



Regional Court Mannheim

2 O 106/14

Decision of 27 November 2015

[...]

Facts

The plaintiff asserts injunctive relief claims based on alleged patent infringement. The present dispute, which concerns a single patent, arose from the separation from the action under docket number 2 O 103/14 brought by the plaintiff against the defendant for infringement of several patents.

After the defendant submitted third-party notices dated 24 October 2014 to the companies Z, S, A2, H and Y and, dated 5 November 2014, to companies M and D, the defendant was joined by S (hereinafter 'S'; submission of 23 December 2014, OJ 269), Y (hereinafter 'Y'; submission of 23 December 2014, OJ 273) and H (hereinafter 'H'; submission of 30 December 2014, OJ 309), which were served with the third-party notice on 31 October 2014.

The plaintiff is a patent assertion entity organized in the legal form of a GmbH, with its registered office and business premises in xxx. The sole shareholder of the plaintiff is L (hereinafter L), a wholly-owned subsidiary of A (hereinafter A).

The plaintiff has been registered since 28 August 2014 as the proprietor of European Patent EP 1 125 284 B1 (hereinafter 'the patent in suit'), validated for Germany, relating to a device and a method for restoring the high-frequency component of an oversampled synthesized broadband signal. The grant of the patent, applied for on 27 October 1999, was published on 6 August 2003. It claims the priority of 27 October 1998 of the Canadian document CA 2,252,170. The patent specification is submitted as Annex K 1. In addition to the official translation DE 699 10 240 T2 submitted as Annex K 2, the plaintiff submitted a translation, which she considers superior, as Annex K 3.

[...]



The patent is subject of several actions for annulment brought before the Federal Patent Court, namely the action for annulment brought on 29 December 2014 (4 Ni 4/15 (EP)) by Hx. (Set of exhibits HL 8/9), a subsidiary of H, which has been consolidated with the action for annulment brought on 23 December 2014 (4 Ni 2/15 (EP)) by Y (Annex PBP 10) and the action for annulment by G (4 Ni 6/15 (EP)) (Annex B 26). The action for annulment brought by intervener S on 6 November 2014 (4 Ni 33/14 (EP)) (Set of exhibits B 18) and the action brought by the receiver of the third-party notice A2 on 6 November 2014 (4 Ni 35/14 (EP)) (Set of exhibits B 19) have been withdrawn.

The plaintiff brings her action regarding a direct infringement of Claim 1, in particular in connection with dependent claims 2 and 3, Claim 7, in particular in connection with dependent claims 8 and 9, Claim 34, in particular in connection with dependent claims 35 and 36, and an indirect infringement of Claim 4, in particular in connection with dependent claims 5 and 6.

[..]

The defendant is a large German telecom company and markets in Germany, inter alia via its website, mobile telephones of the 'xxx' type bearing the S trade mark (Annex K 8), where it is apparent from the technical specifications for the 'xxx' mobile telephones (Annex K 9), that the latter support the 'AMR-WB' audio format. The same applies to the mobile telephone "xxx" of mark B offered by the defendant. The plaintiffs submissions regarding these infringing embodiments are representative for all mobile telephones that implement the standard AMR-WB 3GPP TS 26.190 V11.0.0 (in future uniformly referred to as the attacked embodiment). The defendant also, among others, purchases such mobile telephones from H.

The patent in suit was assessed by the International Patent Evaluation Consortium (IPEC) as being standard essential with respect to the Adaptive Multi-Rate Wideband Standard (hereinafter: "AMR-WB") (Annex WKS 2 to Annex K 12). This is a broadband speech coding standard which, among other functions, offers significantly improved speech quality with a larger speech bandwidth compared to narrowband speech coding. AMR-WB is codified as an international standard, inter alia as 3GPP AMR-WB voice codec by the standard document 3GPP TS 26.190 V11.0.0 (2012-10) (Annex WKS 1 to Annex K 12, hereinafter: "Standard").

[..]

The standard was set by the European Standards Telecommunications Institute (ETSI) on 10 April 2001. The part of the standard reproduced above is based on a proposal by the N



company. The applicant of the patent in suit (V) had only been a member of ETSI since 2004 and was therefore not involved in the standardization process. The disclosure of the patent application to ETSI did not take place until 29 May 2001. After the setting of the standard, V agreed, with declarations of 29 May 2001, 26 October 2004 and 7 January 2010 (Set of exhibits FBD 2), to grant a license on FRAND terms, inter alia, with regard to the present invention.

After filing the present action (served on the defendant on 7 August 2014), the plaintiff addressed the defendant by letter of 31 July 2014 submitted as Annex K 31 (Annex B 35) (received by the defendant on 5 August 2014), to which it attached a copy of the statement of claim of 23 July 2014. In that letter, the plaintiff stated that she was ready, willing and able to license to the defendant under FRAND conditions the six German patents referred to therein, which it considered to be used by the defendant, and invited the defendant to contact her immediately to discuss such a license. By further letter of 9 December 2014, the plaintiff offered to send the defendant a written draft contract. In contrast to individual manufacturers, the defendant has so far shown no interest in licensing the patent in suit.

Before bringing the action, the plaintiff did not contact the interveners concerning the use of the patent and, in particular, did not make them an license offer (in writing). H, the defendant's supplier, was informed of the action as early as August 2014 by the defendant, as is apparent from the plaintiff's submission (see last OJ 860, paragraph 65), which was not contested, neither by the defendant, whose representative, when discussing the possible legal significance of that circumstance at the hearing on 23 September 2015, merely stated in that regard that he had learned of the action on 8 September 2014 and that, afterwards, there had been a meeting between him and the defendant, nor by H (see OJ 953), whose representative, at the mentioned hearing, merely stated that he had been informed about an action possibly concerning H by attorney Mr. xxx – lawyer of the defendants representatives – in August 2014.

Following the defendant's third party notice, H addressed a letter to the plaintiff dated 9 December 2014, submitted as Annex HL 23/23a, in which it requested negotiations concerning a FRAND license and a meeting to explain the license rates published by the plaintiff and in which it undertook to take a FRAND license on the patent concerned, in the event of a judicial finding of a patent infringement.

By letter of 22 December 2014 (Annex HL 53), the plaintiff sent a draft confidentiality statement to H, requesting it to be signed as a precondition for further discussions. H signed this confidentiality agreement and returned it to the plaintiff. In the run-up to a meeting on 23 January 2015, A sent H on 12 January 2015 the draft of a license agreement



- which had been sent again in corrected form by the plaintiff on 26 January 2015 - stating in particular the license amount. A meeting between H and the plaintiff took place on 9 February 2015. By letter of 23 February 2015 (Annex HL 31/31a), H submitted to the plaintiff a proposal, supplementing its declaration of 9 December 2014, concerning a procedure for determining the terms of a license to be agreed. By email dated 6 March 2015 (Annex HL 55a), H announced that it would be prepared to pay xxx USD per patent family and unit, i.e. xxx USD per unit, for a license limited to Germany.

At a meeting on 25 March 2015, H received an offer for the conclusion of a worldwide license agreement between L and the plaintiff on the one hand and H on the other hand. This offer was repeated by A with email of the same day submitted (only for the Chamber) as Annex K 40. H indicated the offer of 25 March 2015 by email of 14 April 2015 being unacceptable because of the mechanism provided for under Sec. 315 para. 3 of the German Civil Code (BGB) and criticized its extension to all countries in which the plaintiff's group of companies holds corresponding patents and in which H sells AMRWB-enabled mobile telephones (OJ 740).

By letter of 2 April 2015 (Annex HL 32/33), H, for its part, submitted to the plaintiff an offer in the form of a signed license agreement for the territory of Germany with a request for countersignature within 30 days, which provides that the license fees shall be determined by the High Court of England and Wales. A informed by email of 19 April 2015 (see "Overview of license negotiations" submitted by H as Annex HL 54) that H's offer to have the license fee determined by the English High Court was unacceptable. By letter dated 8 June 2015 (Annex HL 42), H declared that it would remain bound by its own offer of 2 April 2015 until further notice.

Most recently, H sent the plaintiff a letter from the xxx bank dated 3 September 2015 (Annex K 60), known as a 'payment guarantee', in which the xxx bank guarantees, under various conditions, payment of EUR xxx for any license claims of the plaintiff for patent uses in Germany. The plaintiff complained, by email to H's representative of 13 September 2015, that this guarantee was not comprehensible. H then explained the security to the effect that it is supposed to cover the (allegedly) use since 2011 of the six patent families involved in parallel lawsuits in Germany until the patents expired under the approach of the license fees described in the email of 6 May 2009. In the hearing on 23 September 2015, H submitted a list (number of standard mobile phones supplied to German customers, broken down by years and customers for the past and estimated for the future), which is included in the green set of exhibits ("CONFIDENTIAL!").

[...]



Grounds

[...]

The action is well founded to the extent that it has yet to be decided. Pursuant to Art. 64 EPC in conjunction Sec. 139 para. 1 German Patent Act (PatG) the plaintiff is entitled to claim injunctive relief against the defendant.

[...]

III. No demurrer

Nothing in law prevents the plaintiff from enforcing the claims asserted. In particular, their enforcement is neither to be assessed as abusive because of a so-called patent ambush (see 1.), nor does an alleged willingness to license on the part of the patent users stand in the way of the success of the action, neither from the point of view of the abuse of a dominant market position by the plaintiff (see 2.), nor with regard to the prohibition of agreements restricting competition (see 3.), nor on the basis of the declarations of readiness to license by the plaintiff or its legal predecessor (see 4.).

1.

Insofar as the defendant sees the substantiation of a so-called patent ambush and, as a result, wishes to derive the legal consequence of the dismissal of the action via Art. 102 TFEU and Sec. 242 BGB, the Board does not follow this.

a)

The accusation alleges that the plaintiff's legal predecessor - the V - deliberately and contrary to duty according to the ETSI statutes, concealed the existence (also) of the application for the patent in suit in the context of the standardization procedure for the AMR-WB standard, which is now described as essential for the adopted standard. It was only after the standard had been adopted on 10 April 2001 (so-called freeze; cf. the timeline OJ 280) that the Commission drew attention to these industrial property rights and declared them to be essential to the standard vis-à-vis ETSI (29 May 2001), so that the assertion of this industrial property right is to be regarded as immoral, anticompetitive and untrustworthy conduct, which the plaintiff has to allow herself to be blamed for and which leads to the dismissal of the action.



b)

This is incorrect - at least for the facts and circumstances on hand that have to be decided. Neither the defendant nor her interveners, who are Lled with the burden of presentation and proof in this respect, have made any submission which could be classified as a possible instigation or aiding and abetting of a principal crime of N or as an act committed in the forms of complicity or indirect perpetration, irrespective of whether the plaintiff would have to attribute the conduct of its legal predecessor to itself at all.

[...]

2.

Furthermore, the defendant cannot rely on an objection of license willingness derived from the prohibition of abuse under Art. 102 TFEU.

It may remain to be seen whether the plaintiff has a dominant position on the technology market relevant here in relation to the defendant and its suppliers, the geographical and factual delimitation of which the parties contest, on the basis of the patent in suit (possibly in conjunction with the other allegedly standard essential patents held by the plaintiff), in particular whether such a dominant position can already be presumed on the basis of the standardization procedure and in particular the FRAND declaration, and no longer needs to be examined (cf. Kühnen, Handbuch der Patentverletzung, ed. 7, para. 1709; LG Düsseldorf, decision of 24 April 2014 - 4b O 273/10, juris para. 206). It can also be left open whether the V's declarations to ETSI or the plaintiff's declarations to the defendant or H give rise to an obligation to be measured against antitrust obligations in the same way as a dominant undertaking, irrespective of the actual existence of a dominant market position (possibly in accordance with a prohibition of contradictory conduct to be inferred from Sec. 242 BGB). In particular, it may also remain open whether the plaintiff, as the legal successor to V, would have to be treated as if it had itself made a FRAND declaration to ETSI (see OLG Karlsruhe, GRUR-RR 2015, 326, 328; GRUR-RR 2010, 120, 121 f). Finally, no decision is required as to whether, in the event of an abusive refusal to grant a license to a mobile telephone supplier of the defendant who is willing to take a license, the latter - provided that the plaintiff usually concludes license agreements precisely with the mobile telephone manufacturers - could, irrespective of its own willingness to take a license, raise an objection to an injunction relief in so far as the embodiments of this supplier are affected (in this direction OLG Karlsruhe, GRUR-RR 2015, 326, 329). Even if all this were to be imputed in favor of the defendant, the action would not be dismissed on those grounds.



In any event, there is no abuse within the meaning of Article 102 TFEU or Section 19 ARC, both against the defendant and against intervener H. Also, no abusive conduct can be found against other manufacturers whose products are not already excluded from the application.

a)

However, in the case of a dominant market position of a patent proprietor, the prohibition of the abuse of such a dominant market position pursuant to Art. 102 TFEU according to the case law of the Court of Justice of the European Union imposes restrictions on the enforceability of an injunction claim in court.

According to that, the proprietor of a standard essential patent who has irrevocably undertaken vis-à-vis that organization to grant to any third party a license on fair, reasonable and non-discriminatory terms (so-called FRAND terms) [in principle] is prohibited from abusing a dominant position within the meaning of that provision by bringing an action for an injunction to cease the infringement of his patent or for the recall of the products, for the manufacture of which, the patent was used.

However, an abusive enforcement of the injunctive relief in this sense does not exist (at least not then) if the patent proprietor, on the one hand, has informed the alleged infringer of the patent infringement prior to filing the action and, in doing so, has designated the patent in question and indicated how it is being infringed and, on the other hand, after the alleged infringer has expressed his willingness to conclude a license agreement on FRAND terms, the proprietor has submitted to the infringer a specific written offer of a license under these conditions, specifying in particular the license fee and the manner in which it is to be calculated, and the infringer fails, while continuing to use the patent in question, to respond to such offer with care, in accordance with accepted business practice in the relevant field and in good faith, which shall be determined on the basis of objective considerations, and which implies that no delaying tactics are pursued (ECJ, GRUR 2015, 764 para. 71 - Huawei Technologies/ZTE). If the alleged infringer does not accept the offer submitted to him, he can only invoke the abusive character of an injunction or recall action if he makes the holder of the SEP a concrete counteroffer in writing within a short period of time which complies with the FRAND conditions (ECJ, loc. cit. marginal 66 - Huawei Technologies/ZTE). In addition, if the alleged infringer uses the standard essential patent before a license agreement is entered into, he shall, from the time his counteroffer is rejected, provide reasonable security in accordance with accepted business practice in the relevant field, for example by providing a bank guarantee or by depositing the required amount. The calculation of this security must include, inter alia, the number of past acts of use in relation to the standard essential patent for which the



alleged infringer must be able to submit a statement of account (ECJ, loc. cit. para. 67 - Huawei Technologies/ZTE).

b)

An abuse of the plaintiff to the detriment of the defendant itself does not exist according to these standards, because the defendant is not willing to license.

The plaintiff drew the defendant's attention to the infringement of the patent before service of the action, although it had already been brought, that is to say at a time when the defendant had not yet been subject to the pressure of an action brought against her. It can be left open whether this reference by the plaintiff was possibly insufficient in terms of time with regard to the requirements of the European Court of Justice (loc.cit. - Huawei Technologies/ZTE), in so far as the pendency of the action and the - albeit in principle subject to payment in advance - imminent service of the action on the defendant was already discernible for the defendant on the basis of the reference letter. If the out-of-court notice to the defendant has not sufficiently enabled the defendant to make a decision on its willingness to license without a pending action and before service of process, this cannot (any longer) support an abuse objection due to the further course of events, because the defendant, independently of this, does not want to take a license for the patent in suit.

That is not precluded by the fact that the plaintiff may have put the defendant under premature pressure. In the special circumstances of standard essential patents, the fact that the filing of an action is to be preceded by a warning is due to the fact that, in view of the large number of standard essential patents, of which a standard such as the present one regularly exists, it is not certain that the infringer necessarily knows that he is using the teaching of a legally valid and standard essential patent (ECJ, loc. cit. para. 62 - Huawei Technologies/ZTE), which means that the patentee cannot automatically conclude from the inactivity of the patent infringer that there is a lack of willingness to license and (contrary to his basic licensing obligation) bring an action. The pressure exerted by a claim may affect the negotiating position and therefore the question of what the patent user might accept (hastily) as license agreement content. The infringement action, however, does not inadmissibly affect his free decision - which is at issue here - as to whether he wants to take a license at all on a patent whose alleged use he has been informed of. If the infringer does not express an interest in a license even after filing an action and despite the expiration of a reasonable period of time, the further enforcement of the injunction claim is not abusive. On the contrary, it would be a formality which is not justified on the merits and not required by the prohibition of abuse under Art. 102 TFEU to allow an objection of the infringer against the injunction claim based on a lack of time for reflection



regarding the willingness to license prior to filing and/or service of the action, which is to be decided on the basis of the facts and state of the dispute at the end of the oral proceedings. This is how it is with defendant, after she still - now more than a year after filing an action - has not declared any willingness to license.

c)

There is also no abuse to the detriment of H.

aa)

An objection concerning H's equipment does not arise from the fact that the action was brought before H was informed by the plaintiff of the infringement and asked to declare its willingness to license.

It remains to be seen whether there could be any abuse at all in the fact that a supplier of the defendant is not warned before the action is brought, although the patent proprietor will hardly ever know all the patent infringers in the upstream supply chain (which here could possibly include not only the manufacturers trading under a mobile phone brand, but also their suppliers, in particular chip manufacturers).

In any case, an objection of abuse derived in this way is excluded here because H, having already been informed of the action by the defendant in August 2014, did not notify the plaintiff of its willingness to license within a reasonable period of time.

(1)

With the knowledge of the filing of an action against the defendant - concerning, inter alia, H's equipment - H had cause to examine whether it wished to take a license on the patents concerned, in particular the plaintiff's patent. For the examination of its own willingness to license, it did not matter, whether the plaintiff had herself pointed out the infringement to H, because in connection with the telephone exchange of lawyers of the defendant and of H in August 2014, H had either learned about the action brought or could at any rate, without significant effort (from the plaintiff or the defendant), have been able to inquire which (allegedly) standard essential patents the plaintiff saw as infringed (cf. for this purpose the reference to the alleged infringement ECJ, loc. cit. para. 62 - Huawei Technologies/ZTE).



(2)

H then did not apply to the plaintiff for a license within a period in which this could have been expected from a careful market participant willing to obtain a license. The period of more than three months since H's knowledge of the complaint until the letter of 9 December 2014, in which at the earliest a notification of the willingness to license by H is to be seen (which, moreover, could be doubtful with regard to the condition of the judicial determination of an infringement laid down there), was too long. In particular, an initial review of the infringement allegation on the basis of the standard and the subsequent decision as to whether there was at least a basic interest in a license was to be expected from a mobile phone manufacturer in a significantly shorter period of time and had to be sufficient for the decision as to whether the plaintiff was to be notified that H was willing to license. The alleged infringer is at liberty to challenge the validity of these patents and/or their essential character for the standard and/or their actual use or to reserve the right to do so at a later date (ECJ, loc. cit. para. 69 - Huawei Technologies/ZTE). A long reflection period (e.g. for a final examination of the allegation of infringement under all relevant aspects) therefore cannot be granted to the alleged infringer. Moreover, a period of more than three months does not seem necessary even for a thorough examination of the allegations at issue.

(3)

Here, too, it would be an unnecessary formality to dismiss the action solely because H was not given the opportunity to express his willingness to license before the action was brought. This would not have made any difference with regard to the current procedural situation. Since H, aware of the allegations of infringement, did not address such a statement to the plaintiff within a reasonable period of time, it can be assumed that the plaintiff, even in the case of a hypothetical direct reference to H at the same time as the letter to the defendant of July 2014, could have filed an action against H's equipment due to the lack of a prior notice of willingness to license, in any event before 9 December 2014 and thus in an unobjectionable manner. As already explained, the pendency of an action does not affect the basic decision of the patent user as to whether he is willing to take a license at all. Therefore, it appears excluded that H would have, without the filing of an action, indicated its willingness to license before 9 December 2014. Moreover, the existing procedural situation would also have arisen if the plaintiff had initially withdrawn the action brought before H and - after a sufficient period of reflection for H - brought it again before 9 December 2014.



bb)

However, an abuse objection may draw on the fact that H declared its willingness to license before the conclusion of the oral hearing, if H should actually be willing to license, which can be assumed here in favor of the defendant. Such an objection raised during the proceedings could possibly prevent the (further) enforcement of the injunctive relief as long as the plaintiff does not respond to such a willingness with an offer of a license agreement in accordance with the requirements of the European Court of Justice and as long as, in the case of such an offer of a license agreement, H enters into such an offer within the meaning of the case law of the Court of Justice. However, this can be left open as the objection of abuse can be ruled out because the prerequisites for qualifying the plaintiff's assertion of rights as abusive do not exist, taking into account H's conduct.

(1)

Contrary to the requirements of the European Court of Justice (loc. cit. para. 65 f - HuaweiTechnologies/ZTE), H did not make a sufficient counter-offer to the plaintiff's offer.

The plaintiff has in the meantime submitted a license agreement offer with submission of 25 March 2015 submitted as Annex K 40. This has triggered H's obligation to make a counteroffer. H did not comply.

(a)

In the Chamber's view, it is not decisive for the obligation of a counter-offer whether the plaintiff's offer, with a worldwide license area or with the offered amount of license fees, meets the FRAND requirements.

(aa)

However, it seems conceivable that the plaintiff's offer does not contradict the FRAND requirements to the extent that it presupposes worldwide licensing (cf. the presentation on the lecture by Maimann/Kühnen presented as Annex K47, Die Kartellrechtliche Zwangslizenz, p. 65; see also LG Mannheim, MittldtschPatAnw 2015, 286 [juris para. 41]; other opinion probably Kühnen, loc. cit. ed. 7, para. 1701) and, therefore, (with regard to foreign industrial property rights) has been offered together with the plaintiff's parent company. In view of the fact that H sells its mobile phones worldwide, it could at least not be economically unreasonable and unfair to demand a worldwide license. This could apply irrespective of whether the plaintiff herself is the proprietor of all intellectual property rights or whether such rights are held abroad by other companies of the same



economic unit. However, that may remain open for the following reasons, as may the question whether the amount of the license fee offered by the applicant is FRAND.

(bb)

The obligation of a concrete counter-offer by the infringer arises in principle from the existence of a concrete offer by the patentee and is - in any case with regard to the issues of dispute discussed between the plaintiff and H - independent of whether the plaintiff's offer satisfies FRAND criteria in terms of content (see ECJ, loc. cit. marginal 65 - Huawei Technologies/ZTE). It is sufficient for the triggering of this obligation if the contractual offer of the patent proprietor at least formally contains the content (in particular the amount and method of calculation of the licence fees, see ECJ, loc. cit. para. 63) enabling the alleged infringer to make a counter-offer corresponding to FRAND in his opinion.

Admittedly, initially the patent holder is obligated to make an license agreement offer because he has undertaken to grant licenses on FRAND terms vis-à-vis the standardisation organisation and, if neither a standard license agreement nor license agreements already concluded with other competitors are publicly known, he is in a better position to examine whether his offer meets the condition of equal treatment than the alleged infringer (ECJ, loc. cit. para. 64). According to the Advocate General's reasoning referred to by the Court, it is even reasonable to expect him to prepare and formulate this offer once his patent has been granted and he has assumed the obligation to grant licenses on FRAND terms. Moreover, 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 fulfil this obligation, in particular if he has already concluded other license agreements (GA Wathelet, Opinion of 20 November 2014 - C-170/13, juris para 86 - Huawei Technologies/ZTE).

However, these are first of all practical considerations on the basis of which the patent holder must take the first step in the license negotiations and reveal his concrete ideas of an appropriate license agreement. Of course, it goes without saying that the patentee is then required to submit an offer under FRAND conditions (ECJ, loc. cit. para. 63). However, the obligation of the user to submit a counter-offer in the event of the rejection of this offer has – by the European Court of Justice – not, at least not explicitly, been linked to the fact that an FRAND offer of the patentee exists (see ECJ, loc. cit. para. 65 f). An understanding in this respect is also not required out of context. The obligation of a counter-offer is in fact an expression of the requirements for its (genuine) willingness to license, which is the fundamental prerequisite for an abuse objection under antitrust law.



It is not required in the context of an infringement dispute to decide whether the patentee's offer is compatibility with the content and limits of FRAND conditions, taking into account the different views of the parties, as long as the infringer has not even made a concrete counter-offer. The user of a standard essential patent has the possibility to reject an offer of the patentee (as in his opinion not being FRAND) and to submit his own offer. Accordingly, the European Court of Justice also assumes that the offer and counter-offer must have taken place even if the parties cannot agree on the details of the FRAND conditions (ECJ, loc. cit. para. 68; see also BGHZ 180, 312 para. 39 - Orange Book Standard).

(b)

Accordingly, the offer of the plaintiff has triggered the obligation of a counter-offer by H. The plaintiff stated - as requested by H after its undisputed submission - a total amount for unlimited and unrestricted use, the conclusion of which results in detail from Appendix C to the contract offer (Annex K 40, 4.2). In addition, the piece-related license ideas are known from the plaintiff's website and are named by H itself as yyy USD (see Annex K 40, 4.2 and Appendix C). Therefore, irrespective of whether the plaintiff can demand a worldwide license or a fee in the amount stated, the plaintiff's offer has enabled H to make a counter-offer (possibly limited to Germany) without further ado, quoting what H considers to be a fair and reasonable price. The plaintiff has indicated the license fee and how it was calculated (see cited above para. 63 - Huawei Technologies/ZTE). In the case of the piece-by-piece calculation approach disclosed by the plaintiff, it can hardly make any difference, in particular, as to the territorial scope of the license.

In this respect, it can remain open whether it is within the framework of FRAND conditions if H makes a counter-offer limited to Germany, for example because H has particular doubts about the existence and enforceability of the industrial property rights in some states or intends to discontinue its acts of use in some countries while being aware of the industrial property rights. If, for such reasons, national licenses also satisfy FRAND criteria, it is up to H to make a concrete counter-offer on this basis.

The same applies in so far as H may consider the amount of the license demanded by the plaintiff to be abusively excessive. Also in this respect, H can and must make a counter-offer with a license rate which, in H's opinion, meets the FRAND criteria. It is also irrelevant that the plaintiff offered concretely (only) the way of a (already included in the offered contract) unilateral determination of the license amount by the plaintiff in case of its verifiability according to Sec. 315 para. 3 BGB. H would already have known, if the offer had been accepted, what amount the plaintiff would have set and would, therefore, only be in a better position due to the judicial verifiability than if the amount had been fixed by both parties.



(c)

However, it may in principle be true that - as the defendant and H believe - in the case of willingness to license, a patentee cannot make up his obligation to offer a license and wait for a subsequent period of the user to react, before bringing an action. Otherwise, there would possibly be a danger disapproved under antitrust law, that the enforcement of the injunction claim could distort the license negotiations between the market-dominant patentee and the user and lead to license conditions that the latter would not have accepted without the threat of an injunction (cf. OLG Karlsruhe, GRUR-RR 2015, 326, 329; see also Commission, Decision of 29 April 2014 - C(2014) 2892 final para. 280 - Motorola; Press release of 6 May 2013 - IP/13/406). Therefore, it seems questionable whether, as a rule, a catch-up of the FRAND offer after bringing an action can lead to a situation in which, after the absence of a counter-offer by the user in the continuation of the injunction proceedings, there is no longer any abuse. This does not, however, require any concluding discussion here. At least in the present circumstances, the defendant cannot derive a strong objection from the pressure produced without H being heard.

In any event, if the action is unobjectionable because the user had not declared his willingness to license, even though he had been given the opportunity to do so, an offer made by the patentee in response to an interest in a license declared only during the proceedings is not unfair because the user is now under pressure to cease and desist. The same applies, however, if - as here - a premature filing of an action has not had an effect, because it subsequently turns out that the patentee could have filed an action anyway before the now - hesitantly - issued declaration of willingness to license. Rather, the hesitant reaction to the cease-and-desist application and the, therefore, unobjectionable filing of an action is convenient for the patentee. Within the framework of the necessary assessment, the plaintiff's interest in the enforcement of the injunction claim under such circumstances is not to be deferred.

The abuse at issue, the enforcement of the injunction claim and thus the impairment of market access despite the licensing obligation, is a case of unreasonable restraint (see BGHZ 180, 312 para. 27 - Orange Book Standard). Whether a restraint is unfair within the meaning of Sec. 19 para. 2 No. 1 ARC is determined on the basis of a comprehensive assessment of the interests of the parties involved, taking into account the objective of the Act against Restraints of Competition aimed at freedom of competition (BGH, WuW/E DE-R 3549 para. 29 with further evidence – Werbeanzeigen). Also in the examination of a refusal to grant a license and an action for an injunction as to its compatibility with Article 102 TFEU, a balance must be struck between the interests concerned, namely, on the one hand, the interest of the right holder in the protection of the intellectual property right and



the economic freedom of its holder to act and, on the other hand, the interest in the protection of free competition, the assessment of which may take into account whether the refusal to grant a license prevents the development of the market to the detriment of consumers (see ECJ [2004] ECR I-5039 para. 48 - IMS Health), and in particular the effects of an injunction on the entrepreneurial freedom of the economic operators concerned (GA Wathelet, Opinion of 20 November 2014 - C-170/13, juris para. 59). Therefore, the unfairness of an injunctive relief application depends in particular on whether the patent user orients his conduct towards recognized business practices and the principles of good faith (cf. ECJ, GRUR 2015, 764 para. 65 ff. - Huawei Technologies/ZTE).

If the user has been so reluctant to declare his willingness to license that an action has been brought before, but after the fruitless expiration of a reasonable period for consideration, or - as here - an action already brought before the expiration of a period for consideration could have been brought in an unobjectionable manner before the later declaration of his willingness to license, the interest of the patent user in being able to conduct license negotiations without pressure is not predominantly worthy of protection. In such a case, the patentee does not act in breach of trust if he continues to pursue the action already initiated even after the delayed declaration of readiness for licensing. In particular, an appeal by the user because he has not been heard regarding the willingness to license before filing the action, appears to be contrary to good faith if the further course of events has shown that such a situation would not have led to any other situation than the pending action due to the user's lack of short-term reaction to the allegation of infringement. That is how things are here, regarding the fact that it was not until some time after the action was filed, that H declared his willingness to license (see above).

(d)

H could be expected to submit at least one counter-offer to the license offer of 25 March 2015, submitted in by email from A (Annex K 40). At any rate, her offer of 2 April 2015 is not sufficient because it does not specify a license amount. It is therefore not a 'concrete' counter-offer within the meaning of para. 66 of the ECJ decision (GRUR 2015, 764) in the Huawei Technologies/ZTE case. A determination of the license amount by a third party is not a concrete counter-offer, because it does not enable the patentee either to have at least one license payment obligation in the amount of the patent user's ideas become due immediately by acceptance, or to reject a concrete counter-proposal, in particular with regard to the license amount, as insufficient (on this authority of the patent holder ECJ, loc. cit. para. 67 - Huawei Technologies/ZTE). Moreover, an unquantified counter-offer does not provide a basis for a security to be provided by the user (see ECJ, loc. cit. para. 67 - Huawei Technologies/ZTE). In any case, the patent user cannot demand a determination



of the license amount by a third party in the first access; rather, it only comes into consideration if no agreement has been reached after the counter-offer and therefore a third party determination has been requested by agreement of the parties (ECJ, loc. cit. para. 68). In the event of a dispute, the absence of a concrete counter-offer is not precluded by the fact that H had promised a concrete license rate by email dated 6 March 2015 (Annex HL 55a) before submitting its counter-offer. Despite the subheading "Offer", this is merely a negotiation contribution regarding the amount of any license to be paid (see there: "We [...] wish to share our current thinking on royalties" [para. 1]; "H would be prepared to offer \$xxx" [para. 2], underlines added). A binding license agreement offer does not lie in this email. Their content has also not become part of the contract offer dated 2 April 2015.

In this context, it can also be left open whether a counter-offer could be limited to Germany. It can also be left open whether a counter-offer would be irrelevant if it were to fail to meet the FRAND criteria (see ECJ, loc. cit. para. 66).

(2)

Apart from that, after rejection of its counter-offer, H has not provided the security required from then on. The offer of H of 2 April 2015 was rejected by A by email of 19 April 2015. In all other respects, the rejection of this offer for H undoubtedly resulted from the course of the oral hearing before the Chamber on 17 June 2015. H was, therefore, obliged to provide security since April, and at the latest since June 2015, the calculation of which must include, inter alia, the number of past acts of use, and for which H must be able to submit a statement of account (see ECJ, loc. cit. marginal no. 67). H did not comply.

[...]

c)

Finally, there is no evidence of abuse of Z, M or T devices.

[...]

3.

The defendant is not entitled to raise an object in view of the standardization in connection with the prohibition of agreements restricting competition under Art. 101 para. 1 TFEU.



a)

However, the Mannheim Regional Court (decisions of 21 November 2014 - 7 O 24/14, 7 O 26/14) has already taken into account the fact that the enforcement of claims for injunctive relief under patent law in disregard of these obligations infringes Art. 101 TFEU and that an objection can, therefore, be raised against it if the holder of a standard essential patent has not sufficiently complied with his (negotiating) obligations resulting from a declaration of readiness to license, issued to the standardization organization. The Mannheim Regional Court has argued that conduct prohibited by antitrust law may not be enforced with the help of state courts. This approach is based on the consideration that an agreement restricting competition contained in the standardization with regard to the associated task of alternative technological developments could only be exempted from the prohibition of Art. 101 para. 1 TFEU pursuant to Art. 101 para. 3 TFEU if the establishment of a standardization model includes, inter alia, guaranteeing users access to the standardized and patented technology under fair, reasonable and non-discriminatory conditions. In this respect, it may be possible that the above-mentioned requirements for the willingness of both parties to enter into a contract and the resulting limitation of the enforceability of a cease-and-desist declaration in the case of an abuse examination due to market dominance pursuant to Art. 102 TFEU would have to be applied mutatis mutandis to an objection based on Art. 101 para. 1, 3 TFEU with regard to FRAND self-declarations.

b)

However, such an approach could not help the defendant to dismiss the action in the current case, because neither the defendant itself nor H fulfil the requirements of license willingness or a concrete counter-offer, as already discussed above. Also, in connection with the prohibition of Art. 101 para. 1 TFEU, the patentee does not behave inconsistently if, despite a declaration of undertaking to grant licenses under FRAND conditions which may be attributable to him, he asserts his injunctive relief against a patent user who does not wish to license or does not react carefully to a license offer.

[...]



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