

Patent Litigation in Germany

Dr. Albrecht v. Menges

Overview

This presentation covers the following topics:

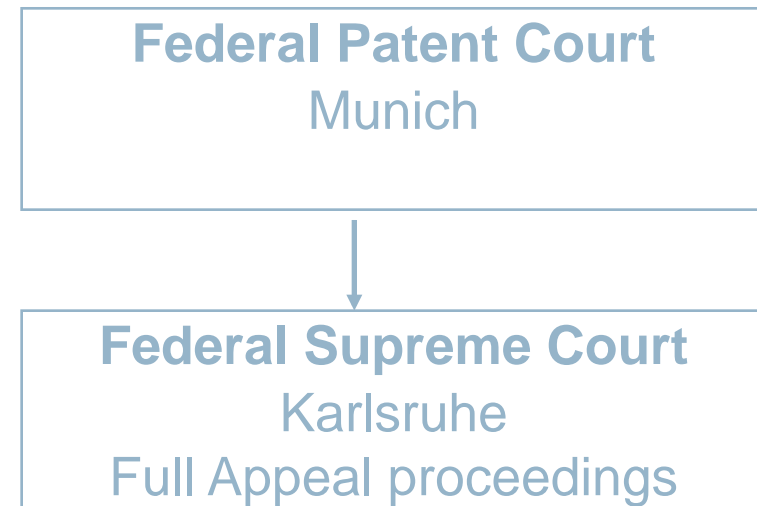
- patent infringement proceedings in Germany;
- patent invalidation proceedings in Germany;
- managing patent litigation by coordinating infringement and invalidity proceedings;
- interim injunctions; and
- actions for compulsory licenses.

Dual Court System for Patent Cases

Infringement Proceedings



Nullity Proceedings



Infringement Proceedings

- Courts:
 - case is heard by 3 judges with a legal background;
 - Judges have technical and legal expertise due to a high number of cases: \Rightarrow 600-800 per year in Germany;
 - Time scale: ~ 1 year.

- Experts:
 - party experts and independent court experts;
 - court experts are appointed in cases where:
 - the technology is difficult; and/or
 - doctrine of equivalence is to be applied.

Infringement Proceedings

- Cases must be decided on the basis of oral hearing(s).
- However, written briefs - rather than oral arguments - appear to make the courts come to a decision in most cases.
- Experts can provide written opinions.
- Witnesses (and experts) may be heard by the court and examined by the parties.
- In practice fact witnesses are only heard in specific circumstances such as prior use.

Infringement Proceedings

- Each party bears the burden of proving that the factual conditions exist which support the legal rule on which it relies.
- Exception: Sect. 139(3) German Patent Act

If the subject matter of a patent is a process for obtaining a new product, the same product when produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.

Infringement Proceedings

Obtaining evidence:

- sample of the infringing goods or devices;
- advertising by the infringer (internet);
- results from foreign discovery and similar procedures (disclosure procedures in the UK and Netherlands; saisie in France and other states);
- obtaining samples or documents from the infringer.

Infringement Proceedings

The Federal Supreme Court recently improved the possibilities of a Patentee to obtain evidence from a potential infringer. In the decision “Restschadstoffentfernung” (X ZR 114/03) the Court held that

“the submission of documents can be ordered by the Court ... if the documents are suitable and necessary to clarify the facts ... For a respective Court order it can be sufficient that there is a likelihood of the use of the intellectual property right.”

Nullity Proceedings

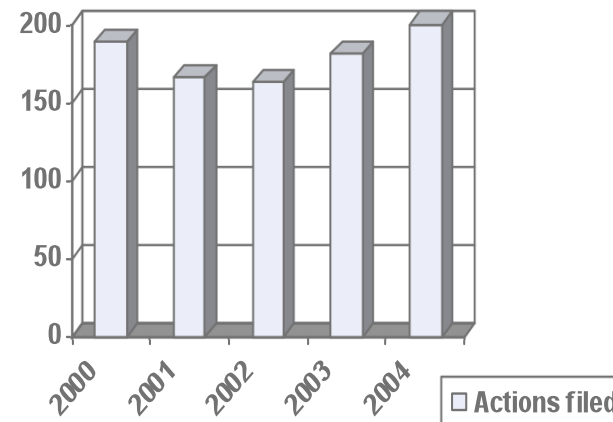


Federal Supreme Court
Karlsruhe
Court of Appeal (2nd instance)



Nullity Proceedings

- Panel ('Senate'):
 - 5 judges: 3 with a technical, 2 (including Chairman) with a legal background
 - in most cases the Court does not appoint an expert
 - high number of actions filed
 - time scale: 18-20 months



Nullity Proceedings

- nullity actions are admissible only 'post' opposition
- Court must examine the case *ex officio*
- Plaintiff's request determines scope of examination
- cases are decided on the basis of an oral hearing
- however, emphasis is on the written submissions
- witnesses and experts may be heard and "examined" by the parties
- the Federal Patent Court hardly ever hears witnesses or experts
- the Federal Supreme Court almost always hears a technical expert

Opposition Proceedings

Oppositions against a European Patent according to the EPC:

- substantiated opposition brief must be filed 9 months after the granting of the patent;
- Opponent's request determines scope of examination;
- the Opposition Division (OD) consists of three members with technical qualification;
- cases are decided on the basis of an oral hearing;
- independent experts are almost never appointed;
- witnesses and party experts may be heard;
- decisions from the OD may be appealed to the Board of Appeal.

Opposition Proceedings

Oppositions against a German Patent according to the GPA:

- substantiated opposition brief must be filed 3 months after the granting of the German patent;
- Opponent's request determines scope of examination, but the court must review the case *ex officio*;
- cases are decided by an Opposition Division, which consists of three members with a technical qualification;
- cases are decided on the basis of an oral hearing;
- the decision can be appealed to the Federal Patent Court.

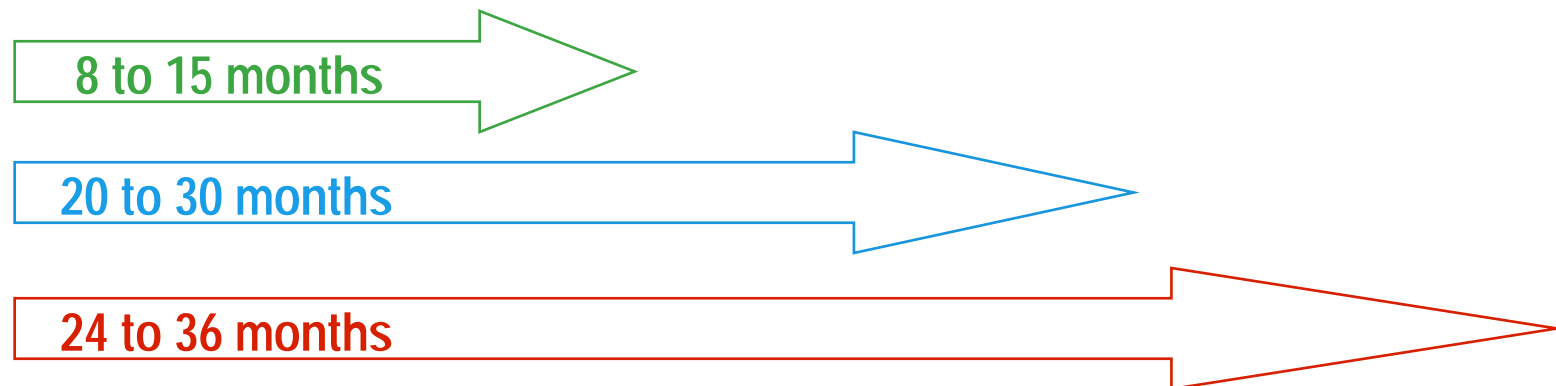
Managing Patent Litigation

Average duration of the Proceedings:

first instance infringement proceedings

first instance nullity proceedings

first instance opposition proceedings



Managing Patent Litigation

The difference in the duration of the proceedings may have significant consequences, as the District Court will only stay the infringement proceedings if there is an overwhelming likelihood that the patent will not be maintained in pending nullity or opposition proceedings.

Preliminary Injunction

- a first instance decision in patent infringement cases in Germany can be obtained in 8 to 15 months;
- a preliminary injunction can be obtained in 2 to 3 months.

Preliminary Injunction

According to §937 German Civil Code it is possible to decide on a request for an interim injunction in *ex parte* proceedings if required due to urgency or if the request is rejected.

However, most Courts will not grant an interim injunction in *ex parte* proceedings. If the Defendant contradicts the request, a hearing is conducted and a decision is issued in or shortly after the hearing. The decision can be appealed.

Preliminary Injunction

Timing of the request is critical and the same must be filed as soon as there is evidence for infringement.

Depending on the Court selected, the request should not be filed later than 1 to 3 months after obtaining evidence for infringement.

Patent Infringement from the first offer or sale of a product covered by the patent.

Preliminary Injunction

Due to the dual system in Germany, validity of the patent can only be reviewed by the Court if raised as an objection by the Defendant.

In that case the Claimant must show that the patent has a high likelihood of being maintained in invalidity proceedings.

Preliminary Injunction

In an exceptional case (Olanzapine) the Appeal Court of Düsseldorf issued a preliminary injunction against a number of patent infringers in 2008 even after the Federal Patent Court had nullified the only patent in suit. The decision from the Federal Patent Court had been appealed (to the Supreme Court).

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Preliminary Injunction

In that specific case the Appeal Court finding infringement:

- took into consideration that the patent is going to lapse during the course of the appeal in the nullity proceedings;
- concluded that the Patent Proprietor would not have any chance to stop the sales of infringing goods after the appeal in the nullity proceedings; and thus
- reviewed the decision of the Patent Court in substance and found that the decision is evidently wrong.

Compulsory License

An action for a compulsory license can be filed with the German Federal Patent Court.

The Federal Supreme Court has rejected a respective action in the mid-nineties (Polyferon).

However, the law was changed after that decision and it should now be easier to get a compulsory license, although no case law has yet been developed for the new law.

THANK YOU!

Dr. Albrecht v. Menges