

Higher Regional Court Munich

6 U 3824/22 Kart

Judgement from 20/03/2025

Guiding principles

1. Since the antitrust review of a license offer submitted to the sued patent infringer by the complaining SEP holder is usually very time-consuming and may also require the involvement of experts in the context of a legal dispute, but on the other hand the Plaintiff must be able to defend himself effectively and quickly against unauthorised use of his patent, it must be ensured that raising the FRAND objection does not lead to a de facto reduction in the legal position of the patentee, but merely represents a corrective against abusive behaviour (under antitrust law) on the part of the Plaintiff seeking an injunction. The negotiation steps mentioned by the CJEU in the "Huawei" decision (GRUR 2015, 764) should be seen in this light.

2. The question of abuse of market power by the Defendant – which is only to be examined on the Defendant's defence – arises in principle in the context of the merits, since the FRAND objection ultimately includes the Defendant's defence that it has a claim against the Plaintiff for the grant of a license (which is to be regarded as FRAND) (cf. FCJ GRUR 2021, 585 para. 83 – FRAND-Einwand II), so that in the case it is a *dolo agit* objection (Sec. 242 German Civil Code).

3. The negotiation steps mentioned by the CJEU in the "Huawei" decision (GRUR 2015, 764) must be adhered to by the Parties in principle. However, strict compliance with these steps should not be an end in itself. Therefore, in injunction proceedings, which are "only" concerned with whether the patentee whose rights have been infringed is also entitled to the procedural possibility of enforcing his patent claim against the infringer against whom the claim has been made, the meaning and purpose of each of the steps listed by the CJEU must also be examined, as well as whether a party can (still) rely in good faith on purely formal "errors" in a step at an earlier stage of the negotiations at a later point in the court proceedings, in particular, for example, if it has subsequently nevertheless entered into license negotiations despite the "erroneous step" of the other party.



4. If the requirements for the obligation to provide security by the Defendant raising the FRAND objection are met, the amount of the security must in principle be based on the (last) offer made by the Plaintiff seeking injunctive relief (because this alone is decisive for the success of the FRAND objection as a *dolo agit* plea). If this last offer includes a (worldwide) portfolio license, the security must cover the royalty due for this and may not be "calculated down" to the patent in suit in isolation and the territory of the Federal Republic of Germany. In addition, a qualified security is required in such a way that a binding declaration by the Defendant must ensure that the Plaintiff receives the security if its offer ultimately proves to be FRAND-compliant and the asserted patent infringement is also legally affirmed.

5. If the patent infringer does not provide security in the aforementioned sense, the FRAND objection is not successful without the Plaintiff's offer having to be checked for its FRAND compliance.

Operative Part

- I. The Defendant's appeal against the final judgement of the Regional Court of Munich I of 25 May 2022, reference: 7 O 14091/19, corrected by order of the Regional Court of 15 July 2022, is dismissed.
- II. Orders the Defendant to pay the costs of the appeal proceedings.
- III. The Regional Court judgement and the present judgement are provisionally enforceable. The Defendant may prevent the enforcement of I.1., I.4. and I.5. of the judgement of the Regional Court by (uniform) provision of security in the amount of ... Euro and the enforcement of I.2. and I.3. of the judgement of the Regional Court by (uniform) provision of security in the amount of ... Euro, unless the Plaintiff provides security in the same amount prior to enforcement. In addition, the Defendant may avert enforcement by providing security in the amount of 115% of the enforceable amount, unless the Plaintiff provides security in the amount of 115% of the amount to be enforced in each case prior to enforcement.
- IV. The appeal to the Federal Court of Justice is permitted with regard to the compulsory license objection under antitrust law (FRAND objection).



Reasons

A.

132 The Plaintiff brought a claim against the Defendant for alleged direct and indirect patent infringement for injunctive relief, claims for information and rendering account, recall and destruction as well as a declaration of liability for damages.

133 The Plaintiff is the proprietor of European patent 2 102 619 B1 (patent in suit).

134 V. Corporation has declared the patent in suit to the standard-setting organisation ETSI as standard-essential for the EVS standard (TS 26.455) and submitted a corresponding FRAND declaration.

135 The patent in suit was filed on 24 October 2007 and claims the priority of the US application US 853749P of 24 October 2006. The reference to the grant of the patent was published on 22 March 2017.

136 In the parallel invalidity proceedings brought by the Defendant, the Federal Patent Court declared the patent in suit partially invalid with effect for the territory of the Federal Republic of Germany in its judgement of 16 September 2022, Ref. 4 Ni 12/21 (EP) (Exhibit WKS 12), in that (inter alia) claims 10 and 29 of the patent in suit were amended as follows:

[...]

137 The judgement of the Federal Patent Court has since become final after the Parties withdrew their appeals in the appeal proceedings pending before the Federal Court of Justice under ref. X ZR 136/22 on 25 February 2025 (cf. Exhibit ... 17).

138 In the past, the Defendant offered and distributed UMTS (3G)- and LTE (4G)-capable mobile devices in Germany that have implemented an encoder for the "Codes for Enhanced Voice Services (EVS)" (hereinafter: EVS coder). The Defendant submits that in the meantime (since the beginning of February 2022) it has implemented a workaround solution in coordination with its manufacturers, as a result of which all devices offered and sold in Germany no longer support EVS.



139 The Plaintiff is of the opinion that the EVS standard realises the teaching of the patent in suit.

140 By complaint dated 10 October 2019 and received by the Regional Court on 11 October 2019, the Plaintiff initially requested (based on patent claims 10 and 29 as granted) that the Defendant be ordered to provide communicate information and render accounts and to establish liability for damages. It later extended the complaint to injunction, destruction and recall. Finally, the Plaintiff formulated its injunctive relief at first instance as in the operative part I.1 of the first judgement reproduced below. In doing so, it reproduced the restricted or amended versions of the claims in the nullity proceedings and at the same time supplemented the applications with the addition reproduced under B.I. below.

141 At first instance, the Defendant disputed in particular the Plaintiff's right to sue, denied a patent infringement and argued that the claim for injunctive relief was disproportionate. It also raised the compulsory license objection under antitrust law (FRAND objection).

142 In its final judgement of 25 May 2022, to whose findings of fact reference is made in addition, the Regional Court essentially ruled in accordance with the claim as follows:

I. The Defendant is ordered,

to cease and desist

1. under penalty of a fine of up to EUR 250,000 for each case of infringement, alternatively imprisonment for up to 6 months or imprisonment for up to 6 months, in the event of repetition imprisonment for up to 2 years, whereby the imprisonment is to be enforced on the respective managing director of the respective Defendant,

a) from offering, placing on the market and/or using or to import and/or possess for the aforementioned purposes in the Federal Republic of Germany,

EVS-enabled mobile phones

[...]

(direct infringement claim 10)

b) from offering and selling

EVS-enabled mobile phones



in the Federal Republic of Germany to third Parties who are not authorised to use the teaching of the patent in suit in the Federal Republic of Germany, for use in the Federal Republic of Germany,

[...]

(indirect infringement claim 29)

2. to provide the Plaintiff with information on the extent to which the Defendant has committed the acts referred to in point I.1 since 27 September 2019, stating

[...]

3. to provide the Plaintiff with a chronologically ordered list of the extent to which the Defendant has committed the acts referred to in point I.1 since 27 September 2019, stating:

[...]

4. to recall the products referred to above under I.1 a) that have been in the possession of commercial buyers since 27 September 2019;

5. to destroy the products in the direct or indirect possession or ownership of the Defendant in the Federal Republic of Germany in accordance with Clause I. 1 a), or to hand them over to a bailiff to be appointed by the Plaintiff for the purpose of destruction at the Defendant's expense;

- II. It is established that the Defendant is obliged to compensate the Plaintiff for all damages that it has suffered and will suffer as a result of the acts referred to in Section I.1. committed since 27 September 2019."

12 The Regional Court dismissed the complaint only in applications I.4. and I.5. insofar as they related back to application I.1.b), since there was no claim for destruction and recall insofar as the Defendant had only indirectly infringed claim 29 of the patent in suit.

13 The Defendant's appeal is directed against this judgement, with which it pursues its first-instance objective of dismissing the action in its entirety, repeating and deepening its first-instance arguments.

14 The Defendant claims,

Dismiss the complaint, amending the judgment of the Regional Court of Munich I, case no. 7 O 14091/19, delivered on 25 May 2022.

15 The Plaintiff defends the judgment under appeal and claims that the court should

Dismiss the appeal.



16 With regard to the compulsory license objection under antitrust law, the European
Commission, as amicus curiae, submitted its position in the present proceedings both in writing
and orally at the hearing on 31 October 2024. The Senate informed the Parties and the
Commission of its preliminary view regarding the FRAND objection in an information order
dated 30 October 2024 and granted the Parties a deadline to submit written submissions at
the hearing. The Parties subsequently lodged written statements.

17 For the rest, reference is made to the written pleadings exchanged in the appeal proceedings
and the minutes of the oral hearing of 31 October 2024.

B.

18 The Defendant's admissible appeal is unsuccessful in the case. The Regional Court's
conviction withstands review on appeal in all respects – at least as regards the result.

19 I. Insofar as the appeal raises objections to the version of the application, these do not prevail.

20 In its most recent applications I.1.a) and b) filed at first instance and defended on appeal (in the
form of the Regional Court's operative part), the Plaintiff included the following addition in
addition to the reproduction of the patent claim in the version of the judgement of the Federal
Patent Court in the nullity proceedings, which has since become final:

"[...] whereby the replacement takes place by using a transition mode codebook instead of the
adaptive codebook, and the replacement can also only take place in one of the subframes of
the respective frame [...]"

21 Contrary to the appeal's opinion, this does not raise any legal concerns.

22 To the extent that the Defendant argues that by making the aforementioned additions to the
applications, the Plaintiff is asserting a version of the claim that was neither granted nor
defended in the nullity proceedings, this is not true. Rather, the Plaintiff has expressly clarified
that it is basing the relevant applications solely on the restricted version of the claim in
accordance with the judgement in the nullity proceedings. The applications are therefore to be
understood as meaning that the desired prohibition is intended to cover precisely those
embodiments in which a transitional mode codebook is used instead of the adaptive codebook



and in which the replacement may only take place in one of the subframes of the respective (subsequent) frame. The additions are therefore merely clarifications or concretisations with regard to the specific attacked embodiments, whereby the Plaintiff has at the same time limited the scope of its prohibition request to such embodiments. It is irrelevant whether such a restriction was mandatory in the present case according to the FCJ's decision "Blasfolienherstellung" (GRUR 2005, 569); in any case, such a restriction is permissible without further ado and even useful in order to clearly define the subject matter of the dispute and the scope of the (desired) injunctive relief.

23 Therefore, the version of the request is not an inadmissible anticipated interpretation, as the Defendant believes. Rather, it must be examined in the context of the merits whether such an interpretation is covered by the literal meaning of the patent claims (as such unchanged by the applications) or whether corresponding embodiments as described in the application are covered by their scope of protection.

[...]

74 V. The Plaintiff is therefore entitled to the injunctions and consequential claims awarded by the Regional Court. Reference is made to the relevant statements on p. 31/34 of the LGU in order to avoid repetition. With regard to the appeal submissions, it is only necessary to add that the Regional Court rightly denied the exclusion of the claim for injunctive relief due to disproportionality pursuant to Section 139 (1) sentence 3 German Patent Act (see 1.). Furthermore, the subsequent claims are not extinguished due to fulfilment (see 2.).

75 1. The claims for injunction are not excluded due to disproportionality.

76 Pursuant to (Art. 64 (3) EPC in conjunction with) Section 139 (1) sentence 3 German Patent Act, a claim for injunctive relief for patent infringement is excluded if, due to the particular circumstances of the individual case and the requirements of good faith, the claim would lead to disproportionate hardship for the infringer or third Parties that is not justified by the exclusive right. This is not the case here for two reasons:

77 On the one hand, the Defendant itself argues that it has in the meantime been able to implement an individual workaround solution with which it can continue to sell devices even



without EVS functionality. Under these circumstances, disproportionality and unjustified hardship could only be considered from the outset if the Defendant were to suffer serious long-term disadvantages, for example in the form of continued significant losses in sales due to the "slimmed-down" version of the devices. However, there is no substantiated submission in this regard.

78 In contrast, the Defendant – irrespective of the fact that this submission is also not very specific – cannot rely on the fact that the workaround solution on "old" devices was costly and took many months to complete. This is because this expense has already been incurred by the Defendant and can no longer be averted by the exclusion of the (forward-looking) injunctive relief.

79 Secondly, the Defendant cannot successfully invoke Section 139 (1) sentence 3 German Patent Act in the present case because the patent in suit is a standard-essential patent. In the case of such a patent, the application of Section 139 (1) sentence 3 German Patent Act is generally out of the question, as the infringer generally has the option of taking a license on FRAND terms. If the patentee complies with its obligations under antitrust law and, in particular, submits an offer to the infringer on FRAND terms, Sec. 139 (1) sentence 3 German Patent Act only provides the infringer with an additional defence in exceptional cases where there are further circumstances justifying disproportionality (cf. Ohly, GRUR 2021, 1229 [1236]). This applies in the same way if the Defendant – as here – does not sufficiently fulfil its FRAND obligations and therefore cannot invoke the FRAND objection or the FRAND adequacy of the Plaintiff's offer is not to be examined by the court (cf. VI. below). The Defendant cannot circumvent the fulfilment of these obligations by invoking Sec. 139 (1) sentence 3 German Patent Act instead of (or in addition to) the FRAND objection. It can be left open whether this result arises dogmatically from a speciality of the principles of antitrust law or from the fact that the "FRAND programme" is also included in this provision via the requirement of good faith, which must also be expressly taken into account within the framework of Section 139 (1) sentence 3 German Patent Act (in the latter sense Ohly, loc. cit.).

[...]

84 VI. Furthermore, the Regional Court (as a result) rightly assumed that the objection of compulsory licensing under antitrust law raised by the Defendant does not prevail.



- 85 1) It can be left open whether the Plaintiff in the present case has a dominant position within the meaning of Art. 102 TFEU in an upstream independent license market in relation to the Defendant (cf. FCJ, GRUR 2020, 961 para. 53 et seq. – FRAND-Einwand). The Plaintiff rightly points out that there are at least doubts about this in view of the fact that, according to its own submission, the Defendant has found a workaround solution in coordination with its manufacturers and that the devices it has sold in Germany have no longer made use of the EVS standard since February 2022 at the latest. However, these do not require any final legal clarification in the case in dispute, since in the absence of sufficient security by the Defendant, the FRAND objection does not prevail or a FRAND examination (in the narrower sense) does not have to be carried out.
- 86 2) The Senate provided the Parties with comprehensive information on its legal opinion on the FRAND objection in its decision of 30 October 2024 (published in GRUR 2025, 246; NZKart 2024, 710; WuW 2025, 51; GRUR-RS 2024, 30064). Taking into account the discussions at the oral hearing on 31 October 2024 (also with the European Commission as *amicus curiae*) and the further written pleadings of the Parties following the oral hearing, the Senate continues to adhere to its opinion there in principle – and in any case to the extent relevant to the dispute.
- 87 3. The following applies in general:
- 88 a) When considering whether and to what extent the Defendant's FRAND objection is to be accepted in the context of injunction proceedings under patent law, it must be taken into account that it regularly serves as a means of defence for the person who – without being entitled to do so – uses the patent-protected teaching of a patentee. The user therefore commits a patent infringement, so that the patentee is entitled to a corresponding injunctive relief. Under current law, the patentee must also be able to enforce such a claim for injunctive relief in court and must not be able to rely on the fact that he can assert claims for compensation against the infringer for past infringements. However, if the owner of a standard-essential patent is obliged under antitrust law to allow users willing to take a license to use the patent-protected teaching due to its dominant market position, it can only successfully enforce the prohibition rights to which it is entitled through litigation if it is prepared to offer the user a license agreement on FRAND terms.



- 89 Whether this willingness exists in an individual case can generally only be assessed on the basis of a comprehensive antitrust review of a specific Plaintiff's offer. However, since this examination is usually very time-consuming and may also require the involvement of experts in the context of a legal dispute, but the Plaintiff must be able to defend himself effectively and quickly against unauthorised use of his patent, it must be ensured that the raising of the FRAND objection does not lead to a de facto reduction in the legal position of the patentee, but merely represents a corrective against abusive behaviour (under antitrust law) on the part of the Plaintiff seeking an injunction. The negotiation steps mentioned by the CJEU in the "Huawei" decision (GRUR 2015, 764) should be seen in this light.
- 90 b) Against this background, the Senate adheres to its view that the fact that the FCJ considers the Defendant's FRAND defence to be an anchor to counter the patentee of a standard essential patent against an abuse of its dominant market position associated with the enforcement of an injunctive relief by way of action (cf. FCJ GRUR 2021, 585 para. 53 et seq. – FRAND-Einwand II), does not lead to an (assumed) abusive complaint being dismissed due to abuse of rights and thus as inadmissible. Rather, the question of abuse of market power by the Plaintiff – which is only to be examined on the Defendant's defence – arises in principle in the context of the merits, since the FRAND objection ultimately includes the Defendant's defence that it has a claim against the Plaintiff for the grant of a license (which is to be regarded as FRAND) (cf. FCJ GRUR 2021, 585 para. 83 – FRAND-Einwand II), so that it is in fact a *dolo agit* defence (Sec. 242 German Civil Code) (cf. Kühnen Patentverletzung-HdB, 16th ed, Chapter E para. 265). If this substantive objection is upheld, the complaint must therefore be dismissed as currently unfounded, provided that the other requirements for a claim for injunctive relief, in particular a patent infringement, are affirmed.
- 91 Whether, possibly in deviation from this principle, something else applies and the action for an injunction is to be regarded as inadmissible due to general abuse of rights pursuant to Section 242 German Civil Code if the patentee brings an action for an injunction without having previously informed the user of the (alleged) patent infringement (step 1) or without having submitted a license offer to the user after expressing a willingness to take a license (step 3), or, for example, if the patentee did not wait for a reasonable response time to a notice of infringement or to an offer submitted before filing an action, can be left open in the event of a



dispute (cf. see note of the Senate, GRUR 2025, 246 para. 7). Such a constellation does not exist here.

92 c) In addition to the Senate's note of 30 October 2024, it should also be stated in advance that, in the Senate's understanding, the steps mentioned by the CJEU in the "Huawei" decision (GRUR 2015, 764) must be observed by the Parties in principle. However, strict compliance with these steps is not intended to be an end in itself and must not impose a compulsory corset on the Parties for negotiations and, as a result, become a "Gessler hat" for them, to which the Parties must mutually show reference, but rather a dynamic negotiation concept (cf. Meier-Beck, GRUR Patent 2024, 411 para. 27).

93 In injunction proceedings, which – as described at the beginning – are "only" about whether the patentee whose rights have been infringed is also entitled to the procedural possibility of enforcing his patent claim against the infringer against whom the claim has been made, it is therefore also necessary to ask about the meaning and purpose of each of the steps listed by the CJEU and whether a party can (still) invoke purely formal "errors" in a step at an earlier stage of the negotiations in good faith at a later stage in the court proceedings, in particular, for example, if it has subsequently nevertheless entered into license negotiations despite the "erroneous step" of the opposing party.

94 The CJEU case law is therefore correctly understood as not imposing a sequence of procedural steps on the Parties that they must strictly adhere to under all circumstances in order to avoid any claims or procedural defences. The court's examination (which, by its very nature, is an ex post examination) is not subject to a strict sequence of examination in such a way that each step must and may only be examined strictly one after the other (i.e. from an ex ante perspective at the time the respective step was taken, ignoring everything that actually happened afterwards). This means that – contrary to the Commission's view and, in particular, the chart submitted by it (published in GRUR 2024, 1404 [1405]) – not every non-compliance or incorrect compliance with a step automatically leads to the setting of the course outlined there to the detriment of the respective party, that has not complied with the step and thus to the success or failure of the antitrust compulsory license defence ("antitrust defence"/"no antitrust defence"), because this would negate the fundamental classification of the FRAND objection as a dolo agit defence.



95 The CJEU's "Huawei" decision does not provide any indication of a different understanding. Rather, the judgment refers in para. 65 to the fact that it is incumbent on the alleged infringer to respond to the patentee's offer with care, in accordance with recognised commercial practice in the field and in good faith, which implies, among other things, that no delaying tactics are pursued. It follows from this that the "Huawei" framework cannot be exhausted in the mere processing of "steps" and formulaic declarations in the context of the judicial examination of an (enforceable) injunction claim, which must take place before the initiation of patent infringement proceedings, but with which otherwise nothing and in particular no negotiation result can be achieved, but that, at the latest at step 4, an assessment is made of the extent to which the Parties have worked towards a fair negotiation result with their steps, so that, consequently, the steps prior to this cannot depend on mere formalities and strict sequence (cf. Meier-Beck, GRUR Patent 2024, 411 para. 28).

96 This is in line with the fact that the *dolo agit* defence in German law, which, as explained above, is the dogmatic gateway for the FRAND objection as a means of defence against the action for injunctive relief, is also based on the principle of good faith pursuant to Section 242 German Civil Code.

97 Moreover, the fact that a strict negotiation and judicial examination scheme, as the Commission and, together with it, the Defendant want to take from the CJEU case law, is neither practicable nor in the interests of the Parties is shown by the fact that the Commission itself is not able to consistently uphold this concept. For example, the Commission states in recital 86 et seq. of its written *amicus curiae* opinion of 15 April 2024 that the patent user must respond properly to the SEP holder's offer (step 4) even if the SEP holder's offer (step 3) does not meet FRAND conditions. According to the Commission's own view and the above-mentioned graphic, however, the court would first have to examine the FRAND compliance of the (first) Plaintiff's offer as part of step 3 and, if the result is negative, terminate the examination at this point, deny an "antitrust defence" and dismiss the action for an injunction without further ado. It is therefore not clear to what extent a counter-offer by the user can still be relevant in the case of a FRAND-contrary (first) offer by the patentee according to the Commission's fundamental view. Rather, the Commission's opinion is contradictory in this respect, which shows that a strict negotiation and examination programme cannot be correct. This applies *mutatis mutandis* to the extent that the Commission stated at the oral hearing,



when asked by the Senate, that in the case of several offers by the patentee (only) the last offer should be examined for its FRAND compliance. This, too, cannot be reconciled with the strict procedural and examination sequence advocated by the Commission.

98 4. Having said this, the following should be said about the individual steps of the Huawei programme in general and in particular in relation to the dispute:

99 a) According to both the CJEU (GRUR 2015, 746, para. 61, 62 – Huawei Technologies/ZTE) and the FCJ (GRUR 2021, 585, para. 55 – FRAND-Einwand II), a notice of infringement is required as a first step.

100 aa) In the present case, it can be left open whether such a notice of infringement can be seen in the Plaintiff's letters of 21 August 2019 and 16 September 2019, in which the Plaintiff "invited" the Defendant (or its parent company) to find out more about the licensing opportunities regarding its patent portfolio essential for the EVS standard, as the Regional Court assumed (see also Mannheim Regional Court; also left open by HRC Karlsruhe). Even after re-examination, the Senate maintains its view that a sufficient notice of infringement can in any case be seen in the lodging of the complaint for damages and Financial Information and rendering of accounts in the present proceedings (receipt: 11 October 2019; service: 27 November 2019).

101 Insofar as the Defendant believes that an action for information is to be equated with an action for an injunction from a FRAND point of view and therefore cannot serve as a notice of infringement within the meaning of step 1 of the "Huawei" programme, the Senate is unable to agree with this, even after re-examination. The CJEU expressly stated in paragraphs 74-76 that and why complaints for invoicing or damages are precisely not actions which, within the meaning of paragraph 73 of the decision, are "capable of preventing products manufactured by competitors which comply with the standard in question from entering or remaining on the market". There is no reason for the Senate to deviate from this, especially since it considers the CJEU's statements in this regard to be convincing, whereas it cannot share the Defendant's statements in the written pleading of 15 July 2024 (para. 20 et seq., in particular para. 24) that and why actions for information also lead to an actual impediment to market entry.



102 From the Senate's point of view, there are therefore no concerns that an action for information
and/or damages can also constitute an infringement notice in accordance with step 1.
Incidentally, the European Commission apparently also takes this view (cf. para. 67 of the
amicus curiae opinion of 15 April 2024).

103 bb) Irrespective of this, any missing or defective notice of infringement at the beginning of the
negotiations could not (any longer) be successfully relied upon by the Defendant at this stage
anyway.

104 The purpose of this procedural step is to provide the patent user with clarity as to which
specific patent the patentee considers to be infringed (among other things) in order to give the
user the opportunity to examine this in more detail and make a sufficiently informed decision
as to whether to request the patentee to grant a license (step 2).

105 Accordingly, the purpose of the notice of infringement is also fulfilled if the user either knows
which patent or patents are involved despite an inadequate notice of infringement in terms of
content, or if he is aware of this in the further course, for example if he enters into concrete
license negotiations with the patentee or engages in such negotiations. In this case, it would
also be considered disloyal if the patent user were to invoke purely formal errors in the notice
of infringement at the very beginning of the negotiation process in subsequent court
proceedings.

106 Something else could only apply if the patentee lodges an action for an injunction and a prior
infringement notice (a) is either completely missing, (b) has been given but the user could not
see from it (and did not know) which patent was specifically infringed, or (c) the content of the
infringement notice was correct but the patentee did not give the user a reasonable and
sufficient time to react (but, for example, lodged a complaint just one day later).

107 However, such a case does not exist here, so that in particular it is irrelevant when the patent
user must assert such a "formal error" in judicial infringement proceedings and whether such
an error could already lead to the inadmissibility of the injunction action nevertheless brought
(cf. already VI.3.b) above). Rather, in the case in dispute, the Parties had entered into mutual
negotiations after the Plaintiff's letters of 21 August 2019 and 16 September 2019 and before
the complaint for injunction, destruction and recall was extended on 19 February 2021 and had



already concluded non-disclosure agreements and exchanged offers. At no time did the Defendant claim that it was not aware that, from the Plaintiff's point of view, the patent in suit would be infringed by the EVS standard (among other things) and that this was therefore (also) the subject of the negotiations, nor is there any evidence of this.

108 Under these circumstances, the FRAND objection can, at least at this point in time, no longer prevails due to an (alleged) lack of notice of infringement at the beginning of the Parties' negotiations.

109 b) As a second step, the CJEU's "Huawei" framework provides for the user to declare a willingness to take a license.

110 aa) The Parties dispute whether the Defendant's response of 26 November 2019 (to the unsolicited license offer sent by the Plaintiff on 25 October 2019) can be seen as a sufficient expression of the Defendant's willingness to take a license. The Regional Court denied this in terms of content, as it was an insufficient conditional declaration of willingness to take a license within the meaning of the FCJ decision "FRAND-Einwand II" (para. 94, 95), because the Defendant had limited its willingness to license to patents that were "valid, actually essential and enforceable" (see also Mannheim Regional Court).

111 bb) The Senate adheres to its opinion in the note of 30 October 2024 that this question can remain open in the case in dispute because the Plaintiff can no longer (in isolation) invoke a lack of a declaration of willingness to take a license in accordance with step 2 in good faith, at least at the current stage of negotiations.

112 In this respect, what was stated above with regard to step 1 applies in the opposite direction in favour of the user. It is true that the patentee's obligation to submit an offer before bringing an action may (initially) cease to apply if the user does not respond to a notice of infringement from the patentee within a reasonable time period or does not respond in an adequate manner. However, if the patentee nevertheless makes an offer to the user despite the lack of or insufficient declaration of willingness to license and the Parties then enter into negotiations – as is the case here – the patentee cannot (any longer) invoke in good faith that the FRAND objection does not apply because the user did not express his willingness to take a license prior to such an offer (see also Kühnen, HdP, 16th ed., Chapter E para. 476).



- 113 c) As step 3, the "Huawei" decision of the CJEU (para. 63) provides that it is incumbent on the patentee, after the user has expressed his will to conclude a license agreement on FRAND terms, to submit a concrete written license offer on FRAND terms to the user in accordance with the obligation he has assumed vis-à-vis the standardisation organisation and, in particular, to indicate the royalty and the way in which it is calculated.
- 114 aa) However, the FRAND conformity of this first offer is only decisive for the success of the action for injunctive relief to be examined by the court if the Defendant, for its part, has fulfilled the acts of reaction incumbent on it (cf. in more detail below d) and e)) and the Plaintiff has not improved its first offer in the course of the negotiations. This results from the procedural consequences of the Plaintiff's first FRAND offer on the one hand and the Plaintiff's first offer not being considered FRAND on the other.
- 115 (1) The Senate maintains its view that the FRAND objection cannot be successful if the patentee's first offer (possibly also taking into account any concerns expressed by the user as to why the offer was not FRAND, cf. FCJ, GRUR 2021, 585 para. 74 – FRAND-Einwand II) was already FRAND-compliant. In this case, the only "permissible" reaction of the user (who has an interest in licensing) would have been to accept the offer. Although it is of course possible, due to the freedom of negotiation and contractual freedom to which both Parties are entitled, to renegotiate an offer that is not in itself objectionable under antitrust law, the licensor is not legally obliged to withdraw from such an offer. Even if there is a range of FRAND-compliant solutions (cf. FCJ, loc. cit., para. 70), the willing user must accept an offer from the patentee that is within this range because in this case (even if the offer was only "just FRAND") the patentee is not abusing its dominant market position with its action for an injunction and the Defendant has no claim to conditions at the more favourable end of the range. In view of this, it must be irrelevant in the infringement proceedings when examining whether the Plaintiff is behaving abusively under antitrust law and therefore whether the Defendant's *dolo agit* defence can apply, how the Defendant (if he did not accept the offer) reacted to it, i.e. whether he did not react at all, openly showed himself unwilling to take a license, rejected the offer with a reasoned counter-offer and/or provided security or not, etc. This is because the FRAND objection cannot prevail in this case.



116 So far, the Senate has not heard any convincing argument from any representative of the opposing view, according to which a counter-offer by the Defendant should also (or even exclusively) be decisive in this case, as to why and in what way a patentee who has already made the user a (first) license offer on fair, reasonable and non-discriminatory terms should behave in breach of antitrust law, and non-discriminatory conditions should behave contrary to antitrust law, and for what reason the patentee should nevertheless be forced under these circumstances to accept a counter-offer from the user that is less favourable to him, even if this also complies with FRAND conditions.

117 (2) A FRAND examination of the (first) Plaintiff's offer by the court would therefore only be required in step 3 if, in the event that this offer by the patentee was not FRAND, the legal consequence would be that the FRAND objection would be successful irrespective of the user's further behaviour.

118 However, as the Senate has already stated in its reference (cf. GRUR 2025, 246 para. 23 et seq.), this view cannot be followed. The counter-reaction of the user required by the CJEU in para. 65, 66, namely that he reacts with care in accordance with the business practices recognised in the field and in good faith and submits a concrete counter-offer to the patentee, is, according to the above explanations under (1), relevant precisely (and ultimately only) in the event that the (first) Plaintiff's offer was not FRAND.

119 Therefore, the FCJ in particular also rightly requires a counter-offer from the user even if the patentee's offer does not comply with FRAND conditions (FCJ, GRUR 2021, 585 para. 72-74). Incidentally, this view is also held by the Commission and the Defendant (although – as shown above – this contradicts their other statements and in particular the graphic submitted by the Commission).

120 This finding is not altered by the fact that para. 63 of the "Huawei" decision states that the patentee must submit a license offer to the user "on FRAND terms". Ultimately, it is a matter of course that the patentee must endeavour to the best of its ability and knowledge at this stage of the proceedings to submit an offer to the user in a first mark-up which, as far as possible and at least from its (subjective) point of view, corresponds to FRAND conditions, and the patentee is not entitled to deliberately submit an inappropriate (in particular excessively high) first offer for purely tactical negotiating reasons. However, this does not imply any statement



as to the legal consequences if the patentee violates this obligation and his offer is objectively not FRAND. In particular, it does not follow from this that a non-FRAND (first) offer by the patentee automatically leads to the FRAND objection taking effect. If this were the case, there would no longer be any need for negotiations or a counter-offer (as required by the CJEU) (cf. note of the Senate, GRUR 2025, 246 para. 30, with reference to FCJ, GRUR 2021, 585 para. 73 – FRAND-Einwand II).

121 (3) Since the Defendant is therefore also obliged to make various counter-reactions in the case of a (first) offer by the Plaintiff that does not comply with FRAND conditions (cf. steps 4 and 5 below), these must first be taken into account before the FRAND examination in the narrower sense – namely the examination of the (last) Plaintiff's offer for its FRAND conformity – can and must be started. This is because if the user has not properly fulfilled its obligations to respond, it is excluded with its FRAND objection even in the case of a Plaintiff's offer that is contrary to FRAND.

122 bb) As a result, it can only be stated at this point (step 3) that the Plaintiff in the dispute submitted a (first) license offer to the Defendant on 25 October 2019.

123 d) As already explained, the CJEU requires as step 4 that the patent user responds to the patentee's offer with a counter-offer (which complies with FRAND conditions). The FCJ also assumes this in principle (although in the case of an offer that is obviously contrary to FRAND, it may even be sufficient for the user not to submit a counter-offer of his own, but merely to explain why the patentee's offer is obviously not FRAND, cf. FCJ, GRUR 2021, 585 para. 71 – FRAND-Einwand II).

124 aa) In the context of step 4, too (as in step 3), it is only necessary to examine whether the Defendant submitted a counter-offer to the Plaintiff and not whether the counter-offer met FRAND conditions.

125 It is true that the CJEU (para. 66) also requires in this respect that the counter-offer "complies with the FRAND conditions". However, this is also merely a clarification that the user is obliged in good faith to participate constructively in the negotiations and is therefore naturally obliged to submit a counter-offer that is FRAND-compliant from his (subjective) point of view and that he may not abuse the counter-offer step for mere tactics or delays (cf. the above comments



on the patentee's offer). In this respect too, however, it cannot be inferred from the CJEU decision that a breach of this requirement would have direct legal consequences in such a way that the user would automatically lose the FRAND defence if the counter-offer did not comply with FRAND conditions, as the Commission's diagram suggests.

126 Rather, the FRAND compliance of the user's counter-offer in the infringement proceedings is ultimately irrelevant in any constellation. If the patentee has already submitted a FRAND offer, the user only has the option of accepting it anyway, and he cannot successfully "defend" himself against it with his own (albeit also FRAND-compliant) counter-offer. As already explained above, the user has no claim to more favourable FRAND conditions in the lower range of the bandwidth. Even in the event that the patentee's offer was not FRAND, it does not matter whether the user's counter-offer was FRAND, but the only decisive factor is whether the patentee has (at least) submitted an improved offer to the user which now complies with FRAND conditions, although the latter is only to be examined if the Defendant fulfils its further obligation to provide sufficient security (cf. e) below).

127 However, the user's counter-offer (step 3) still has an important meaning and purpose for the Parties' negotiations: On the one hand, it gives the user the opportunity to raise substantiated objections to the patentee's offer, which is particularly important in the event that the offer does not necessarily appear to be non-FRAND when viewed "in the abstract", but does when the counter-offer or the objections raised are taken into account (cf. FCJ, GRUR 2021, 585 para. 74 – FRAND-Einwand II). On the other hand, this gives the patentee the opportunity to improve its offer and to adapt it to conditions that are FRAND in the specific case, taking into account the counter-offer or the objections raised. Irrespective of this, it is in the nature of a negotiation process to come closer to each other through the exchange of offers and counter-offers in order to reach an agreement in the end, which must always be the primary goal of the Parties in FRAND cases as well.

128 bb) It therefore only remains to be stated at this point that the Defendant submitted a counter-offer (and subsequently others) to the Plaintiff on 17 March 2020.

129 e) In addition, as step 5, if the user uses the SEP before a license agreement has been concluded, the user must, from the time his counter-offer is rejected, provide adequate security in accordance with accepted commercial practice in the relevant field (CJEU, GRUR



2015, 764 para. 67 – Huawei). aa) These requirements for the obligation to provide security are met here.

130 The Plaintiff did not accept the Defendant's counteroffer of 17 March 2020 (or the other counteroffers).

131 Moreover, the Defendant unsuccessfully argues that it is currently no longer using the patent in suit due to the implemented workaround solution. In this respect, the only decisive factor can be that the Defendant has (at least) used the EVS standard in the past (which is undisputedly the case) and has not eliminated the resulting risk of repetition for future uses by submitting a cease-and-desist declaration with a penalty clause. The Defendant is behaving contradictorily if, on the one hand, it defends itself against the injunction claim with the FRAND objection, but on the other hand, it believes that it does not have to provide security for the fees of a FRAND license, which is intended to legalise the continued threat of use of the patent in suit.

132 bb) With regard to the type and amount of the security to be provided, the Senate also adheres to its opinion in the note dated 30 October 2024.

133 (1) As set out above, according to the case law of the CJEU, the user must provide "adequate security in accordance with recognised commercial practice in the sector concerned".

134 However, the reference to "recognised commercial practices" requires further specification. This is because at the time of the CJEU's decision, such practices did not yet exist in the context of FRAND negotiations in commercial transactions according to the CJEU's concept, as the CJEU established this concept for the first time with the "Huawei" decision. As far as the Senate can see, no such recognised practices have developed since then either. Rather, either no security was provided at all during the license negotiations because the Parties agreed on a license agreement. Or, in cases in which no agreement was reached and which resulted in judicial infringement proceedings, security was provided by the respective Defendants which, in the experience of the Senate, was regularly criticised by the Plaintiffs as being too low. In any case, "recognised" practices are therefore not apparent.



135 It must therefore – and this seems appropriate – be based (solely) on what security is
"appropriate".

136 (2) The Senate is also of the opinion that the amount of an appropriate security must in
principle be based on the offer made by the patentee or injunction Plaintiff (and not on any
counter-offer made by the Defendant).

137 This follows from the fact that the Defendant relies on the fact that the Plaintiff's offer does
not comply with FRAND conditions (and this offer alone can also be decisive for the abuse of
an injunction Plaintiff, cf. above), and thus only a judicial review of this very offer can lead to
the success of the dolo agit defence. If this examination shows that the Plaintiff's license offer
was fair, reasonable and non-discriminatory, the FRAND objection does not apply and the
Defendant (if it wishes to continue to make use of the patented teaching) is obliged to accept
this offer. The Defendant must therefore also secure this offer in order to ensure that a Plaintiff
seeking an injunction who complies with antitrust law is not unreasonably disadvantaged by
the time-consuming examination of the FRAND objection described above. However, as shown
above, the own counter-offer does not come into play in any constellation, so that it is not clear
to the Senate from which point of view securing the Defendant's counter-offer should make
sense and be sufficient.

138 Finally, the fact that the amount of the security deposit must be based on the Plaintiff's offer
also follows from the fact that the security deposit is a concretisation of the patent user's
willingness to take a license (cf. in more detail below under cc)). The Defendant, who claims to
be prepared to conclude a contract on FRAND terms ("whatever terms are in fact FRAND"),
must consequently be prepared to accept the Plaintiff's offer under review in the end if it turns
out to be FRAND-compliant in the further course (in particular after judicial, possibly expert
examination). He can therefore (only) prove a corresponding willingness to take a license by
providing security in this amount.

139 The Plaintiff's offer, which is to be the subject of the FRAND examination and on which the
security is to be based, is not necessarily the first offer, but in principle the last offer made by
the Plaintiff. This is because the abuse of a patentee's market power does not in principle result
from contractual conditions contrary to FRAND offered by the patentee before or at the
beginning of negotiations, but only from unreasonable conditions for a requested access from



which the patentee is not prepared to deviate even at the end of negotiations (cf. FCJ, GRUR 2021, 585 para. 54 – FRAND-Einwand II). Incidentally, the Commission also argued in the oral hearing before the Senate that the Plaintiff's last offer is decisive in this respect.

140 If this last offer by the patentee includes a (worldwide) portfolio license, the security must cover the royalty due for this and may not be "calculated down" to the patent in suit in isolation and the territory of the Federal Republic of Germany. This is because the security does not serve to secure the claim for damages (which may only extend to the patent in suit and the territory of the Federal Republic of Germany), but, as can already be seen from the above, to secure the royalty which the Plaintiff can demand in the event of the conclusion of a license agreement on FRAND terms (demanded by the Defendant and owed by the Plaintiff). In principle, however, the offer (alone) of a worldwide portfolio license can be FRAND (cf. FCJ GRUR 2020, 961 para. 77 f. – FRAND-Einwand I). If such a worldwide portfolio license is available on the basis of the Plaintiff's offer, the security must therefore also relate to this.

141 Insofar as it is objected to the Senate's view that linking the amount of the security to the Plaintiff's offer would create the risk that the patentees would make far too high offers to users in order to prevent the provision of security and effectively cut off their FRAND objection, the Senate is unable to share these concerns. As a rule, the SEP holder has an interest in the conclusion of a license agreement and no interest in permanently enforcing a claim for injunctive relief against the user. For this reason alone, he will therefore generally not make an offer to the user on the assumption that the user will neither provide security nor (unconditionally) accept the offer. Moreover, by making a deliberately excessive offer, the patentee runs the considerable risk that the user will nevertheless provide security for it and that the offer will then prove to be non-FRAND in court proceedings and the action for injunctive relief will have to be dismissed – despite the patent infringement having been established.

142 Whether and to what extent the orientation of the security deposit towards the Plaintiff's offer nevertheless requires a correction (possibility) in particularly exceptional individual cases can be left open, as no facts that could give rise to this are apparent in the present case.

143 (3) The Senate also continues to maintain that a qualified security is required in such a way that it must also be ensured by a binding declaration by the user/Defendant that the



patentee/Plaintiff will receive the security if his offer ultimately proves to be FRAND-compliant and the patent infringement asserted in the action for an injunction is also legally affirmed. Although this requirement cannot be directly inferred from the CJEU judgement, it follows from the requirement of "adequate security". This must therefore be suitable to secure the claim to a FRAND royalty. However, this purpose would be missed or the Plaintiff would not be "secured" in this respect if the Defendant, who – unlike the Plaintiff – is not obliged to conclude a license agreement, could "change its mind" after the FRAND examination by the court (possibly with the help of an expert) (for example, if it becomes apparent that the Plaintiff's offer is actually FRAND) and he could reject the offer, waive the FRAND objection and instead be ordered to injunction – and get the security back (at least to the extent that it exceeds the – possibly significantly lower – claim for damages). This would mean that the Defendant might have achieved exactly what the security was intended to prevent, namely that the Defendant would have engaged in pure delaying tactics, continued to use the patent without a license and the patentee would ultimately only be referred to the (weak) claim for damages.

144 Incidentally, this view has now also been endorsed by the Local Division Munich of the Unified Patent Court (UPC – LK München, Urt. v. 18 December 2024 – UPC CFI 9/2023, GRUR-RS 2024, 35919 para. 319).

145 cc) With regard to the legal consequences, the Senate also adheres to its opinion in the note dated 30 October 2024.

146 (1) If the patent infringer does not provide security in the aforementioned sense, there is (in any case) no requirement according to CJEU "Huawei". The FRAND objection is then not successful without the Plaintiff's offer having to be examined for its FRAND compliance (basically the same, only leaving open the amount of the security: UPC – LK München, decision dated 18 December 2024 – UPC CFI 9/2023, GRUR-RS 2024, 35919 para. 321, 318).

147 The Senate also adheres to its view that the requirement of a counter-offer (step 4) and the (qualified) security deposit (step 5) are at the same time concretisations of the "continued willingness to license" (= willingness to license) of the patent user required by the FCJ. At least as a rule, this means that the user can – and must – only objectively manifest and prove his willingness to license in this phase of the negotiations through these concrete actions, in



particular a qualified security deposit, because otherwise he must generally be regarded as unwilling to license.

148 (2) If, on the other hand, the user provides a qualified security in the above-mentioned sense (e.g. by depositing a bank guarantee in the amount of the Plaintiff's offer and a declaration of commitment or by concluding a license agreement subject to a condition precedent), the way is opened for the actual FRAND examination of the Plaintiff's offer (FRAND examination in the narrower sense).

149 Whether a user who provides a qualified security must, as a rule, be deemed to be willing to grant a license irrespective of his previous conduct, as the Senate indicated in its reference (GRUR 2025, 246 para. 37 f.), or whether procedural reasons could also stand in the way of taking a "last-minute" security payment into account in court proceedings, does not need to be decided in the case in dispute.

150 dd) In the present case, the Defendant has not provided security that fulfils the requirements set out under bb).

151 The original security deposit in the amount of ... euros clearly does not fulfil the aforementioned requirements.

152 However, even to the extent that the Defendant submitted subsequent to the oral hearing that it had supplemented its security for past national acts of use already provided by deposit with a bank guarantee dated 11 December 2024, served to the Plaintiffs' representatives on 23 December 2024, by a further security deposit in the amount of its last alternative counter-offer for a one-off payment in the amount of ... USD (cf. guarantee Exhibit ...) and the security event occurs when a legally binding third-party provision is made or the Parties conclude a corresponding license agreement, this security is not appropriate and therefore insufficient. Firstly, the security is based solely on the Defendant's counter-offer and not – as required – on the Plaintiff's last offer. This is all the more insufficient in the present case as the Plaintiff's last offer exceeds the counteroffer and the security provided many times over. Secondly, the Defendant has not provided any qualified security in the sense that it has made a binding commitment in an appropriate manner to accept the Plaintiff's last offer in the event that this should prove to be FRAND during the judicial review. It is therefore not certain that the



Defendant would actually accept the Plaintiff's offer, as is also shown by its own comment that "the Plaintiff [...] therefore has it in its power to bring about the security event by accepting the counter-offer" (emphasis added by the Senate).

153 The Defendant has thus not fulfilled step 5 of the "Huawei" requirements and at the same time has not sufficiently manifested its will to obtain a license on FRAND terms, whatever those terms may be (namely, in particular, the terms last offered by the Plaintiff). There is therefore no reason to reopen the oral hearing, as the FRAND objection does not prevail even on the basis of the Defendant's submission in the written pleading of 31 December 2024.

C.

154 The decision on costs is based on Section 97 (1) German Code of Civil Procedure.

155 The decision on provisional enforceability is based on Section 708 No. 10, Sections 711, 709 sentence 2 German Code of Civil Procedure.

156 The appeal was to be allowed with regard to and limited to the FRAND objection, which is a defence that can be assessed independently in fact and in law (cf. Feskorn, in: Zöller, German Code of Civil Procedure, 35th edition, Section 543 marginal no. 25, 32). In this respect, the case is of fundamental importance, as it has not yet been decided by the highest court whether the more detailed FRAND examination is to be made dependent on the provision of security, or whether the antitrust compulsory license objection does not apply if insufficient security is provided, without the willingness to license otherwise having to be examined. It has also not yet been clarified what requirements are to be placed on "adequate security". The aforementioned questions may also arise in an indefinite number of cases, as evidenced by the pendency of several similar proceedings before the Senate alone. Moreover, the requirements of Section 543 (2) sentence 1 no. 1 or 2 German Code of Civil Procedure are not met, but the case merely requires the application of established case law principles to the individual case, as the explanations under B.I.-V. show.