

GRAPI
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Intellectual Property Litigation in Germany

by

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Pre-Trial

Nullity Action
Federal Patent Court

Infringement Action
District Court

Court of Appeal

Fed. Court of Justice

I. Pre-trial Phase

1) Pre-action cease and desist letters

➤ Objectives:

- *Avoid litigation at an early stage*
- *Collect information on infringement*
- *Collect information on defence arguments*
- *Cost advantages in case of acknowledgment in court*

➤ Content:

- *Information about infringement situation (request for legitimating)*
- *Request to sign submission declaration (cease and desist letter)*
- *Threat with legal action (warning letter)*

I. Pre-trial Phase

1) Pre-action Cease and Desist Letters (cont'd)

➤ Risks

- *unjustified cease and desist request:*
 - ✓ Damages based on unfair competition (§1 UWG)
Especially warning letters to clients of competitors
 - ✓ Cease and desist injunction against patentee
 - ✓ Negative declaratory action: statement of non-infringement
- *Torpedo:*
 - ✓ Choosing a court by negative declaratory action
 - ✓ Blocking infringement proceedings

II. Pre-trial Phase 2) Building a Litigation Team

- Attorneys and Patent attorneys
 - *Attorneys (specialising in IP litigation):*
 - ✓ Infringement litigation
 - ✓ Legal support in nullity / opposition proceedings
 - *Patent attorneys:*
 - ✓ Technical support in infringement proceedings
 - ✓ Nullity / Opposition proceedings

- Interaction in infringement proceedings:
translation process

I. Pre-trial Phase

3. Getting Evidence for Infringement

- *Burden of proof of infringement*
- *Information available via internet, brochures and offers*
- *Search and seize orders according to § 809 BGB (Civil Code)*
 - ✓ Traditionally applied very restrictively:
BGH “Druckbalken” 8 January 1985 (GRUR 1985, 512)
 - ✓ Broader application since
BGH “Faxkarte” 2 May 2002 (GRUR 2002, 1046)
- *Using evidence gained abroad*
 - ✓ Saisie contrefaçon etc.

II. Trial Phase 1) Jurisdiction

- Jurisdiction in Germany
 - *Special patent infringement Courts*
 - *esp. Düsseldorf (District and Appeal Court), Mannheim/Karlsruhe and Munich*
 - *Federal Supreme Court, Karlsruhe*

II. Trial Phase

2) Court proceedings – Preliminary injunction

- *Increasing importance in patent matters?*
- *Prior or in parallel to main proceedings*
- *Enforceable decision within days / weeks*
- *Ex parte – inter partes proceedings*
- *Conditions:*
 - ✓ Clear infringement
 - ✓ Clear validity
 - ✓ Urgency
- *Objectives:*
 - ✓ Cease and desist injunction
 - ✓ Exceptionally accounting
 - ✓ No damages
- *Fully enforceable, but: risk of damages*

II. Trial Phase

3) Court proceedings - Main proceedings

- 6 – 12 months
- Court expert and witness testimony unlikely in first instance
- mainly written proceedings
- Entitled to take action:
 - *Patentee*
 - *Exclusive licensee*
 - *Non-exclusive licensee only on patentee's behalf*
- Targets
 - *Company*
 - *Legal representatives*
 - *Any participant*
 - ✓ Broad: injunction
 - ✓ Restricted: damages

III. Patent infringement 1) Literal infringement

- Legal basis: Art. 69 EPC = §14 PatG
 - *Starting from claim language*
 - *Description and drawings*
 - *Cited prior art*
 - *Principally not considered:*
 - ✓ Prosecution file
 - ✓ Statements during opposition / nullity proceedings
 - *Determining the technical meaning of claim language*
 - ✓ Special technical meaning: BGH “Spannschraube” 2 March 1999 (GRUR 1999, 909)
 - ✓ Functional view

III. Patent infringement 2) Infringement by Equivalent means

- Legal basis: Art. 69 EPC = §14 PatG
- adequate protection of patentee vs. principle of legal certainty
BGH "Custodiol" 12 March 2002 etc.
- Conditions:
 - *Functionally equivalent result achieved by alternative means*
 - *Alternative result could be found without inventive considerations*
 - *Patent as Basis / Language of patent specification does not exclude use of alternative means*

III. Patent infringement
3) Contributory infringement

➤ § 10 PatG allows to attack supplier of patent infringer in pre-infringement stage

▪ *Conditions:*

- ✓ Supply of means related to essential element of invention
Unclear scope of law
- ✓ Intentional behaviour of supplier
intention assumed if hint on patent infringing use
BGH “Luftheizgerät” 10 October 2000 (GRUR 2001, 228)

Remedies:

- ✓ Limited injunction

III. Patent infringement 4) Defences

- Procedural defences:
 - *Torpedo action, lack of jurisdiction*
 - *Prior court action based on different patent but covering same product*
- Main Substantial defences:
 - *Lack of infringement*
 - *Exhaustion of rights*
 - *Private prior use, § 12 PatG*
 - *Consent (scope of license)*
 - *Limitation period: 3 years*

III. Patent infringement 4) Defences (cont'd)

- Substantial defences:
 - *Invalidity of patent*
 - ✓ Separation of infringement litigation and invalidity / opposition proceedings
 - ✓ Infringement Court has to accept patent as granted
 - ✓ Possibility to stay infringement proceedings if high chances for successful nullity/opposition action
(esp. new and novelty destroying prior art)

III. Patent infringement

5) Utility Model

- Utility model = “small” patent
- Conditions for protection similar to patent, but no process claims
- Registration within 3 months, no examination required
- Validity can be examined by the infringement court
- Fully enforceable after registration
- Lifetime limited to 10 years
- Branching off from pending patent application
 - *Claiming priority from patent application*
 - *Taylor claims to known infringing embodiment*

IV. Remedies

- Injunction
- Destruction (if proportional)
- Accounting
- Damages
 - *Loss of profits*
 - *License analogy*
 - *Infringer' profits*
- Costs of proceedings
 - *the loser pays the bill*

V. Enforcement

- First instance (District Court) decisions provisionally enforceable: appeal principally has no blocking effect
But: deposition of bond required (= litigation value)

Steps of enforcement:

- 1st phase: request to comply with injunction/destruction order
 - *In case of non-compliance: file action for fine (< €250.000)*
- 2nd phase: request to render account in detail
- 3rd phase: calculate damages and request specific amount
- 4th phase: file complaint for damages on specific amount

VI. Appeal

- Appeal Court
- Limited Access to Federal Supreme Court