

The Assertion of Patents in Germany

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Introduction and subject of presentation

- In case of a conflict between
 - an alleged infringer and
 - the owner of a European patent validated in Germany or a German patent or German utility model

- a number of typical situations can occur

- Some of the most frequent situations will be addressed from the perspective
 - of the patent owner
 - of the alleged infringer

A. Perspective of Patent Owner

A. I. Usual considerations of patent owner before starting any activities

1. General analysis of the concrete situation of the parties

- Is the dispute part of an international conflict?
- Which procedural options are relevant (normal or fast track procedure or other options)?
- How important is speed (time for reaching an enforceable decision)?

2. Sufficient factual basis for starting a procedure?

a) General requirements: concrete infringing action or imminent risk of infringing action (Begehungsgefahr)

- Plaintiff must submit all the facts necessary for demonstrating an infringement
- Plaintiff must prove these facts if denied by the defendant

b) Possibility of separate proof gathering

- to be discussed later

A. II. Correspondence between patent owner and infringer – distinction between warning letter and information letter

- A patent owner can either directly start Court proceedings or contact the alleged infringer beforehand. In this case principally two different kinds of approaching the infringer exist:
 1. Sending of an information letter
 - Purpose: start of discussion about legal situation and underlying facts
 - Reference to concrete patent and specific action making use of the teaching of the patent
 - Request to comment on points regarding the use of the teaching of the patent without consent of the patent owner, regarding legal validity and further potentially relevant points
 - Important: No assertions of claims in connection with patents (not directly and also not implicitly)
 - Such a letter has then usually no directly legal consequences

2. Sending of a warning letter

Purpose: asserting rights in connection with patent infringement

a) Content

- Indication of relevant patent and ownership
- Indication of infringing party and infringing action
- Clear and serious request to cease and desist from further infringing actions

b) Consequences

- Avoiding risk of costs in connection with start of an infringement procedure
- Other side can start a Court procedure for getting a declaratory judgement that the patent is not infringed
- If such a procedure is started in another country, for example in Italy or Belgium, such a procedure can block a German infringement procedure (so-called “Torpedo”)

A. III. Normal Patent Infringement Procedure

1. Who should be the Plaintiff?

- Patent owner or licensee?
- Can have decisive impact on potential defense of lacking bank security in connection with costs arising for the defendant
 - Basic rule: If the Plaintiff's normal place of residence is outside the European Community the Plaintiff has to provide for a security for the procedural fees upon request of the Defendant
 - Exception: for example in connection with international agreements

2. Who should be attacked?

- The following options have to be considered carefully:
 - producing entity (frequently located outside Germany)
 - distributing entity
 - clients of distributors
- Legal points to be considered
 - service of the complaint abroad (duration, necessity of translation)
 - possibility to serve inside Germany (for example on a fair)

3. Where filing the suit?

- Differences regarding case law and duration: in Düsseldorf about 1 year, in Mannheim about 7 – 8 months until enforceable decision of first instance

4. Risk of triggering a nullity suit or an opposition

- Bifurcated system in Germany
 - argument of lacking legal validity against patents can only be asserted “indirectly” in connection with a stay based on a nullity suit or an opposition (which are procedures distinct from the infringement procedure)
 - case law requires high probability of success, principally novelty destroying state of the art, necessary, differences between different courts
 - the situation is different regarding German utility models – here the lacking legal validity can also be asserted directly within the infringement procedure

- In the German nullity procedure the Federal Patent Court prepares preliminary opinions about the validity. These opinions can have an important impact on the stay decision

5. Enforcement

- Decision of first instance only against security, risk of damages; decision of second instance without security, no risk of damages

A. IV. Fast track procedures

1. Legal requirements

- Claim for getting a temporary injunction (Verfügungsanspruch) - like in normal procedures
- Reason for getting a temporary injunction (Verfügungsgrund) - additional legal requirement
 - A balancing of interests must take place
 - Most important aspect of this requirement is the so-called “urgency” (the Plaintiff is usually on the safe side if no more than 4 weeks have elapsed before the first knowledge of the infringing action and the starting of the fast track procedure)
 - According to the case law the Plaintiff must demonstrate that there is a sufficiently high probability that the patent is legally valid

2. Ex parte decision possible

- In clear cases it is possible to get an ex parte decision
- Such a decision can for example be served if the defendant exhibits on a fair within Germany

3. Directly enforceable but risk of damages if decision is reversed in the second instance

A. V. Proof gathering

1. Present legal situation and practice

- Substantial amendments occurred in the wake of new case law and especially after the EU enforcement directive 2004/48 of 29 April 2004
- Sect. 140c of the German Patent Act has been introduced into German law (since 1st December 2008)
- Presently the usually applied procedure in Duesseldorf for clarifying the factual basis for a patent infringement procedure consists in a combination of
 - the independent procedure of proof gathering according to Sec. 485 ff. of German Civil Procedural Code and
 - a fast track decision that the defendant has to tolerate specific acts of inspection regarding the potentially infringing device

- The Court with jurisdiction for the infringement procedure is also competent for this proof gathering procedure
- Further requirements
 - submission of facts (supported by an affidavit) supporting a “sufficient probability of a patent infringement” (these facts can be based on indications like details of a corresponding product distributed abroad, probable realization of an industrial standard which is usually respected etc.)
 - The principle of proportionality must be observed (factors to be taken into account: low intensity of using actions, serious doubts regarding validity, whether or not the substance of the device will be affected, whether or not the production has to be stopped for a longer time)
 - The interests of confidentiality of the Respondent must be taken into account

- Usual content of the corresponding application (only main points)
 - Application to carry out an independent procedure of proof gathering according to Sec. 485 ff. German Civil Procedural Code
 - Request to obtain an expert opinion regarding the question of whether or not a specific device located at a specific place is infringing a specific claim of a specific patent
 - Request to appoint a specific person as expert
 - The inspection has to be carried out - because of the specific urgency (Eilbedürftigkeit) without hearing the Respondent before
 - The following orders are made as a fast track decision:
 - The patent attorney and lawyer of the Applicant are allowed to be present during the inspection,
 - the patent attorney and lawyer are obliged to keep confidentiality, also vis-à-vis their client,

- the Respondent has to refrain from amending the object of the inspection - with direct effect and during the time of the inspection,
 - order that the Respondent has to tolerate the inspection and that the expert is allowed to make photos and videos and can use a voice recorder for his notes
 - After presentation of the written expert opinion the Respondent has the opportunity to comment on specific interests of confidentiality. Only after this the Court will decide whether or not the expert opinion will be disclosed to the Applicant
- This procedure can also be applied in case a potentially infringing product is displayed on a fair in Germany

2. Principally foreign evidence also admitted

- For example of a US discovery, a French Saisie-Contrefaçon or a UK search order

B. Perspective of Alleged Infringer

B. I. Situation before being attacked

1 Before being active in Germany

- i.e. in case of no relevant actions, no basis for imminent risk of infringement
- Determining potentially relevant patents and utility models
- Are amendments of the own product or actions possible?
- Filing of nullity suits?

2 After being active in Germany

- In addition: preparing protective letters, which contain arguments of defense against a temporary injunction

B. II. Situation after being attacked

After warning letter

- Considering filing protective letters if risk of fast track procedures
- Considering procedure for getting a declaratory judgment that the patent is not infringe
- Considering filing a “torpedo”
- Considering counter attacks

B. III. Special Constellation in connection with participation on fair in Germany

- existing decisions can be served on the defendant and enforced (e.g. decisions fixing refundable costs),
- new complaints and temporary injunctions can be served
- inspection claims can be enforced with respect to potentially infringing devices on the booth

THANK YOU

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