



Referred questions in the patent infringement case of Nokia v. Daimler

By decision of 26 November 2020, the 4c Civil Chamber of the Regional Court Düsseldorf referred the following questions to the European Court of Justice in a patent infringement case (docket 4c O 17/19) brought by Nokia Technologies Oy against Daimler AG (unofficial translation):

A. Is there an obligation for priority licensing of suppliers?

1. Can a company at a downstream stage of the supply chain oppose an action for injunctive relief brought by the holder of a patent essential to a standard regulated by a standardisation organisation (SEP), for which patent the holder has given an irrevocable undertaking to that organisation to grant a license to any third party on FRAND terms, by pleading abuse of a dominant position in the sense of Article 102 TFEU, if the standard for which the patent-in-suit is essential, or parts thereof, is already implemented in an intermediate product purchased by the infringing party whose supplier is willing to take its own unlimited license for all types of use relevant under patent law on FRAND terms for products implementing the standard but is refused such a license by the patent holder?
 - a) In particular, is this the case where it is customary in the relevant sector of the final product distributor's business for the intellectual property rights relating to the patents used by the supplied part to be clarified by means of licensing by the supply companies?
 - b) Is there a licensing priority with regards to suppliers at *any* stage of the supply chain or only regarding the supplier immediately upstream of the distributor of the final product at the end of the value chain? Are commercial practices decisive here too?
2. Does the prohibition of abuse under anti-trust law require that the supplier be granted its own unlimited license for all types of use relevant under patent law on FRAND terms for products implementing the standard, in the sense that the final distributors (and possibly the upstream buyers) in turn no longer require their own separate license from the SEP holder in order to avoid patent infringement if the supplied part in question is used in accordance with the intended purpose?
3. If the answer to question 1 is in the negative, does Art. 102 TFEU impose specific qualitative, quantitative and/or other requirements on the criteria according to which the proprietor of a standard essential patent decides against which potential infringers at different levels of the same production and supply chain to bring an action for injunctive relief?

B. Clarification of the requirements of the Court of Justice's ruling in the Huawei v. ZTE case (judgment of 16 July 2015, C- 170/13):



1. Irrespective of the fact that the obligations to be performed reciprocally by the SEP holder and the SEP implementer (notification of infringement, licensing request, FRAND license offer; license offer to the supplier to be licensed with priority) must be fulfilled *before legal proceedings are initiated*, is it possible to cure, in the course of legal proceedings, a failure to fulfil such obligations before legal proceedings were initiated?
2. Can a sufficient licensing request by the patent implementer only be assumed if, on the basis of a comprehensive assessment of all circumstances of the case, there is a clear and unambiguous indication of the SEP user's willingness and readiness to conclude a license agreement with the SEP holder on FRAND conditions, whatever these FRAND conditions may be (which, in the absence of a license offer formulated at that time, could not at all be foreseen)?
 - a) Does an infringer who remains silent for several months after the infringement notification regularly indicate that he is not interested in obtaining a license, with the result that – despite a verbal licensing request – there exists no licensing request, with the consequence that the SEP holder's request for injunctive relief must be granted?
 - b) Can it be inferred from license terms which the SEP user has submitted with a counter-offer that there is a lack of willingness to take a license, with the consequence that the SEP holder's action for an injunction is subsequently granted without prior examination as to whether the SEP holder's own license offer (which preceded the SEP user's counter-offer) actually corresponds to FRAND conditions?
 - c) Is such a conclusion precluded, in any event, if the licensing terms of the counter-offer, from which it is to be concluded that there is no willingness to take a license, are those for which it is neither obvious nor has it been established by a final instance decision that they are incompatible with FRAND terms?