, the Federal Court of Justice has clearly ruled in a number of decisions on the specific criteria to be applied when assessing late submissions within the meaning of Section 116 of the Patent Act (in this regard, see also our discussions of the **Positionsdefiniertes Aufspannen** and **Arretiersystem** judgments on pages 37 f. of our 2014 Case Law Review and of the **Bitratenreduktion** and **Einspritzventil** judgments on pages 35 ff. of our 2015 Case Law Review).

In many cases, a special focus is placed on the procedural situation of the patent proprietor and on the defence of the contested patent. Whereas the applicant for revocation can find ways and means of bringing down the contested patent in the one case, despite late submissions, it is a matter of all or nothing for the patent proprietor. If the contested patent is unappealably destroyed, there is no second chance.

Auxiliary requests submitted late in the proceedings are often treated mildly for that reason. The Federal Court of

Justice has even deemed the defence of an amended version of the contested patent in appeal proceedings to be admissible, if the amendment is the patent proprietor's response to a legal standpoint adopted by the Federal Court of Justice that is different from the assessment made at first instance.

Issues relating to lateness of submissions have had to be addressed once again by the Federal Court of Justice in three separate cases. The **Telekommunikationsverbindung** and **Fahrzeugscheibe II** judgments relate to defence of the contested patent with amended claims submitted as auxiliary requests, while the **Photokatalytische Titandioxidschicht** judgment concerns the presentation of new means of attack by the applicant for revocation following late defence of an amended version of the contested patent. The three decisions presented here show the important role, for the question of late submissions, that is played by the preliminary opinion of the Federal Patent Court in its Qualified Guideline.

DECISION

In the **Telekommunikationsverbindung** case, the patent proprietor had not asserted during the first-instance proceedings that the dependent claims had any inventiveness of their own, despite the fact that the Federal Patent Court had expressed the preliminary

opinion, in its Qualified Guideline, that the subject-matter of the independent claim did not involve an inventive step. Even after being instructed by the Federal Patent Court judges at the oral proceedings, the patent proprietor had stated that it would confine its

defence of the patent to the version as granted (on the importance of verbal statements concerning interpretation of the requests, see also the discussion of the ***Datengenerator*** judgment in this Case Law Review). An amended version of the claim, in which the main claim was combined with dependent claims, was then presented by the patent proprietor for the first time in the appeal proceedings (in the form of an auxiliary request).

In the opinion of the Federal Court of Justice, this late amendment of the claim was inappropriate, and the amended version of the claim was rejected as inadmissible. Due to the negative Guideline issued by the court (regarding the inventiveness of claim 1), the patent proprietor already had good reason in the first-instance proceedings to submit auxiliary requests or at least to argue that the dependent claims referring back to claim 1 had inventive content of their own.

In the ***Fahrzeugscheibe II*** judgment, in contrast, the Federal Court of Justice deemed it appropriate and admissible for the contested patent to be defended in the version specified by three new auxiliary requests that were only submitted for the first time in the appeal proceedings. The constellation in that particular case was different, however, and there had already been a 'cascade' of amended defences and attacks (from both parties) during the first-instance proceedings.

In the case in question, the patent proprietor had previously submitted an auxiliary request in the first-instance proceedings that was positively assessed in the Qualified Guideline (in contrast to the main request, which was negatively assessed), in response to which the applicant for revocation then added to its arguments regarding the lack of patentability and presented a series of further citations.

In such a situation, the Federal Court of Justice sees no reason as yet for submitting further auxiliary requests by way of precaution, as long as the Federal Patent Court has not announced a change in its preliminary assessment. That was also the case here: not until the oral proceedings did the patent proprietor learn from the Federal Patent Court that, in view of the additional argu-

ments brought by the applicant for revocation, it would no longer abide by its preliminary positive assessment of the auxiliary request, as expressed in the Guideline. The Federal Court of Justice has now ruled that it was not until this information was received that the patent proprietor had cause to examine whether and in what form it should consider defending the contested patent in a version containing further limitations.

It cannot be held against the patent proprietor if it is unable, during oral proceedings before the Federal Patent Court, to complete the complex analysis that was required with regard to the potential submission of other auxiliary requests. Although the patent proprietor had already stated during the oral proceedings that it wanted to defend the contested patent with several limited versions, it had not yet presented those versions in which the contested patent was finally defended, with three auxiliary requests, in the appeal instance.

Furthermore, the Federal Court of Justice also took a positive view of the fact that it was still not decided, during the oral proceedings at first instance, what specific analysis the Federal Patent Court would base the change in its preliminary assessment on. For that reason, it was not readily apparent to the patent proprietor what limitations might be expedient in order to allay the doubts expressed by the court.

In the ***Photokatalytische Titandioxidschicht*** judgment, the issue concerned the opponent side and a possible delay on the part of the applicant for revocation. In the case in question, the Federal Patent Court had upheld the patent on the basis of an 'auxiliary request VII', which was based on a dependent claim and was not presented until the oral proceedings before the Federal Patent Court. The applicant for revocation had responded to that auxiliary request with a new citation that was dismissed by the Federal Patent Court, however, as being too late.

In the opinion of the Federal Court of Justice, the defence based on auxiliary request VII (which the Federal Patent Court had admitted to the proceedings) had already been too late, because the patent proprietor had not previously asserted the separate inventive content

of the dependent claim, as a precaution in any case (the Federal Court of Justice had already pointed out in its **Telekommunikationsverbindung** judgment that, in response to a negative Qualified Guideline, it was necessary to assert the separate inventive content of dependent claims, as a precaution at least). The rejection of late submissions cannot be done subsequently in appeal proceedings, however (on this point, see also the discussion of the **Einspritzventil** judgment in our 2015 Case Law Review, p. 37), which was why auxiliary

request VII had to be assessed in the appeal proceedings.

Due to the lateness of this defence, it could not be held against the applicant for revocation, conversely, that its immediate reaction to said auxiliary request came 'late', formally speaking. The citation that was introduced at a very late stage in the proceedings ultimately led (in the appeal proceedings) to the patentability of auxiliary request VII being negated.

ASSESSMENT

The Federal Court of Justice has clearly shown with these rulings that the Qualified Guideline issued by the Federal Patent Court signifies a caesura for the patent proprietor, especially.

All the points in the Guideline that are negative for the patent proprietor must be addressed in the first-instance proceedings by submitting auxiliary requests. The assertion of separate inventive content in the dependent claims, in the form of auxiliary requests, is recommended as a matter of urgency, especially when there are positive points in the otherwise negative Guideline with regard to dependent claims.

On the other hand, the patent proprietor is not expected to submit all other auxiliary requests in order to hedge

against any eventualities that are not immediately foreseeable from the Qualified Guideline.

So all in all, the Federal Court of Justice is keeping to its course and is applying the new procedural law governing patent revocation proceedings in a pragmatic and reasonable way. Proceedings are expedited, on the one hand (the **Telekommunikationsverbindung** case was the first time that a patent has been lost because the patent proprietor had not responded 'properly' to the court's Guideline), but in such a way, on the other hand, that the parties are not overstretched and that it is still possible to conduct the proceedings in a concentrated fashion. (Winkelmann)

12. Interpretation of requests in revocation proceedings

Federal Court of Justice, judgement of 13.09.2016, X ZR 64/14 – Datengenerator

BACKGROUND

The issue in this particular case concerned how requests by the patent proprietor relating to a particular set of claims are to be interpreted. The Federal Court of Justice discusses the requirements and the criteria to

be applied in the partial dismissal of an action for revocation or the partial upholding of the patent with the scope of dependent claims.

DECISION

The technical principle of the contested patent (DE 41 03 173) related to an external data generator of a computer system, which can be connected to the computer system via a signal input. The aim of the invention was to make the output behaviour of the data generator as difficult as possible to analyse, and thus to prevent unauthorised access to a protected program. The contested patent had been upheld in opposition proceedings with the three independent claims 1, 3 and 4: Claim 1 included further features relating to the detection of manipulation attempts, claim 3 characterised in more detail the data generated by the data generator, and claim 4 related to various data generator modes.

In revocation proceedings before the Federal Patent Court, the patent proprietor had defended the contested patent in the current version and on the basis of five auxiliary requests. The main request and the first four auxiliary requests were dismissed by the Federal Patent Court, however, because they each included claim 4, which at the time was obvious from the prior art.

In its appeal judgement, the Federal Court of Justice rejected that argument.

In a first step, the Federal Court of Justice affirms the court order issued in the opposition proceedings *Informationsübermittlungsverfahren II* (Federal Court of Justice, court order of 27.06.2007, case no. X ZB 6/05): a request by the patent proprietor that the patent be upheld in limited form with a specific set or sets of claims justifies the revocation of the patent, as a basic principle, if the subject-matter of just one claim from the

set of claims defended by the patent proprietor proves to lack patentability. This criterion from opposition appeal proceedings applies accordingly in patent revocation proceedings.

That said, the wording of the requests must not be seen as immutable, and it is essential to identify what is actually being sought, taking into consideration the entire presentation of facts and arguments by the patent proprietor. The Federal Court of Justice emphasises that it is generally not in the interest of the patent proprietor to abandon more of his protective rights than the factual and legal situation demands. That applies in particular when a set of claims includes dependent claims of the same category that objectively contain different solutions. Especially in such a case, it would be absurd to assume that the patent proprietor wants to defend those claims only as a collective unit, and not the other claims, if even one of those claims proves invalid.

In the opinion of the Federal Court of Justice, it is generally necessary for that reason to clarify, for example by discussing the matter at the oral proceedings, the particular relationship that exists between main and auxiliary requests (submitted in writing or verbally), on the one hand, and a petitum, which may not have been explicitly expressed by the patent proprietor, to grant one of those requests only partially. In the grounds for appeal and also at the oral proceedings before the Federal Court of Justice, the patent proprietor in this case had kept to its approach of combining particular versions of the dependent claims with each other in complete sets of claims. Despite that, however, the

Federal Court of Justice took the view that this did not automatically lead to the conclusion that the patent proprietor wanted to subject only the complete set of claims to the court's decision, whatever the circumstances. The fact that the Federal Patent Court did not instruct the patent proprietor about this was considered erroneous by the Federal Court of Justice.

In the appeal instance, the case ended as follows: after discussing an appropriate version of its request, the patent proprietor had no longer defended claim 1 as such,

which the Federal Court of Justice had deemed to lack novelty, and had also presented an auxiliary request in which claims 3 and 4 were defended and specified in further detail. In the opinion of the Federal Court of Justice, this expressed the fact that the patent proprietor placed particular value on independent claims 3 and 4. Not to uphold the patent with the scope of claims 3 and 4, which were considered valid, would be irreconcilable with that patenting objective, in the opinion of the Federal Court of Justice.

ASSESSMENT

In revocation proceedings that are occasionally conducted rather too formalistically, the Federal Court of Justice conceives of itself as a champion for substantive justice and procedural common sense. This judgment gave the patent proprietor exactly what he substantively 'deserved' and wanted. He was also absolved from unnecessarily having to articulate his procedural objectives in a large number of auxiliary requests.

That the patent proprietor has an obligation to present facts and arguments regarding the patentability of those individual claims, taking account of the *Telekommunikationsverbindung* judgment discussed on pages 29 ff. above, is a different matter altogether, of course. (Winkelmann)

13. Introduction of new grounds for opposition in opposition appeal proceedings

Federal Court of Justice, order of 08.11.2016, X ZB 1/16 – Ventileinrichtung

BACKGROUND

The Patent Office must examine not only all the reasons for opposition that have been properly presented and substantiated by those involved, but is also authorised to examine other reasons for revocation *ex officio*, and indeed to continue conducting the proceedings even when the opposition has been withdrawn. That accords with the purpose of opposition proceedings, which is to check, in simple proceedings conducted immediately after the examination procedure, whether the grant of patent was correct.

The situation is different, in contrast, in opposition appeal proceedings. Such proceedings are a genuine legal remedy for reconsidering the decision made by the Patent Office – power of disposition over the subject-matter of the proceedings lies with the party requesting reconsideration. A decision on the appeal is also preclud-

ed, therefore, if the appeal has been effectively withdrawn. In its *Aluminium-Trihydroxid* judgment (Federal Court of Justice, case no. X ZB 11/92), the Federal Court of Justice had previously clarified that the powers of the Patent Office to examine and reach decisions (after an opposition has been filed) and of the Federal Patent Court (in appeal proceedings) are not identical, and that taking account of additional reasons for revocation *ex officio* is precluded on principle in appeal proceedings.

In this particular ruling, the Federal Court of Justice addressed for the first time the question as to whether the opponent in opposition appeal proceedings can assert new reasons for revocation that were not included as subject-matter in the decision being challenged.

DECISION

The decision concerned German patent DE 10 2006 006 439, which relates to a valve device with which vehicles with air suspension, such as the chassis of semitrailers, can be raised or lowered when stationary. In opposition proceedings before the Patent Office, the opponent had claimed that the subject-matter of the patent was not patentable, but the patent was upheld in its entirety. In response to an objection, first raised in the appeal proceedings, that the patent had been impermissibly amended, the Federal Patent Court then revoked the patent (on the basis of that new objection).

The patent proprietor's admissible appeal against that decision was successful. Although the Federal Court of Justice considered the reason for revocation that was not introduced until the appeal proceedings to be admissible, and also examined its content, it took a different view in the case under consideration from that of the Federal Patent Court, and concluded that the subject-matter of the patent did not go beyond the content of the application as originally filed.

The only aspect of fundamental importance here is the procedural argument concerning admissibility of the 'new' objection:

The Federal Court of Justice initially affirms that the nature of the appeal proceedings prohibits the Federal Patent Court from examining reasons for revocation *ex officio* that were not dealt with in the proceedings before the Patent Office. However, the consequence of the simple fact that the party requesting reconsideration is the one that defines the subject-matter of the appeal proceedings is that an additional reason for revocation that the opponent asserts in its capacity as appellant, or in the context of a subsequent appeal, is included in the subject-matter of the proceedings. That is not countered, either, by the rules governing amendments of actions and late submissions (Section 116 (2) and Section 117 of the Patent Act), or the respective regulations in the Code of Civil Procedure, which apply to appeal proceedings in revocation cases.

ASSESSMENT

In this judgment, the Federal Court of Justice emphasises the power that the opponent holds, as the party requesting reconsideration, to define the subject-matter of the appeal. This is positive for the position of the opponent, who does not have to rely on the revocation proceedings in order to assert further reasons for revocation, but can

introduce these additionally when lodging its appeal in opposition proceedings. Conversely, however, this means that the patent proprietor cannot rely on the appeal proceedings being confined to the reasons for revocation that were examined in the opposition proceedings before the Patent Office. (Winkelmann)

14. Principles of concentration

Düsseldorf Upper District Court, judgment of 17.12.2015, I-2 U 29/10 – Analytisches Testgerät

BACKGROUND

Section 145 PatG leads a shadowy existence in German patent law. The wording of the 'principle of concentration' [*Konzentrationsmaxime*] established as a norm by Section 145 could hardly be more important: 'Any person who has brought an action under Section 139 may not bring a further action against the defendant for the same or a similar act on the basis of a different patent unless he was unable, through no fault of his own, to assert said patent also in the earlier legal dispute.' Briefly and in our own words: Anyone who is thinking of asserting more than one patent against one and the same infringing object must think carefully about his timing. The second action must be asserted during the first proceedings.

De lege ferenda, this principle of concentration has frequently been attacked in the past. Its constitutional compliance has been called into question on the grounds that it ultimately leads to expropriation (in the sense of a violation of fundamental rights).

De lege lata, everything is not viewed quite so narrowly, and the courts have imposed very narrow limits on the areas to which Section 145 PatG is applicable.

In practice, the statutory wording "for the same or a similar act" is deemed fulfilled only when the two

proceedings would not be separated anyhow (for reasons of procedural efficiency, which is often the practice of the district courts). The Federal Court of Justice had recently commented on this aspect in its *Raffvorhang* judgment (of 25.01.2011, case no. X ZR 69/08). So it is by no means the case in practice that, in a mobile radio communications action, for example, all the patents relevant to UMTS must be sued upon in a single action. Section 145 PatG would appear to be relevant here only if the infringement also derives from the same details (e.g. from the same section of the standard).

Another aspect concerns a form of procedural simplification that is consistently practised by all the district courts. An action is also brought "in the same proceedings" even when the second patent is not brought in until the hearing in the first action, as an extension of the plaintiff's statement of claim.

All in all, this has led to a situation where Section 145 PatG has practically never been applied (as far as we are aware).

DECISION

The Düsseldorf Upper District Court has now shown that there is indeed a small but noteworthy area in which Section 145 PatG is applicable.

The situation in question was special, but not entirely unusual – the plaintiff had initially asserted three different patents in a single action against E-GmbH. Those proceedings were then separated (as is normal) into three different cases, and E-GmbH stated in these pro-

ceedings against it that the subsequent defendant was its supplier for the accused products. The plaintiff then extended the three (separate) actions to the respective supplier (the subsequent defendant). In one of those three cases, service was rendered late – and in that particular case the defendant then invoked Section 145 PatG.

The Düsseldorf Upper District Court has now ruled in favour of the defendant: the admissibility of the action was countered by the defence invoked by the defendant on the basis of Section 145 PatG, which qualified as an obstacle to the proceedings. That legal norm applies even when two or more actions were brought simultaneously, not successively, for the same or a similar act. The defendant could then choose in which of the actions it wanted to invoke the defence pursuant to Section 145 PatG. Application of Section 145 PatG was

not impeded, either, by the fact that the proceedings originally stemmed from one and the same case. It is consistent with the protective purpose of the norm that Section 145 PatG be applied here as well. All in all, the plaintiff had not been forced to assert its claims by a joinder of parties in the proceedings against E-GmbH. In short: The plaintiff could have circumvented the defence under Section 145 PatG if it had taken action against the defendant in a single action.

ASSESSMENT

The decision is a wake-up call for all those who thought that Section 145 PatG had ceased to exist, on account of the leniency of established case law. The principle of concentration in German patent law is alive and kicking, however – but it is easy to comply with as long as one is

aware of the inherent dangers. In the case under consideration, the plaintiff should simply not have added to the separate proceedings already being conducted, but should have attacked the defendant in a new (single) action. (Henke)

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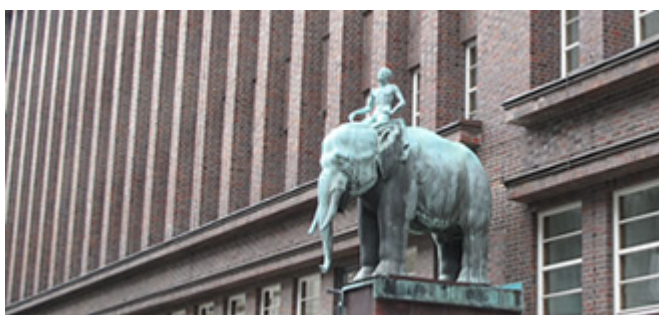
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