



Higher Regional Court Karlsruhe

6 U 44/15

Order of 23 April 2015

Operative Part

1. The plaintiff's legal enforcement of the decision of the Regional Court Mannheim of 10 March 2015 (docket no. 2 O 103/14) is being suspended provisionally against security of the amount of EUR 5,000,000.00 in so far as it is directed against mobile telephones bearing the company's identification marks ... (intervener 2) or originating from that company.
2. The intervener's (intervener 1) request to suspend the enforcement is rejected.

Grounds

I.

[..]

The part of the standard which is of interest here goes back to a proposal of the N. company. The applicant for the plaintiff's patent, V., became a member of ETSI only in 2004 and was therefore not involved in the standardization process. ETSI had no knowledge of the filing of the patent in suit when the standard was set; disclosure to ETSI did not take place until 29 May 2001 (cf. AS I 708). After setting the standard, the V. repeatedly agreed to grant a license on the patent in suit under FRAND conditions (FRAND = fair, reasonable and non-discriminatory), e.g. by letter of 31 July 2014 to the defendant. In contrast to individual manufacturers, the defendant has so far shown no interest in a license for the patent in suit.

[..]



II.

[...]

The Senate tends to take the view that objections, insofar as the action for injunctive relief is directed against the intervener's products, may arise from the prohibition of abuse under antitrust law (Art. 102 TFEU, Sections 19, 20 German Law on Restrictions of Competition (GWB)). Contrary to the opinion of the Regional Court, in the preliminary assessment of the Senate it is not decisive that the defendant is not prepared to conclude a license agreement with the plaintiff. It is sufficient if the interveners, in particular the intervener 2, are willing to grant a license. Since the Regional Court has not made any findings regarding the willingness to license and has also not examined whether the other requirements of Art. 102 TFEU or Sec. 19, 20 GWB are met, this argues in favor of discontinuing enforcement.

The Regional Court has not misjudged the fact that in special circumstances the assertion of injunctive relief by the patentee - i.e. the exercise of an exclusive right - can also constitute abusive conduct (cf. ECJ, GRUR Int. 1990, 141 para. 9 - Volvo; GRUR Int. 1995, 490 para. 50 - Magill; GRUR 2004, 524 para. 34 - IMS/Health; Commission Decision of 29 April 2014, C (2014) 2892 final, para. 278, Annex PBP 8; BGHZ 180, 312 para. 27 et seq. - Orange Book Standard). This applies in particular in cases in which the injunctive relief is based on the infringement of a patent (henceforth SEP) which is indispensable for compliance with a mobile communications standard and the SEP holder or, as here, his legal predecessor (cf. Senate, GRUR-RR 2010, 120, 122) has undertaken to grant licenses for the SEP under FRAND conditions (cf. Commission, loc. cit., para. 278). However, it has not yet been conclusively clarified under which conditions the assertion of a standard essential patent is abusive within the meaning of Art. 102 TFEU, if a FRAND declaration of commitment of the patentee exists. According to the Advocate General in Case C-170/13, in which the ECJ has not yet given a decision, the SEP holder must in all circumstances submit to the alleged infringer a written license agreement offer on FRAND terms, containing all the terms normally set out in a license agreement for the sector concerned, in particular the exact amount of the license fee and how it is calculated (loc. cit. para. 85). For his part, the alleged patent infringer must respond carefully and seriously to the SEP holder's offer. If he does not actually wish to obtain a license, the judicial assertion of injunctive relief does not constitute an abuse of a dominant market position (loc. cit. para. 88). The Senate bases its further assessment on this legal opinion in its current provisional state. The requirement that the SEP holder must have submitted to the alleged infringer a written offer of a license agreement on FRAND terms, containing all the terms normally set out in a license agreement for the sector concerned, is appropriate and in the interests



of the SEP holder, since the SEP holder has voluntarily undertaken to exploit his property right in this way and has thus voluntarily limited the way in which the exclusive right is exercised. In view of the fact that this obligation of the SEP holder also includes the obligation to treat licensees equally, only the SEP holder has the information necessary to fulfill this obligation, especially if he has already concluded other license agreements (Opinion loc. cit. para. 86). This legal interpretation does not conflict with the case law of the Federal Supreme Court in the Orange Book Standard decision (BGHZ 180, 312 para. 29), too. There it is stated that the abuse of a dominant market position only exists if the infringer has made the patentee an unconditional offer to conclude a license agreement to which he is bound and which the patentee may not reject without violating the prohibition of discrimination or obstruction, and if the defendant, as long as he is already using the subject matter of the patent, complies with those obligations which the license agreement to be concluded links to the use of the licensed subject matter (BGHZ 180, 312 para. 29). However, in the case pending before the Federal Supreme Court, the patentee or his legal predecessor had not undertaken to grant licenses under FRAND conditions (cf. Opinion of the Advocate General loc. cit. para. 48).

Contrary to the view of the Regional Court, however, abusive conduct by the plaintiff on the basis of those principles cannot be denied on the sole ground that the defendant is indisputably not prepared to conclude a license agreement but claims that her suppliers, in particular the intervener, are prepared to license. The Regional Court held that it was irrelevant whether interveners, as suppliers of the defendant, could rely on the fact that, on the basis of those principles, the plaintiff was not entitled to seek injunctive relief from them, because, although they were objectively prepared, willing and able to conclude a contract for such a license, they had not been fully informed of the infringement in question prior to the judicial proceedings and no written offer of a license contract on FRAND terms had been made by the plaintiff. The objection under antitrust law of compulsory licensing may lead to the inadmissibility of the judicial assertion of a claim for injunctive relief against the intervener in question but this objection has no substantive legal effect on the equipment supplied by the intervener and the distribution by the defendant complained about here, since exhaustion only occurs when the right holder or a third party authorized by him to do so has put the subject-matter making use of the teaching of the patent on the market. This is just as true (cf. Federal Supreme Court, GRUR 2001, 223, 224 - Bodenwaschanlage) as the assumption of the Regional Court that the risk of repetition justified by the alleged patent infringement can only be eliminated by taking license from the individual manufacturers - for example by all or individual interveners. The Regional Court also rightly stated that the infringed party is in principle entitled, at his discretion, to assert claims against any infringer within an infringer chain (Regional Court decision p. 58; cf. BGHZ 181, 98 to 127, para. 61 - Tripp-Trapp-Stuhl). This is



not, however, what matters for the assessment under antitrust law. The only relevant question here is whether the assertion of a claim for injunctive relief in that way constitutes the use of means which depart from means of normal competition to the detriment of consumers in particular (cf. Opinion of the Advocate General in Case C-170/13, para. 74). If this question is answered in the affirmative, the result is that the use of the subject matter of the patent without the consent of the patentee is possible or that the corresponding injunctive relief cannot be enforced (cf. BGHZ 180, 312 para. 28 - Orange Book Standard). If the SEP holder has issued a FRAND commitment and - as here - usually concludes license agreements with the manufacturers, there is no objective reason, if the manufacturer of the infringing object is aware of the infringing object, for the SEP holder to initially refer to the manufacturer's distribution partner only, provided the manufacturer is willing and able to license it. Rather, in such a situation it can reasonably be expected that he (initially) makes an offer to the manufacturer of the infringing object. This is supported on the one hand by the consideration that, in the event that the manufacturer requests from the SEP holder a comprehensive license, it would be an obvious abuse by the SEP holder to exclude supplies to certain customers from the license in order to conclude its own license agreements with these customers. On the other hand, the danger, which must be disapproved under antitrust law, that the enforcement of the injunction claim could distort the license negotiations between the manufacturer and the patentee and lead to license conditions which the licensee would not have accepted without the threatened injunction title (cf. Commission, decision of 29 April 2014 C(2014) 2892 final para. 280; Commission, Press release of 06 May 2013, IP/13/406), is much higher if the injunction is not directed against the manufacturer but against the buyer. This increases the pressure on the manufacturer. Since customers typically have less interest in a substantive dispute with the owner of the property right, the assertion of exclusive rights against the customers can already lead to a possible interference in the manufacturer's customer relations endangering the existence of the company (BGHZ 164, 1, 4 = GRUR 2005, 882 – Unberechtigte Schutzrechtsverwarnung; Federal Supreme Court, GRUR 2009, 878, 880 para. 17 Fräsautomat). In addition, the SEP holder who has concluded licensing agreements with other manufacturers would be in conflict with his own licensing practice with the above approach.

It was not disputed at first instance that the intervener was in a position to obtain a license. Whether this can also be assumed after the new submission of the parties in the appeal instance will have to be clarified in the appeal procedure according to the above. The same applies - in the absence of corresponding findings by the Regional Court - to the question whether a dominant market position of the plaintiff is to be affirmed.

[...]



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