



Higher Regional Court Karlsruhe

6 U 57/16

Order of 29 August 2016

Operative Part

1.

The defendant's application to temporarily cease the execution of No. 1 of the operative part of the decision of the Regional Court Mannheim of 04 March 2016 (docket no. 7 O 23/14) against security is rejected.

[...]

Grounds

I.

The parties dispute about the consequences of a patent infringement alleged by the plaintiff as well as the resulting claims - after expiration of the patent - for information, accounting and damages.

The plaintiff is the proprietor of the European patent EP 0 745 307 B3, filed on 12 December 1995 claiming the priority of the European patent 94203642 of 14 December 1994 concerning a subtitle transfer system. The reference of the grant of the patent was published on 29 December 1999. The present infringement action is based on claim 14 of the patent (hereinafter: patent in suit), which has the following wording in the language of the proceedings (with reference numbers):

A receiver coupled to a display screen for receiving encoded data defining a graphic image in the form of a rectangular region within an area of an active video signal, comprising means for decoding said encoded data into individual pixels constituting said region, means for storing said pixels, and means for generating display signals representing said pixels, characterized by further comprising means for decoding from said encoded data for each graphic image the size and position of said region and a time



stamp, and means for displaying the region with said size and position from a time represented by said time stamp.

Regarding the further details of the statement of claim, reference is made to the patent specification, in particular the description and the figures. The companies A... (Ref.: 5 Ni 34/14) and H... (Ref.: 5 Ni 2/13) have filed an action for annulment against the patent in suit with the Federal Patent Court.

[...]

There is no dispute between the parties that the attacked embodiments make direct literal use of all the features of patent claim 14 by being developed in accordance with the requirements of the DVD standard.

With regard to the patent in suit, the plaintiff subsequently issued a so-called FRAND declaration (Annex K 20) to the so-called "DVD Forum", which administers the standard and of which the plaintiff is a member. Whether the plaintiff had already made such a declaration when she declared the patent in suit essential to the standard is a matter of dispute between the parties.

The plaintiff negotiated the conclusion of a license agreement with the defendant's parent company. Previously, the license pool P acting for the plaintiff had made an offer to the parent company of the defendant to conclude a pool license agreement, which the latter had not accepted. P took a discount of 80 % for the software license on the standard license rate for DVD players and granted a further discount of 30% for PCs with pre-installed software. The offer provided for a rate of USD

[...]

II.

The defendant's application for suspension was unsuccessful.

[...]

Neither the summary examination required in the proceedings under Section 719, 707 German Civil Procedure Code (ZPO) can establish that the decision under appeal is unlikely to stand (1.) nor has the defendant demonstrated and substantiated the risk of special damage going beyond the general effects of enforcement (2.).



1.

The contested decision is unlikely to be upheld in the event of obvious or evident errors (Higher Regional Court Düsseldorf, order of 09 May 2016 - I-15 U 36/16). Whether this is the case is to be judged on the basis of the factual findings and legal considerations which support the decision of the first instance. If these findings or legal considerations already prove to be unsustainable during the summary review, as a rule, enforcement of the decision is to be suspended. As a rule, this applies irrespective of whether the contested decision may prove to be correct as a result of other findings or on the basis of other legal considerations (Senate, GRUR-RR 2015, 50 - Leiterbahnstrukturen; GRUR-RR 2015, 326 - Mobiltelefone; order of 31 May 2016 - 6 U 55/16 para. 19 - juris).

a)

Contrary to the opinion of the defendant, the opinion of the Regional Court, that Article 101 TFEU does not preclude the enforcement of the pursued claims proves to be justifiable on summary examination. The Regional Court has stated in this regard:

"Even if the plaintiff had not made a substantial FRAND declaration and the standardization and/or incorporation of the teaching of the plaintiff's patent into the standard would thereby violate Article 101 TFEU, this would not lead to an enforcement ban on the pursued claims, in particular the injunctive relief and recall claim. An infringement of Art. 101 TFEU would first result in the invalidity of the standardization agreement. In addition, third parties would be entitled to civil claims under national law which are in Germany, under Section 33 German Law on Restrictions of Competition (GWB), directed to injunctive relief, removal and damages. The reference point for the injunction and removal claim is the antitrust infringement, namely the determination of the standard. Accordingly, neither the right to injunctive relief nor the right to removal are directed against the enforcement of the patent in question. The obligation to grant a compulsory license exists only in the event of a violation of Art. 102 TFEU and can only justify a compulsory license objection under antitrust law from this point of view. (...) Nothing else shall apply to any claim for damages. This claim shall not be directed to the grant of a license either."

In any event, this view is justifiable (also: Higher Regional Court Düsseldorf, order of 19 January 2016 - 4b O 123/14 para. 322 with further evidence - juris). Whether and under what conditions the filing of an action by the SEP holder infringes Art. 101 TFEU has not yet been clarified by the highest court and is in dispute. Insofar as it is occasionally argued in the literature that Art. 101 TFEU could lead to an obstacle to the enforcement of an action by the patentee, this view refers only to the injunctive relief (Barthelmeß/Gauß,



WuW 2010, 626, 634), but not to the claims for damages and information that are at issue here.

b)

The defendant's conviction to provide information on the production costs and the profit achieved (operative part 1 (e)) as well as on the advertising carried out (operative part 1 (d)) does not prove to be manifestly flawed for other reasons either. In any case, it is justifiable that the Regional Court did not limit the right to information to those details which are necessary for the calculation of damages in license analogy (Regional Court decision p. 14). The Regional Court rightly assumed that such a restriction does not result from the decision of the European Court of Justice of 16 July 2015 (C-170/13, NJW 2015, 2783 - HUAWEI/ZTE) because the decision does not relate to the damage calculation method. The ECJ merely clarifies that Art. 102 TFEU does not preclude an infringement action for accounting with regard to past acts of use and damages for these acts (loc. cit. operative part 2).

The Regional Court's assumption that the objections under antitrust law and, in particular, the submission of a FRAND declaration of commitment are irrelevant for the claims for damages and information at issue here is justifiable. Although it is partially considered that the obligation assumed by the owner of the property right to allow anyone to use his market-dominant patent against an exploitation-free license reduces the claim for damages to this FRAND licensing amount and the accompanying accounting to such information as necessary for a license calculation (Kühnen, Handbuch der Patentverletzung, 8. Ed. Section E para. 313; Regional Court Düsseldorf, decision of 19 January 2016 - 4b O 123/14 para. 348). However, such a limitation of the accounting claim is made subject to further conditions.

For example, it is partly demanded that the patent user has informed himself about the existing patent situation before using the patent and has tried to obtain a license (Regional Court Düsseldorf, decision of 19 January 2016 - 4b O 123/14 para. 348). Others demand that the restriction should only apply as long as the patentee does not fulfil his obligations to conclude a FRAND license agreement (Kühnen loc. cit. para. 313) or as long as the user's willingness to license cannot be established at all (Kühnen loc. cit. para. 314). If this view would be followed, there would be in particular no claim to information about the infringer's profit, i.e. about costs and profit details (Regional Court Düsseldorf loc cit.) as well as about the advertising carried out (cf. Federal Supreme Court, GRUR 2008, 254, 258 - THE HOME STORE) if the aforementioned conditions were met.



A restriction of the claim for damages to the FRAND licensing amount could be supported by the fact that the patentee of a standard essential patent has by himself, through his FRAND declaration, given away the market opportunity which results from the fact that only the proprietor of the property right can prevent any third party on the basis of his exclusive right, to place on the market a product (technically) identical to his product covered by the property right. Furthermore the restriction could be supported by the fact that in the case in which all products make use of the standard it can no longer be assumed that the technical advantages of the invention caused the buyer to purchase products of the infringer instead of products of the patentee (cf. on this objective of the infringer profit calculation method: Federal Supreme Court, GRUR 2012, 1226 para. 30 - Flaschenträger). However, as the question has not yet been decided by the highest court, and, in particular, a corresponding restriction cannot be inferred from Sec. 139 (2) German Patent Law (PatG), which provides for the consideration of the infringer's profit in the assessment of the damage, it cannot be assumed in the required summary examination that the opinion of the Regional Court is not justifiable.

Moreover, a summary examination does not rule out the possibility that the information requested by the plaintiff on delivery and offer prices may be necessary for the determination of a FRAND license determined by means of a license analogy (cf. Regional Court decision p. 14). The defendant argues unsuccessfully that the parties agree that only a unit license can be considered here, so that the license sum is to be calculated solely by multiplying the license rate times the total sales volume of the licensed products and, in particular, the offer or delivery price is not to be calculated. The plaintiff rightly submits that an appropriate license cannot be determined independently of the sales price achieved or achievable.

Since, in the opinion of the Regional Court, it is not decisive whether or not there are objections under antitrust law with regard to the requests for information, its alternative legal justification, according to which the plaintiff complied with the requirements established by the ECJ in the Huawei/ZTE decision, does not need to be reviewed in the suspension procedure.

c)

Insofar as the Regional Court has ordered the defendant to provide information on the quantity of the products received or ordered, as well as the names and addresses of the manufacturers, suppliers and other previous owners (Number 1a), it cannot be assumed that the decision is manifestly flawed. The claim arises from Sec. 140b (3) No. 1 (PatG). The defendant claims unsuccessfully that the information corresponds to the claim for recall which the plaintiff has already declared settled. The information 37 concerning the route



of origin does not serve to prepare the recall claim, but rather is intended to enable the right holder to understand the route of the infringing objects in order to effectively combat the infringement (cf. BGHZ 166, 233 para. 36 - juris - Parfümtestkäufe; Senate, decision of 11 February 2015, 6 U 160/13 para. 58 - juris).

d)

It is true that the operative part of the decision of the Regional Court regarding the auditor's proviso is formulated in a misleading way with regard to the "names and addresses of non-commercial purchasers and recipients of offers", since the article is missing before the "recipient of offers" and thus it is not clearly expressed that, in accordance with the general opinion, the reservation of auditor's proviso also extends to commercial recipients of offers (Higher Regional Court Düsseldorf, decision of 09 January 2003, docket no. 2 U 94/01, InstGE 3, 176 para. 110 - juris Glasscheibenreiniger; Kühnen loc. cit. Chapter D para. 521; Grabinski/Zülch in Benkard, PatG, 11th Ed. Sec. 139 para. 89c). It is not apparent that the plaintiff has a legitimate interest worthy of protection in learning these names and addresses directly, since they have not yet become infringers or assistants of the infringer through the receipt of offers. Otherwise, a legitimate interest of the defendant in confidentiality must be recognised (Higher Regional Court Düsseldorf loc. cit. para. 110). Since the Regional Court, as an enforcement court, is obliged to observe the principle of proportionality when interpreting the execution deed (Federal Supreme Court, order of 05. March 2015 - I ZB 74/14, GRUR 2015, 1248 para. 19), it will interpret the auditor's proviso accordingly.

e)

The decision of the Regional Court not to suspend the legal dispute in accordance with Sec. 148 ZPO because of the nullity action also stands up to the summary examination. The decision to suspend the proceedings is a discretionary decision and in this context not only the interest in decisions without opposition must be taken into account, but also the infringement plaintiff's interest in a timely conclusion of the infringement proceedings (BGHZ 158, 372, 376 - Druckmaschinentemperiersystem; Federal Supreme Court, GRUR 2012, 93 et seq. - Klimaschrank; order of 17 July 2012 - X ZR 77/11 para. 2). With regard to patent infringement proceedings, it is recognised that a suspension in the first instance is in general only justified if there is a considerable probability that the patent in suit will be revoked or declared invalid (cf. Federal Supreme Court, GRUR 1987, 284 - Transportfahrzeug; GRUR 2014, 1237 para. 4 - Kurznachrichten). This is based on the consideration that, in view of the limited duration of the property right and the often long period of time until the final clarification of the legal situation, the suspension typically means a significant interference in the legal position of the patentee. In the first instance,



the fact that the patent is only granted if and to the extent that the Patent Office, on the basis of expert technical examination, has affirmed the protectability of the claimed technical teaching is of importance in the decision on the prognosis to be made by the infringement court. This also speaks in favour of exercising restraint when suspending the infringement proceedings (Senate, GRUR 2014, 352, 354 - Stanzwerkzeug). The Regional Court was rightly guided by these considerations.

The fact that the Federal Supreme Court (Federal Supreme Court, decision of 17 September 2009 - Xa ZR 128/05 - juris) has already affirmed the protectability of the patent in the now granted version speaks against the probability of destruction. In this regard, a suspension can only be considered if the chances of success of the new nullity action are obvious (cf. Federal Supreme Court, decision of 17 July 2012 - X ZR 77/12 para. 2 - Verdichtungsvorrichtung juris) or if further prior state of the art is presented which, because it comes closer to the invention than the previously assessed prior state of the art, makes it probable with the necessary probability that the patent in suit will be destroyed (cf. Kühnen, loc.cit. chapter E para. 530). Neither of these prerequisites are met here.

The defendant does not point out a manifest error in the decision of the Federal Supreme Court. The Federal Supreme Court upheld the patent in respect of the, in the present case relevant, claim 14 upon request of the plaintiff's auxiliary claim, provided that the words 'for each graphic image' are inserted before the words 'the size'. It is clear from the decision of the Federal Supreme Court that, in contrast to the well-known MPEG-2 standard, it is intended to express that the information on size and location should be coded for each graphic image (loc. cit. para. 34, para. 36). The defendant argues unsuccessfully that the restriction that 'location and size should be coded for each graphic image' is not included in claim 14. The English version of the claim shall be authoritative in this respect. The Federal Supreme Court's assumption that its understanding of the feature is expressed sufficiently clearly in the amended claim is not manifestly wrong. "Each" is both an adverb and an adjective and can be understood in the sense of "in each case" and "every" as well as with double meaning. The defendant also does not deny that the MPEG-2 standard is not harmful to novelty according to an understanding in the sense mentioned by the Federal Supreme Court. The defendant does not cite prior state of the art not assessed in the first invalidity proceedings. It is also not obvious that the Federal Supreme Court inadmissibly extended the maintained patent claim by this very restrictive feature.



2.

Since, in the light of the foregoing, the decision of the Regional Court is not manifestly vitiated by an error of law, a suspension could be considered only if the defendant had presented and made facts credible that the risk of particular damage is going beyond the general effects of enforcement. (cf. Higher Regional Court Düsseldorf, loc. cit.; Senate, GRUR-RR 2015, 326 para. 17 - Mobiltelefone, juris; order of 31 May 2016 - 6 U 55/16, para. 17, juris). It cannot be established that the enforcement of the decision of the Regional Court by the plaintiff in respect of the claim to information and accounting in question would lead to extraordinary damage for the defendant which could not be made good, or at least not made good with the help of the security previously provided. Without success, the defendant complains that the amount of the security was insufficient. Her submission that the security management of only EUR 50,000.00 planned by the Regional Court was completely inadequate and that a minimum security of EUR 1,000,000.00 had to be fixed is not substantiated in any further detail. In this respect, it is neither submitted by the defendant nor otherwise apparent that the Regional Court would have ignored the corresponding submission of the defendant in the first instance (cf. regarding Sec. 718 ZPO: Higher Regional Court Düsseldorf, InstGE 9, 47; BeckRS 2008, 17095 - Zahnimplantat; GRUR-RR 2012, 304 - Höhe des Vollstreckungsschadens; Kühnen, Handbuch der Patentverletzung, 8th Ed., Chapter H. para. 66, p. 721; Lackmann in Musielak, ZPO, 13th edition, Sec. 718 para. 1). Insofar as the defendant demanded a security deposit of EUR 5,000,000.00 in the first instance, this related to the right to destruction and recall (statement of defence p. 41, AS I 134).

The suspension of enforcement is not necessary because its consequences cannot be eliminated even if the appeal is successful. The mere fact that enforcement would anticipate the outcome of the proceedings is not an irreplaceable disadvantage (cf. Federal Supreme Court, GRUR 1979, 807 para. 6, juris - Schlumpfserie; GRUR 1991, 159 - Zwangsvollstreckungseinstellung; Higher Regional Court Düsseldorf, order of 07 April 2008 - I-2 U 116/07, BeckRS 2012, 13680). Unsuccessfully, the defendant claims that the cost and profit data relate to the core area of legitimate corporate secrecy interests. The fact that the information to be provided is internal business information which must be kept secret from the plaintiff in view of the competitive situation of the parties does not in itself justify the assumption that enforcement of the order to provide information would result in irreplaceable disadvantages for the debtor (cf. Federal Supreme Court, NJWE-WettbR 1999, 138; Higher Regional Court Düsseldorf loc. cit.) There is no reason to deviate from this rule.



KATHER · AUGENSTEIN
RECHTSANWÄLTE

Contrary to the defendants' view, the fact that the plaintiff exploits the patent in suit via a patent pool does not in itself mean that the weighing of interests has to be at his expense (cf. Higher Regional Court Düsseldorf, order of 02 February 2015 - I-15 U 135/14; Higher Regional Court Düsseldorf, order of 19 August 2015 - I-2 U 24/15; order of 13 January 2016 - I-15 U 66/15, GRUR-RS 2016, 01680, para. 11). Insofar as the Senate attached importance in past suspension proceedings to the fact that the economic interest of the plaintiff is primarily directed towards the economic exploitation of the patent, this was done within the framework of the overall assessment and concerned cases in which, on the basis of summary examination, it was assumed that the decision with its fundamental legal considerations would not be upheld (Senate, GRUR-RR 2010, 120 para. 14, juris; decision of 23 April 2015 - 6 U 44/15 para. 25; decision of 31 May 2016 - 6 U 55/16, NZKart 2016, 334 para. 38 -juris).

Kather Augenstein Rechtsanwälte

Bahnstraße 16

40212 Düsseldorf

P: +49 211 5135360

E-Mail: augenstein@katheraugenstein.com / info@katheraugenstein.com