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Regional Court Munich I

7 O 14276/20

Decision of 28 January 2021

Operative Part

1. The interim injunction of the Regional Court Munich I of 9 November 2020 is confirmed.

[...]

Facts

The first plaintiff in the injunction is a research and development company for telecommunications services with its registered office in Wilmington, Delaware, USA. It is part of the ID Group (hereinafter, insofar as it is not relevant to a specific company of the group: ID"), whose parent company is ID, Inc. with the same registered office. It is the owner of numerous intellectual property rights in Germany (Exhibit AR1) and worldwide, inter alia in the field of second (GSM), third (UMTS), fourth (LTE) and fifth (5G) generation mobile telecommunications (Exhibits AR1 and AR2). According to its claim, it licenses these to all interested companies on FRAND terms. It was substantially involved in the development of the corresponding mobile communication standards.

The second plaintiff of the injunction, also based in Wilmington, Delaware, USA, also belongs to the ID group and is also the owner of numerous such IP rights in Germany (Annex AR 17).

The defendants to the injunction belong to the X. Group (hereinafter, insofar as it does not depend on a specific company from the group: „X. "). The X. Group is a Chinese electronics manufacturer and, since the beginning of 2020, the world's third largest manufacturer of smartphones. The 1st to 3rd defendants with their registered offices in China, the 2nd defendant in Wuhan, are each indirect wholly-owned subsidiaries of the



4th defendant with its registered office in the Cayman Islands, which also has a branch office in Düsseldorf and Beltheim via X. Technology Germany GmbH. In addition, the 4th defendant also has two addresses for service in China (Beijing and Hong Kong).

According to the injunction plaintiffs, ID has been trying in vain for seven years to reach an agreement with X. on the conclusion of a FRAND licence over its SEP portfolio concerning 3G and 4G technology. Most recently, ID unsuccessfully submitted a licence offer in February 2020.

Subsequently, the following events occurred:

9 June 2020

X. filed an action against ID for a declaration of an appropriate global portfolio royalty before the Intermediate People's Court in Wuhan, People's Republic of China [...].
[...]

29 July 2020

ID filed a patent infringement suit against X. before the High Court in New Delhi, India, together with an application for an injunction to quickly restrain alleged continuing patent infringements [...].
[...]

4 August 2020

X. filed an application for a Behaviour Conservation Order (Anti-Suit Injunction = ASI) against ID in the Intermediate People's Court in Wuhan, People's Republic of China, under the heading reproduced above.
[...]



23 September 2020

The Intermediate People's Court in Wuhan issued the following ASI [...].
[...]

29 September 2020

ID filed an application for an anti-anti-suit injunction (AASI) against X. before the New Delhi High Court with the following wording [...].
[...]

30 October 2020

The first plaintiff of the injunction applied to the Regional Court Munich I for the granting of the following interim injunction (BI. 1/30):

The defendants are prohibited, upon avoidance of the statutory remedies, from pursuing the anti-suit injunction of the Wuhan Intermediate People's Court, Hubei Province, People's Republic of China dated 23 September 2020 (Ref. (2020) E 01 Zhi Min Chu 169 Zhi Yi) or to take any other judicial or administrative measure aimed at directly or indirectly prohibiting the applicant or other affiliated companies of the ID Group from bringing patent infringement proceedings arising from its standard-essential patents in Germany, whereby this injunction also includes, in particular, [...].

[...]

9 November 2020

The Regional Court Munich I issued the following interim injunction by way of order without prior hearing of the respondent (BI. 56/62):



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- 1. The defendants shall be ordered by way of interim injunction to pay a fine of up to two hundred and fifty thousand euros or to serve up to six months' imprisonment - imprisonment also in the event that the fine cannot be recovered -, the imprisonment or substitute imprisonment to be carried out on an authorised representative of the respective defendant, for each infringement in each case*

prohibited,

to pursue the anti-suit Injunction of the Wuhan Intermediate People's Court, Hubei Province, People's Republic of China, of 23 September 2020 (Ref. (2020) E 01 Zhi Min Chu 169 Zhi Yi) or to take any other judicial or administrative measure aimed at directly or indirectly prohibiting the applicants from bringing patent infringement proceedings arising from their standard-essential patents in the Federal Republic of Germany,

whereby this obligation to cease and desist also includes in particular,

- the order to dismiss the application for an anti-suit injunction dated 4 August 2020 in the proceedings with reference number (2020) E 01 Zhi Min Chu 169 Zhi Yi before the Wuhan Intermediate People's Court, Hubei Province, People's Republic of China. (2020) E 01 Zhi Min Chu 169 Zhi Yi before the Wuhan Intermediate People's Court, Hubei Province, People's Republic of China, within a period of 24 hours after service of this order, or to take other procedurally appropriate means to finally revoke the anti-suit injunction of 23 September 2020 with effect for the Federal Republic of Germany;*



- *the prohibition to continue that anti-suit Injunction procedure other than for the purpose of withdrawing the application or making any other declaration for the purpose of final revocation with effect for the Federal Republic of Germany;*
- *the prohibition of indirectly prohibiting the applicants from bringing patent infringement proceedings based on their standard-essential patents in the Federal Republic of Germany by means of a court or administrative order directed to prohibiting the present proceedings [...].*

[...]

4 December 2020

The Intermediate People's Court in Wuhan upheld the ASI on ID's application for reconsideration (Annex AR ZV 7).

[...]

22-23 December 2020

The fourth defendant filed an objection against the interim injunction of 9 November 2020 (BI. 109/133) and applied for the temporary suspension of enforcement (BI. 149/151; BI. 8/13 QM booklet).

[...]

21 January 2021

The 1st to 3rd defendants also filed an objection against the interim injunction of 9 November 2020 (BI. 194/218).

[...]



Grounds

The preliminary injunction is to be confirmed because the existence of a ground for injunction and a claim for injunctive relief is still plausibly established. The pending proceedings in India and China do not prevent the denial of another *lis pendens* or the affirmation of a need for legal protection. The preliminary injunction was also executed in time against all four defendants.

[...]

A. Jurisdiction

The Regional Court Munich I has international, local and subject-matter jurisdiction. Functionally, the Patent Litigation Chamber is called upon to decide.

[...]

B. Compliance with the enforcement period

The time limit for enforcement of sections 936, 928, 929 (2) of the German Code of Civil Procedure (ZPO) was complied with in respect of all four defendants to the injunction.

[...]

C. Need for legal protection and no *lis pendens* elsewhere

- I. There is also no lack of need for legal protection for the application for an interim injunction. The need for legal protection as a general prerequisite for proceedings usually results from the non-fulfilment of the claim asserted by the plaintiff. It is lacking if the plaintiff can achieve his or her legal protection goal in a simpler and cheaper way or has already achieved it.



1. X.'s argumentation, which they put forward in the Indian proceedings but not in the German proceedings (Annex AR 26, p. 28, point 24), that ID lacked the need for legal protection because they had to be referred to defending themselves against the ASI in the context of the reconsideration proceedings in China, cannot be accepted for the reasons set out by the Higher Regional Court Munich in its judgment of 12 December 20219 (GRUR 2020, 379, paras. 51, 68 et seq.). In the present proceedings, it is also not to be expected that the injunction plaintiffs' property-like rights to their patents, which are protected by fundamental rights, and thus also the possibility of initiating patent infringement proceedings in the granting state due to their alleged infringement, will be sufficiently safeguarded by the Chinese courts. Even if the ASI is regarded as a permissible procedural means in the home state, from the perspective of German law, which is the only relevant one, it constitutes an unlawful interference with the legal position of the patentee, which is protected in a manner similar to ownership (cf. OLG Munich GRUR 2020, 379 marginal nos. 5-7). It is true that cases are conceivable in which the court issuing the ASI has also left the ground of its own legal system and therefore a domestic legal remedy could lead to a review and correction. However, taking into account such a possibility of correction by the foreign court of issue or the foreign courts superior to it within the German preliminary injunction proceedings would lead to considerable legal uncertainty for the patentee seeking justice and would require a prognosis, which is difficult to make, as to whether the appeal abroad is likely to be successful in the specific individual case or not.

Appeals against an ASI pending in the issuing state do not remove the need for legal protection and do not establish any other *lis pendens*. It is obvious that both proceedings are directed at the same legal protection goal and in this respect represent the respective opposite. Even a revocation of the ASI,



however, would not remove the danger of repetition once established from the German point of view. Once the danger of repetition has been established, it regularly only ceases to exist through the submission of a cease-and-desist declaration with a penalty clause. Without this, the applicant for an ASI would not be prevented from filing a new application for an ASI.

Irrespective of this, however, according to the ratio of the decision of the Federal Court of Justice of 26 October 1983 (NJW 1983, 1269), an exception for patentees affected by ASIs must be allowed in any case for reasons of effective legal protection, because the patentees did not initiate the foreign proceedings for the issuance of an ASI themselves and would otherwise have to suffer an unreasonable impairment of legal protection.

2. A fortiori, this need for legal protection is not lacking with regard to the Chinese main proceedings. These proceedings are solely directed at the judicial determination of a global portfolio FRAND licence fee. Even if the action were successful, this would not result in a contractual grant of a licence in favour of X. and thus also in favour of the defendant in the injunction, which could render the unlawfulness of an established patent use void. The continuing unlawful situation of multiple infringements of the injunctive plaintiffs' patents in the Federal Republic of Germany by X., which is to be assumed for the purposes of the present decision, would therefore not end. A Chinese decision would probably also not be recognisable in the Federal Republic of Germany. This is because, from a German perspective, the Chinese court quite obviously lacks international jurisdiction for this declaratory action against the ID defendants, all of whom are domiciled in the United States of America, insofar as they do not enter an appearance before the court in Wuhan without objection (§ 328 (1) no. 1 ZPO).



3. The existence of a need for legal protection is also not affected by the Indian proceedings for the issuance of an AASI that were initiated earlier.
 - a. [...]
 - b. The Indian proceedings, at least at the time of the conclusion of the oral proceedings here on 28 January 2021, relate solely to defensive measures against the Chinese ASI as far as Indian territory is concerned. In this respect, the injunction plaintiffs have made a plausible case that clear subsequent declarations to this effect were submitted in the Indian proceedings before 28 January 2021. Irrespective of the dispute between the two private experts as to whether the rules on withdrawal apply under Indian procedural law and, if so, whether it is still possible to obtain court permission to withdraw the action (see Annex AR 2, para. 3.14), it is demonstrated that ID in India has done everything possible to prevent a court decision directed at a defensive measure against the Chinese ASI with effect for the territory of the Federal Republic of Germany from being issued (Annex AR 29, para. 4.24). Insofar as a judicial measure should still be necessary to effect a final withdrawal of the application, the failure to do so cannot be attributed to the plaintiffs in the injunction. In this respect, the private expert of the defendant in the injunction did not counter the statements of the plaintiff's private expert, which are to be regarded as party submissions, with anything substantial. The submissions are therefore to be treated as undisputed (§ 138 (3) and (4) ZPO). Accordingly, on the basis of the statements in the Indian proceedings, ID is prevented from pursuing any applications in India relating to the issue or maintenance of an injunction directed against the Chinese ASI with effect for the territory of the Federal Republic of Germany.

[...]



- II. For the above reasons, there is also no double *lis pendens* with regard to the Indian proceedings. The question of whether in this case the other *lis pendens* abroad does not exceptionally preclude the proceedings in Germany because the plaintiffs in the injunction would suffer an unreasonable impairment of legal protection due to the blocking effect of the foreign proceedings (Federal Court of Justice NJW 1983, 1269), therefore does not need to be decided in this respect.

- III. As already clarified by the Higher Regional Court Munich (GRUR 2020, 379), the principle of procedural privilege is also not in dispute for the injunction defendants (para. 67), because the application for provisional countermeasures is justified by self-defence pursuant to Section 227 (1) of the German Civil Code (BGB) (para. 75) and in the present case, as explained, it cannot be expected that the interests of the injunction plaintiffs in protecting the possibility of bringing patent infringement proceedings in the Federal Republic of Germany will be sufficiently protected by the court in Wuhan (para. 76). Neither international law (para. 82) nor European law (para. 83 f.) preclude the issuance of an ASI.

D. Claim for injunctive relief

The plaintiffs in the injunction have also made a *prima facie* case that there is a claim for injunctive relief against all four defendants in the injunction.

- I. The application for an ASI before an American court with the aim of preventing the enforcement of injunctive claims for patent infringement in Germany constitutes an impairment of the property-like legal position of the patentee § 823 (1) BGB in conjunction with § 1004 (1) S. 1 BGB (OLG Munich GRUR 2020, 379; LG Munich I BeckRS 2019, 25536 marginal no. 52; *Werner* in: Busse/Keukenschrijver, PatG, 9th edition 2020, Vor § 139 Rn. 4, 85). The same applies to the application for, maintenance and enforcement of an ASI or a



decision prohibiting the application for a decision of the present type (AASI) before a Chinese court. The right of self-defence, Section 227 (1) BGB, also argues for the plaintiffs in the injunction (OLG Munich GRUR 2020, 379 marginal no. 75; *Werner* in: Busse/Keukenschrijver, PatG, 9th edition 2020, Vor§ 139 Rn. 4, 85).

- II. Both injunction plaintiffs have plausibly shown that they are each owners of patents relating to the 3G and 4G technology addressed by the Chinese ASI in the Federal Republic of Germany. According to the wording and the grounds, the Chinese ASI does not only cover China, but claims worldwide validity. The plaintiffs for injunctions 1) and 2) are affected by "and affiliates thereof" in paragraphs 1-5 of the Chinese ASI, even if not directly by the threat of coercive measures. However, since the threat of a mandatory injunction threatens companies affiliated with the injunction plaintiffs, it also restricts the freedom of action of the injunction plaintiffs as those who hold the standard-essential patents at issue in the ID group.

[...]

E. Ground for injunction

The plaintiffs have made the existence of a ground for the injunction plausible. This concerns both the aspect of urgency in terms of time and the aspect of general urgency, namely that the plaintiffs cannot be expected to refer the matter to the main proceedings.

- I. The plaintiffs for the injunction have made a plausible case that they cannot be expected to refer the matter to substantive proceedings. This follows from the nature of the case for applications directed against an ASI issued or to be issued by another court. Injunctive relief is the essential feature of an exclusive right, such as the patent, and is also the patentee's sharpest weapon. The patent right



as an exclusive right would in fact be worthless if the patentee were deprived of the possibility of enforcing his exclusive right through the state monopoly on the use of force in the form of ordinary court proceedings (*Keukenschrijver* in *Busse/Keukenschrijver*, PatG, 9th ed., § 9, marginal no. 26). However, the right to injunctive relief is only available to the patentee during the limited term of the patent. The right to injunctive relief could therefore not be sufficiently secured by a decision on the merits with respect to an ASI issued by another court. At any rate, the patentee would be de facto deprived of his right to injunctive relief until the provisional enforcement of a successful first instance judgment on the merits. As explained above, an ASI issued by a foreign court is not to be recognised in Germany due to a violation of ordre public. However, by threatened or nationally enforced coercive measures of the foreign court, a coercive situation can nevertheless be established and maintained vis-à-vis the patentee, which de facto prevents effective enforcement of the patents.

This is all the more true with regard to an ASI yet to be issued by another court. In particular, this also applies to the extent that, as is the case here, an order prohibiting the application for protective measures (AAASI) is in question.

- II. The plaintiffs in the injunction have also made a plausible case that they have complied with the one-month time limit applicable in the Higher Regional Court district of Munich in the field of industrial property protection as of knowledge of the act and the perpetrator, insofar as this is applicable to proceedings of the present kind, under the particular circumstances of the present individual case.

[...]

1. [...]

2. [...]

- a. [...]



- b. [...] In the Chamber's view, the one-month time limit should therefore be applied. However, the particular difficulties caused by the shortness of the time limit can be effectively addressed with the measures explained below.
- 3.
- a. To the extent that the one-month time limit applies, it begins, insofar as the application for an injunction is based on a **risk of repetition**, at the time of the patentee's established knowledge or knowledge of the issuance of the ASI. [...]
- b. Insofar as the application for an injunction is based on a **risk of first occurrence**, it begins at the time when the patentee is or should have been aware of the existence of an application for an ASI or of the materialising risk of such an application being filed, for example because the other party has threatened to file such an application. According to the case law of the Higher Regional Court Munich, the filing of an application for the issuance of an ASI constitutes a risk of first occurrence of an absolute right within the meaning of Section 823 (1) BGB in conjunction with Section 1004 (1) BGB (OLG Munich GRUR 2020, 379 marginal no. 55 f.). However, the patentee is free to first wait and see whether the risk of first occurrence materialises, i.e. whether the other court also issues the requested ASI. With the issuance of the requested ASI, the above statements on the risk of repetition apply.
- c. The statements on the risk of first occurrence also apply in the event that the request for an ASI is directed to a blanket worldwide prohibition of the judicial assertion of the patents concerned without currently pending actions and requests by the patentee. It is true that in this case, in order to preserve the possibility of also enforcing its patents by legal action, the patentee is required to prepare and file applications for appropriate countermeasures (AASI) in a large number of jurisdictions within a very short period of time. However, requests for an ASI have so far only become known in connection with worldwide disputes of owners of global patent



portfolios concerning standard-essential patents with globally acting patent users. However, such patent owners must be aware of the global dimension of their licensing request and the risk of possible globally dispersed individual countermeasures by patent users such as oppositions, nullity actions, negative declaratory actions, approaches to individual antitrust authorities or courts, etc. The patent owners must also be aware of the global dimension of their licensing request. Patentees must also be aware that there is a risk that individual patent users might make use of the possibility provided in foreign jurisdictions to request an ASI. In this respect, they must also take into account that the foreign court, as here, may issue a blanket worldwide prohibition of action according to the request and, with the exception of India, without a specific reason.

d. In this respect, nothing impossible is demanded of the patent holders.

aa. This is because it is open to the patentee to file an application for appropriate provisional countermeasures at an early stage based on the threat of first instance which, instead of or in addition to orders relating to a threatened or already issued ASI (AASI), may also include orders (AAAASI) to the effect that no application for an interim injunction (AAASI) be filed abroad to prohibit the patentee from filing an application for an injunction of the present kind (AASI).

In future, the Regional Court Munich I will always assume the existence of the required initial risk of danger, in part beyond the already known groups of cases discussed above, if the existence of one of the situations listed below is made credible:

- The patent user has threatened a request for an ASI against the patentee.



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- The patent user has filed an application for an ASI directed against the patentee.
- The patent user has filed or threatened to file a main action in a jurisdiction that generally provides ASIs for the grant of a licence or for the determination of a reasonable global royalty for such a licence.
- The patent user has threatened to issue an ASI vis-à-vis other patent owners or has already applied for such an ASI and there is no evidence that the patent user, recognisable to the patent owner, has renounced this practice for the future, at least in relation to the patent owner.
- The patent user has not declared in text form within the short time limit set by the patentee, for example in the context of the first infringer's notice, not to file a request for an ASI.

bb. Companies belonging to the same group are generally to be regarded as the patentee or the patent user.

cc. In this respect, the case law on the establishment of a risk of first occurrence in the context of the risk of requesting and issuing a worldwide prohibition of action is to be further developed:

- (1) According to the previous case law of the Federal Court of Justice, the assumption of a risk of first infringement first requires serious and tangible factual indications that the defendant will behave unlawfully in the near future. The risk of first occurrence must relate to a concrete act of infringement. The circumstances giving rise to the first risk of commission must indicate the threatened infringing act in such concrete terms that it can be reliably assessed for all elements of the offence whether they have been realised. Since the risk of



commission is a fact giving rise to a claim, the burden of proof lies with the claimant (established case law; cf. BGH judgment of 20 December 2020 - I ZR 133/17 marginal no. 50 mwN - Neuauflage). In contrast, the mere existence of a contractual (or statutory) right does not constitute a tangible factual indication that this right will also be asserted by the opposing party in the near future. The existence of rights establishes at most the theoretical possibility of their assertion. However, this is not sufficient to establish a risk of first assertion. Rather, there must be regular conduct on the part of the claim debtor from which an imminent and concrete act of infringement in the near future results. This may be the case if the claim debtor invokes the existence of a certain right (see BGH judgement of 20.12.2020 -I ZR 133/17 marginal no. 53 - Neuauflage). Further, it is not sufficient to merely represent one's own legal position in order to keep open the mere possibility of corresponding conduct in the future. Rather, when assessing the individual circumstances of the case, the statement must also indicate the willingness to act in this way immediately or in the near future (see BGH Judgment of 20.12.2020 - I ZR 133/17 marginal no. 53 mwN - Reissue).

- (2) This cannot be fully accepted for the case of threatened ASIs, in particular if they are issued without a concrete reference to a judicial measure of the patentee. It is true that owners of global portfolios with global licensing wishes could use the time before the first approach to a patent user to prepare corresponding requests for the



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issuance of appropriate countermeasures (AASI) in all relevant jurisdictions in the event of a subsequent threat of first occurrence. In the case of a large number of patent users, however, this would lead to disproportionately high costs without there being any tangible indications in the sense of this case law at this point in time as to whether a specific patent user will file an application for an ASI in a specific country, e.g. after receipt of the infringer's notice, which is mandatory as a rule in the decision *Huawei v. ZTE* (ECJ GRUR 2015, 764). Furthermore, it will be unclear at this point in time whether this will also happen, as happened in the present case, with worldwide effect outside the territories in which actions or applications of the patentee are already pending or are likely to be pending soon. Effective legal protection can therefore only be achieved by a moderate advance in time in favour of the patentee. The interest of the patent user to be spared from costly preliminary injunctions to defend against feared ASI applications is taken into account by the fact that the alternatives outlined above - which are not exhaustive - that establish the risk of first occurrence are all based on actions of the patent user (or the companies affiliated with him). The patent user and the companies affiliated with him therefore have it in their own hands to prevent a risk of first occurrence from arising in the first place or to eliminate an already existing risk by making suitable declarations. This can be expected of them, as the applications for the issuance of an ASI that



have become known so far were all justified by the need to protect a main action pending in the issuing state. These main actions are directed at the conclusion of a FRAND licensing agreement or at the abstract determination of FRAND licensing conditions detached from a concrete conclusion of a contract. However, both types of action have in common the argumentation that the patent user is willing to license and that the absence of a licence agreement legitimising the already performed and continued worldwide acts of use is solely attributable to the patentee. However, if these patent users are truly willing to be licensed, they will refrain from further unlawful interference with the patentee's property-like protected legal positions beyond the acts of use already committed and continuing. Or, to put it another way, a patent user who files an application for an ASI or threatens to do so cannot, as a rule, be considered sufficiently willing to grant a licence within the meaning of the case law of the Court of Justice of the European Union and the Federal Court of Justice (cf. ECJ GRUR 2015, 764 - Huawei v. ZTE; BGH GRUR 2020, 961 - FRAND-Einwand; judgement of 24.11.2020 - KRZ 35/17 - FRAND-Einwand II; e.g. LG München I GRUR-RS 2020, 22577; 21 O 13026/19 at juris). Consequently, the patent user can also be required to declare not only his qualified willingness to license after receiving the infringement notice, but also that he will not request an ASI.

dd. If one wanted to see this differently, the negotiation procedure devised by the Court of Justice of the European Union would have to



be fundamentally changed. The infringement notice and the subsequent pre-litigation steps would have to be dropped, so that the situation according to BGH - Orange Book (GRUR 2009, 694) would be restored, namely that the licence seeker using the patent has to take the first step in the negotiation process.

ee. Moreover, the parties are only in a position to assert their interests mutually on an equal footing and thus to negotiate in a balanced manner in accordance with the ECJ's negotiation regime if the patentee, as compensation for the unrestricted possibility of attacking the patent portfolio available to the patent user, also has unrestricted access to the courts to enforce infringement claims existing from his point of view. This unity of legal protection possibilities would no longer be maintained if the judicial assertion of infringement claims as a result of an ASI were excluded from the outset. This applies all the more as an ASI directly and immediately excludes the right of access to the courts (right to justice), which is guaranteed under Article 47(1) of the EU Charter of Fundamental Rights and can be derived from Articles 2 (1), 101(1) sentence 2, 103(1) of the Basic Law (GG), Article 6 of the Convention on Human Rights in conjunction with the general principle of the rule of law under Article 20 (3) GG. The entitlement to the granting of justice must be taken into account in the interpretation of procedural rules (*Thomas/Putzo*, ZPO, 41st ed. 2020, Einl I marginal no. 29; cf. also *Zöller/Vollkommer*, 33rd ed. 2019, Einleitung, marginal no. 33, 34). Nothing else can apply with regard to substantive criteria which - such as the question of the risk of first occurrence - directly affect the possibility of procedural legal protection. The right to the protection of justice therefore also requires the moderate advance shifting of the risk of first occurrence, as in the present case, in order



to prevent a de facto exclusion of access to the courts from the outset as a result of an ASI. Ultimately, in the aforementioned cases, the required access to the courts can only be ensured at all by means of the advance shifting of the risk of first appearance, as advocated here.

- ff. If the negotiation regime is maintained and without the proposed modifications concerning a temporal advance of the assumption of a first risk of occurrence, the patentee is threatened with the issuance of an ASI as a reaction to the infringer's notice, which, as explained, will de facto prevent him in a large number of cases from successfully enforcing his claim to injunctive relief under patent law in court even against patent users who are indisputably unwilling to license during the term of the patents. This result, however, would be contrary to the values of Art. 9-11 of the Enforcement Directive (Directive 2004/48/EC) and the case law of the Court of Justice of the European Union.

Thus, in the opinion of the Regional Court Munich I, a risk of first occurrence is to be assumed if one of the above-mentioned groups of cases is plausible.

- 4.
- a. In the present case, the applicants for the injunction have plausibly shown that they first became aware of the issuance of the ASI by the court in Wuhan in the period from 25 to 26 September 2020. [...]
 - b. Under the special circumstances of the present case, the plaintiffs were exceptionally allowed to wait for the outcome of the reconsideration proceedings in Wuhan, at least until it was clear that the court in Wuhan would uphold the ASI. [...]



- aa. [...]
- bb. For the following reasons, the defendants were exceptionally allowed to wait for the outcome of the reconsideration proceedings in Wuhan due to the special circumstances of the present case.

(1) It is undisputed that they were confronted for the first time as patentees with the fact that a Chinese court had pronounced an ASI - in accordance with the request - worldwide and with the exception of India without the existence of concrete actions or requests by the patentee or concrete indications that such were threatened in certain territories (see Prof. Yang Yu and Prof. Jorge L. Contreras: Will China's New Anti-Suit injunctions shift the balance of global FRAND litigation? on patentlyo.com of 30.10.2020, Annex AR 14 p. 9). As a result, they were naturally not yet aware of the above-mentioned evaluations of the court that the reconsideration proceedings, even under these circumstances, have no influence on the possibility of applying for an interim injunction directed against the ASI or the running of the urgency deadline, as well as the further action of the Munich Regional Court I in response to this development.

(2)[...]

On the other hand, after learning of the Chinese decision and of this decision, subsequent patentees have sufficient time to set up legal teams and to prepare the filing of corresponding applications in a coordinated manner. Furthermore, unlike the injunction plaintiffs, they have the possibility to bring about the existence of a risk of first refusal by taking suitable preparatory actions



at a time when the international legal teams are ready to apply for AASIs.

[...]

cc. [...]

dd. [...]

III. The necessary weighing of the opposing interests leads to the confirmation of the interim injunction.

1. Even if the Chinese ASI cannot be recognised and enforced in Germany due to a violation of the German rules of international jurisdiction and due to a violation of the German ordre public (Section 382 of the German Code of Civil Procedure), if the Chinese ASI continues to exist, the injunction plaintiffs cannot in fact enforce their patent rights in the Federal Republic of Germany for an unforeseeable period of time without having to fear extremely high penalties and possibly further reprisals for themselves or their group companies in China. The Chamber is aware that a Chinese court could possibly come to the conclusion that the present interim injunction and possible administrative fines imposed on the basis of it are not recognisable and enforceable there due to a violation of the Chinese ordre public. If the present interim injunction were to be lifted, however, the plaintiffs in the injunction would not even be able to counter the Chinese ASI, which is unlawful from a German perspective, with a contrary court decision claiming validity. Furthermore, it must be taken into account that law does not have to and may not bow to injustice.
2. If the preliminary injunction is upheld, the defendants in the injunction would be required to withdraw the ASI from a German perspective.



However, this would not affect the main action in China. The Chinese main action only concerns the determination of an appropriate global licence fee. It is possible that the injunction plaintiffs will subsequently file infringement actions in Germany following the confirmation of the preliminary injunction. These will then be examined by the patent litigation chamber in a two-sided procedure governed by the rule of law. The future defendants could, in particular, object to non-infringement and file a motion for a stay due to a nullity action or an opposition to be filed. A possible FRAND objection by the future defendants would most likely not be very successful because, as explained above, no willing licensee would behave as the injunction defendants have done. The German infringement court would therefore in all likelihood not even enter into the substantive examination of the FRAND objection. Consequently, the German infringement court would also not substantively address the question of how high an appropriate global licence fee could be. Therefore, a conflict with the subject matter of the Chinese proceedings is not to be expected.

3. This also does not constitute a denial of justice to the future defendants. For the future defendants themselves, by filing the Chinese main proceedings before the court in Wuhan, which is in principle permissible and not objectionable, have chosen the court which, from their point of view, has sole jurisdiction worldwide to determine an appropriate global royalty. They must allow themselves to be held to this. This assessment would not change even if the expected Chinese decision on the merits were not recognisable from a German perspective due to a violation of international jurisdiction in the Federal Republic of Germany. The future defendants would have only themselves to blame for this.



4. A double *lis pendens* between the FRAND objection as a defence and the subject matter of the Chinese main proceedings is excluded from a German perspective anyway. Defence submissions do not define the subject matter of the dispute, but rather, according to the doctrine of the two-part concept of subject matter of the dispute, the relief sought in conjunction with the relief sought (BGH GRUR 2012, 485 - Rohrreinigungsdüse II, para. 23; *Zigann/Werner* in Cepl/Voss, *Prozesskommentar zum gewerblichen Rechtsschutz*, 2nd ed., § 253 para. 53 et seq.)

5. An interest of the defendants in the injunction to be spared the hardships of a legal defence against a patent infringement action in the Federal Republic of Germany until a decision on the Chinese main action is reached is not worth protecting. As members of a large group of manufacturing and importing industrial companies, they would have to constantly check the patent situation anyway (BGH X ZR 30/14 marginal no. 133 - Glasfasern II) and obtain the necessary licences before commencing use (cf. ECJ GRUR 2015, 764 marginal no. 58 - *Huawei v. ZTE*). In the present case, they failed to do so for more than seven years and nevertheless - which is to be assumed for the purposes of the present proceedings - commenced use worldwide. Against this background, the plaintiffs cannot be expected to delay any further.

F. Legal consequences

- I. Due to the unlawful interference with the property-like protected legal position of the plaintiffs in the injunction, the defendants in the injunction are to be ordered to refrain from further interference and to remedy the consequences, § 1004 BGB.



1. In this respect, a withdrawal of the ASI application is also owed within the scope of the owed measures to remedy the consequences. Although the main matter (the ASI application of 04.08.2020) has already been finally settled similar to a performance order, this is indispensable in the sense of effective legal protection for the two injunction plaintiffs. Only after a partial withdrawal of the application for the issuance of the ASI in relation to the territory of the Federal Republic of Germany will the two injunction plaintiffs have sufficient legal certainty that they will not be exposed to substantial penalty payments in China due to subsequent legal actions in the Federal Republic of Germany itself or via its subsidiaries.
2. The 4th defendant's objection that the acts ordered in the operative part of the injunction are impossible for it is not valid. The individual acts listed with the indents are only examples of the extent to which the more general order, namely the anti-suit injunction of the Wuhan Intermediate People's Court, Hubei Province, People's Republic of China, of 23 September 2020 (Az. (2020) E 01 Zhi Min Chu 169 Zhi Yi) or to take any other judicial or administrative measure directly or indirectly prohibiting the applicants from bringing patent infringement proceedings arising from their standard-essential patents in the Federal Republic of Germany. As stated above, the defendant, as the parent company of the group, is an accomplice and beneficiary with regard to the application for and maintenance of the ASI. It is therefore easily possible for it to act in accordance with the operative part of the injunction and in this respect to influence the other defendants in the injunction who are subordinate to it under group law. In this respect, the application for an injunction as well as the interim injunction, which referred to the application in the grounds, are to be understood and interpreted in the direction of the fourth defendant.



3. No fulfilment of this obligation or part of this obligation has occurred through the letter of the respondent to the order to 4) of 18 November 2020 (HL ZV 2a), which has already been explained above.

- II. The defendants to the injunction must also bear the further costs of the injunction proceedings, § 97 (1) ZPO.

- III. The application for temporary suspension of enforcement was therefore already to be dismissed in the date of 28 January 2021.

[...]