



Higher Regional Court Düsseldorf

I-2 U 23/17

Decision of 18 July 2017

[...]

Grounds

After examining the grounds of appeal dated 11. July 2017, the Senate is unanimously convinced that the admissible appeal of the injunction plaintiff evidently has no chance of success. The case does also not have any fundamental significance because the decision taken by the Regional Court proves to be justified on the basis of the application of established jurisdiction rules to the dispute. Neither the further development of the law nor the securing of a uniform jurisdiction require a senate decision. An oral hearing is also not required as the facts relevant to the decision are sufficiently clear from the files.

In any case, the injunction plaintiff's request for injunctive relief must be denied success because there is no reason for an injunction.

I.

1.

Measures of interim relief regarding standard essential patents (SEP), for which a FRAND declaration has been issued, are in no case to be considered under easier conditions than other injunctions in patent matters. As usual, it must be possible to determine the facts of use sufficiently clearly with the limited means of provisional legal protection (Sec. 294 German Code of Civil Procedure (ZPO)); furthermore, the legal validity of the standard essential patent (SEP) must be sufficiently secured and the urgency of the request for legal protection must be given in terms of time. The latter refers to the fact that the applicant himself has endeavored to deal with his affairs in such a quick manner that he can rightly claim to have his case dealt in accelerated proceedings.

SEP with FRAND declaration have the legal peculiarity that the cease and desist claim for patent infringement can only be enforced if the patentee has complied with the



conditions set out in the ECJ decision "Z./H." (GRUR 2015, 764) for the conclusion of a FRAND license agreement regarding the patent in suit. As soon as the infringed party becomes aware of the unlawful use of his SEP, it is therefore, not only one of the obligations of quick prosecution that he clarifies the facts on which the claim is based and provides evidence by means of suitable means of prima facie evidence, in order to seek prompt judicial assistance; the same determination must also be shown in making those efforts which are necessary with regard to the FRAND commitment in order to give rise to the enforceability of the injunction claim.

In concrete terms, this means that the patentee must inform the alleged infringer of the patent infringement in immediate temporal context of the determined patent use and that the infringer must be presented with a formulated license offer on FRAND terms when he declares his willingness to license. Delayed activities remain harmless for that period of time in which (e.g. because of an insufficiently secured validity status) no injunction procedure with a prospect of success can be conducted anyway. The latter does not, of course, mean that the efforts for a FRAND license agreement may be postponed until a disputed decision on the legal validity is issued; in fact, activities must be conducted so early - if necessary even in the run-up to the still outstanding opposition or nullity decision - that the antitrust situation is concluded and clarified in the sense of enforceability of the injunction claim at the moment in which the decision on the opposition or nullity is issued in favor of the infringer. Other delays which go beyond this, have an adverse effect on urgency, not only if a license offer is completely absent, but in the same way if the existing offer is legally irrelevant because - contrary to the FRAND requirements - it is objectively unreasonable and/or discriminatory. In such a case, a subjective misjudgment with regard to the (external and/or substantive) adequacy of his offer does not relieve the injured party of any obligation.

2.

Typically, an injunction for patent infringement - including and precisely one based on a SEP - intervenes massively in the business operations of the defendant. This is particularly true in the event of a dispute, because the injunction sought, affects a substantial part of the telecommunications services offered by the defendant, including the sale of suitable hardware components. The relevant damage potential is visible when regarding the uncontested determination of the value in dispute by the Regional Court in the amount of EUR 10,000,000.00. In order to reduce the risk of a - as has been shown - fatal wrong decision, the issuing of a temporary injunction is, according to the case-law, in principle only possible if both, the validity of the injunction patent and the question of patent infringement can be answered so clearly in favor of the applicant that an



erroneous decision, to be revised in any subsequent main action proceeding, is not seriously to be expected (Senate, InstGE 12, 114 - Harnkatheterset; OLG Karlsruhe, InstGE 11, 143 - VA-LCD-Fernseher). The more clearly both are to be assessed in favor of the patentee, the less justified it is, to refuse interim relief in regard to any competition interests of the opposing party. If the legal validity and infringement situation is clear, further considerations for weighing interests are therefore usually unnecessary (Senate, judgment of 27.10.2011 - I-2 U 3/11; judgment of 10.11.201 - I-2 U 41/11). The necessity of interim legal protection may therefore also arise in individual cases from the clear legal situation as such (Senate, judgment of 10.11.2011 - I-2 U 41/11). The less clear the factual and legal situation is, the less appropriate it is - conversely - to order measures in interim relief which severely or even existentially affect the defendant in his business activity. All the more such measures can only be considered if very special interests require the granting of interim relief by way of exception.

[..]

II.

Applying the rules set out above and confirmed in the jurisdiction of the Senate, the plaintiff is not entitled to interim relief.

[..]

3.

Under the given circumstances - due to the lack of dilatory conduct of the defendant in her legal defense - there is not only no reason to release the plaintiff from a positive decision on the validity of the patent, which in itself is an obstacle to the success of the plaintiff's appeal. On the contrary, the plaintiff must - conversely - allow herself to be confronted with a carelessly hesitant prosecution, which also excludes the possibility of granting her the advantages of accelerated proceedings.

a)

Since the Regional Court has uncontested determined that the plaintiff has been trying since November 2012 to grant a license to the defendant and its group, the plaintiff has been aware of the infringement acts for many years, which is also plausible in view of the fact that, according to its own submission, the use of the patent in suit results from compliance with the technical standards ADSL2+ and VDSL2. Since the ECJ decision "Z./H." of 16. July 2015, there has also been fundamental clarity in the professional world, and consequently also for the plaintiff, as to what preparatory work the owner of a SEP



with a FRAND declaration has to do, in order to make his claim for an injunction enforceable in court. If the actions of the defendant had been so burdensome for the plaintiff that she could no longer be reasonably expected to continue to tolerate them, as the current application for a preliminary injunction, being aimed at a short-term cessation of the relevant business activity, suggests, the plaintiff would have had to take those measures as soon as the decision of the European Court of Justice became known which would have enabled her to take legal action in this respect. Even before the filing of the main action for rendering account and damages on 27 January 2016 - therefore completely pre-trial - there would have been sufficient opportunity to file a notice of infringement (if this should still have been necessary at all) and then to prepare a FRAND offer and submit it to the defendant. The fact that the defendant was interested in licensing could not have been seriously doubted at the time. Apart from the fact that the plaintiff herself has made licensing efforts since the end of 2012, which presupposes a basic interest in licensing on the part of the defendants, the subsequent offers of 25 March 2016 and 13 March 2017 initiated by the plaintiff are quite obviously made against the background of the plaintiff's fundamental willingness to take a license, which the plaintiff also recognizes as such. There is no apparent reason why the plaintiff should not have been able to make a FRAND offer, such as the one she offered in March 2016, after 16 July 2015, at least before the main action was brought. The settlement license agreements referred to date from 03 December 2015 and 14 May 2016. The license offer of the plaintiff of 25 March 2016 proves in this respect that the earlier of the two settlement agreements was apparently sufficient for her to determine the FRAND license fee. It would therefore also have enabled the plaintiff to take appropriate action before court. The perceptions of the plaintiff regarding the determination of a FRAND license fee have, therefore, not changed significantly in the meantime.

b)

Assuming that the conditions offered - as was the legal duty of the plaintiff - had been FRAND and that the defendant had without good reason not accepted them, as the plaintiff asserts in the present case, the injunction claim could have been asserted in the main action proceedings. A meaningful restriction of the claim would have saved the plaintiff from having to prove in detail the substantive acquisition of the patent to the court, so that the enforcement of the injunction claim would not have been delayed because of the prohibition of partial judgments. The fact that in this case the plaintiff could not have pursued rendering account and damages in full in the same lawsuit, does not preclude the reasonability of a limited petition for action. The person who reclaims for himself an injunction in the form of interim legal protection which has the potential to cause damage, as is the case in this dispute, must also be required, conversely, to make



acceptable concessions (with regard to the enforcement of rendering account and determination of damages for certain periods of time) in possible main proceedings, if this makes it possible to accelerate the enforcement of the urgent injunction claim in main proceedings.

c)

Insofar as the plaintiff alleges that the defendant refuses without justification to conclude a confidentiality agreement, which she - the plaintiff - can demand in order to protect her trade secrets in connection with the justification of her license offers, this does not give rise to any urgency, nor does the fact that the defendant wrongly challenges the license conditions submitted to her as not being FRAND and has, therefore, even initiated a declaratory procedure in Ireland. It is the right of the defendant to claim legal protection for her interests, just as it is the - claimed - right of the plaintiff to do so in order to enforce her interests.

For the benefit of the plaintiff, it may be assumed that her license offers satisfy FRAND criteria and that the plaintiff may invoke the protection of trade secrets regarding the derivation of the applied license regulations. Even if, in view of this, the defendant had unjustifiably refused to conclude a non-disclosure agreement, the consequence would under no circumstances be, that the plaintiff would be relieved of her obligation (which therefore cannot be further verified in court) to submit a FRAND license offer to the defendant and to explain its objective justification ("method of calculating the license"). An unjustifiably denied promise of confidentiality by the license seeker would at most have the consequence that the plaintiff would be relieved of her obligation to give detailed explanations to the defendant, justifying her license conditions, to the extent (but not beyond!) necessary to protect her legitimate secrecy interests. Instead of detailed information, it may therefore be necessary to make merely suggestive comments. A chain of arguments which is incomplete for reasons of secrecy protection would, therefore, have to be accepted by the defendant as a sufficient explanation of FRAND conformity of the opponent's license offer. Assuming that the license conditions of the plaintiff would actually be FRAND in terms of content, the defendant would, therefore, have to be condemned to cease and desist (if, moreover, a patent infringement were to be assumed, which would have had to be examined by the court just as much in the injunction proceedings as in an action initiated at an early stage), because she would neither have accepted the plaintiff's FRAND offer nor immediately submitted a FRAND counter-offer to the plaintiff. The necessary examination for FRAND compliance would have had to be carried out in the same way as it now arises in interim injunction proceedings, in main proceedings. Had the plaintiff therefore pursued her rights swiftly



following the ECJ ruling, as her obligation to affirm an urgency would have been, she would have been equally entitled, and even more easily so, because the question of the legal status would only have arisen in the context of the suspension decision under Sec. 148 ZPO.

In view of this, the plaintiff could have only been entitled to bring an action in interim legal protection if, since July 2015, the circumstances under which the action is to take place had changed for her in such a way that for the first time a promising enforcement of the injunction claim would have been possible. This is not the case. No decision has yet been issued in the existing nullity proceedings; the plaintiff, therefore, cannot invoke the principle that the owner of the property right may act cautiously and must not enter into unnecessary litigation risks, which is why it cannot be argued against him in the context of the urgency that he was already able to assert the injunction claim in main proceedings (see only OLG Düsseldorf, judgment of 29.06.2017 - I-15 U 4/17). The plaintiff has, despite the absence of a validity decision at least in the first instance, brought the injunction claim before the court and thus made it clear that she is indifferent to the litigation risk associated with the validity proceedings. Therefore, it cannot be regarded as a circumstance which can justify a late recourse to interim relief. Nor are there any other subsequent circumstances discernible which would have sustainably improved the plaintiff's legal position in the sense that previously dubious prospects of success for an enforcement of the injunctive relief in main proceedings would be thoroughly more favorable now.

d)

The objection that the injunction claim was not asserted at an early stage in the main action proceedings, is all the more to be considered if the plaintiff - as she claims - would not be subject to any licensing obligations under antitrust law due to a lack of a dominant market position.

[..]



KATHER · AUGENSTEIN
RECHTSANWÄLTE

Kather Augenstein Rechtsanwälte

Bahnstraße 16

40212 Düsseldorf

P: +49 211 5135360

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