



KATHER · AUGENSTEIN
RECHTSANWÄLTE

Regional Court Munich I

7 O 36/21

Judgement of 24 June 2021

[...]

Facts of the case

The applicant is a patent exploitation company based in Japan which, inter alia, deals with the exploitation of intellectual property rights. Among other things, it is the owner of the European patent EP 1, the infringement of which by the respondents it is asserting in its statement of claim dated January 8, 2021 in the proceedings before the Regional Court Munich I with reference number 7 O 360/21 (Exhibit EIP 1). The EP 1 patent expires on September 7, 2021 (Exhibit AG 3). In addition, the respondent is asserting infringement of European patent EP 2 by the respondents before the Mannheim Regional Court under file no. 7 O 5/21. In addition, the applicant is asserting infringement of nine further patents in further proceedings against, among others, the first respondent before the High Court of Justice, United Kingdom (Exhibits EIP 16/16a, EIP 17 and AG 7a/7b).

The first respondent in the action is the Chinese parent company of the globally operating H. Group and one of the largest globally operating distributors of smartphones and network components. It operates a branch in the Federal Republic of Germany at the address ... in Düsseldorf in the form of the second respondent in the action, which is integrated into the distribution channels of the first respondent in the action on the German market.

Since 2015, the applicant and the first respondent have been negotiating the licensing of a portfolio of patents of the applicant, which the applicant considers essential for the 2G, 3G and/or 4G standard (so-called N. portfolio), to all group companies of the H. Group. There was an extensive exchange between the parties on claim charts and the questions



of essentiality and validity of the patents at issue in personal meetings, video conferences, e-mails and letters. The N. portfolio includes, among others, the above-mentioned patents EP 1 and EP 2 as well as the patents asserted as infringed before the High Court of Justice. The licence offers submitted by the applicant to date have all been rejected by the first respondent in the injunction.

In the course of these negotiations, a video conference took place on December 18, 2020, between representatives of the applicant and the first respondent in the injunction, which was attended, inter alia, by Mr. H., Director of the Licensing Division, on behalf of the applicant and Mr. X., Director of the IP Licensing & Transaction Division, on behalf of the first respondent (Exhibits EIP 4/4a and AG 2a/2b). In the course of the discussion, Mr. H. referred to a legal dispute between the applicant and company A concerning patent EP 2, in which the applicant had obtained an injunction against A (Exhibits AG 2a/2b). The OLG Karlsruhe had found the offer of the applicant to be FRAND, i.e. Fair, Reasonable and Non-Discriminatory (Ref.: 6 U 104/18). The conditions of this offer were essentially the same as the conditions of one of the above-mentioned offers which the applicant submitted to the first respondent in the context of the negotiations on the licensing of the N. portfolio.

Following Mr. H.'s statement, Mr. X. first reported on a dispute between N. and D. before the Regional Court Munich I, in which H. was involved as an intervener (Exhibits AG 2a/2b). In these proceedings, a security deposit of EUR 18 million had been set in the first instance to enforce the injunction, which was subsequently increased by the Munich Higher Regional Court to an amount of EUR 1.64 billion. Mr. X. pointed out that enforcement of the injunction in the first instance, causing considerable economic damage to a plaintiff, would therefore only be possible if the plaintiff could also raise a corresponding amount of liability.



Subsequently, Mr. X. referred to the legal dispute between the first respondent and C. S.à r.l. (hereinafter: C.) (Exhibits EIP 4/4a and AG 2a/2b). A Chinese case was pending between these parties before the court in Nanjing, in which the Chinese court determined a FRAND licence rate for the Chinese patents from C.'s portfolio in a non-appealable first-instance judgement (so-called FRAND determination). In a FRAND determination under Chinese law, the court seized of the case merely determines a royalty rate that it deems FRAND in the respective case, but a corresponding declaratory judgement does not establish a licence agreement, i.e. the parties must continue to reach a contract conclusion through negotiations. Subsequently, C. initiated patent infringement proceedings against the first respondent before the Regional Court Düsseldorf. On August 27, 2020, the Regional Court Düsseldorf issued a judgement ordering the first respondent to cease and desist. On the same day, the first respondent applied to the Supreme People's Court of the People's Republic of China (Ref.: (2019) Zui Gao Fa Zhi Min Zhong No. 792, 733 and 734) for an injunction against C., prohibiting C. from enforcing the anticipated injunction judgement of the Regional Court Düsseldorf in patent infringement proceedings 4b O 30/18 (so-called anti-enforcement injunction), which was issued on August 28, 2020 (Exhibits EIP 5/5a and EIP 6). The decision of the Supreme People's Court was issued ex parte to secure the Chinese FRAND declaratory proceedings (Exhibit EIP 6). Appeals against such decisions ("reconsideration") do not have a suspensive effect under Chinese procedural law (Exhibits EIP 5/5a). In the course of the appeal hearing on the anti-enforcement injunction before the Supreme People's Court, the preliminary injunction applied for and obtained in the meantime by C. before the Regional Court Düsseldorf was discussed, which the Supreme People's Court already classified as an infringement of the issued anti-enforcement injunction in its appeal decision of September 11, 2020, although this was not covered by the wording of the original decision (Exhibits EIP 5/5a, EIP 6 and EIP 7)

Further anti-suit injunctions in proceedings between companies other than the present parties were issued in the People's Republic of China by the Wuhan Intermediate People's



Court in 2020. X., Ltd. ("X."), obtained an injunction in the Wuhan Intermediate People's Court on September 23, 2020, requiring ID, Inc. (hereinafter: ID), to withdraw an infringement suit filed by ID in India (Ref.: (2020) E 01 Zhi Min Chu 169 No 1). In addition, ID was prohibited from seeking an injunction against X. in any other country in the world; in the event of a violation of the court order, this decision also imposed the threat of a fine of RMB 1 million (equivalent to approximately €120,000.00) per day in the event of a violation (Exhibits EIP 5/5a, EIP 9 and EIP 10). In the proceedings S., Ltd. (hereinafter: S.), against E., Inc. (hereinafter: E.), S. sought an anti-suit injunction from the Wuhan court to enjoin E. from enforcing or seeking injunctive relief with respect to its patents essential to the 4G and 5G standards, as well as a FRAND ruling worldwide, except in the Wuhan court. The Wuhan court issued an injunction in accordance with the request (Exhibits EIP 5/5a and EIP 11).

In a written statement dated January 8, 2021, which was received by the court on the same day, the applicant filed an application for an injunction (p. 3/4):

- I. The respondents are forbidden to enforce the order against their respective legal representatives, subject to avoidance of a fine of up to EUR 250,000.00 for each infringement - or, in the alternative, up to six months' imprisonment - or up to six months' imprisonment, or, in the event of a repeated infringement, up to two years' imprisonment,

to apply for an injunction, in particular from a court in the People's Republic of China, directly or indirectly prohibiting the applicant from further pursuing the patent infringement action of January 8, 2021, filed with the Regional Court Munich I, or from expanding it to include further claims, as well as claims arising from further patents, or from bringing further infringement actions, in particular with claims for injunctive relief for patent infringement against the respondents or their affiliated group companies or further companies of the H.



Group in the Federal Republic of Germany (anti-suit injunction). Group, in the Federal Republic of Germany (anti-suit injunction), as well as to apply for a corresponding order of a court in the People's Republic of China which directly or indirectly impairs the enforcement of corresponding judgements of the named proceedings,

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

- the command to withdraw any application already filed for an injunction as aforesaid before the respective court of the People's Republic of China without undue delay after the service of this injunction order, and
- the prohibition to further pursue such injunction proceedings in any court of the People's Republic of China, except for the purpose of withdrawing the application; and
- to instruct its affiliated group companies or to enforce them by other means not to file a corresponding application (anti-suit injunction) with a court in the People's Republic of China or to withdraw an application already filed accordingly without undue delay after service of this injunction; and not to assist or support the filing of corresponding applications in the H. Group.

II. In the event that the respondents or their affiliates have already obtained or will obtain an Anti-Suit Injunction from a court in the People's Republic of China, as well as in the event of any other decision obtained by the respondents or their affiliates from a court in the People's Republic of China that conflicts with the legal consequences sought by this Motion for Preliminary Injunction, the respondents are ordered to reimburse the applicant, jointly and severally, within five days, the same amount of money that the applicant is required to pay in the



event of any violation of the Anti-Suit Injunction by the applicant, until the respondents or any affiliated group company have withdrawn the applications underlying the Anti-Suit Injunction or any other decision referred to above.

III. Order the respondents to pay the costs.

Following a telephone message from the Presiding Judge of the competent 7th Civil Chamber of the Regional Court Munich I dated January 11, 2021 concerning the concerns of the Chamber with regard to the specificity of the motion as per item II (sheet 30), this part of the application was withdrawn in a written statement of the same date (sheet 31/32).

On January 11, 2021, the Regional Court Munich I issued the following preliminary injunction by way of decision without prior hearing of the respondent (p. 33/37):

1. The respondents 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 collected - the imprisonment or substitute imprisonment to be enforced on the respective legal representatives for each infringement.

prohibited,

to apply for an injunction, in particular from a court in the People's Republic of China, directly or indirectly prohibiting the applicant from further pursuing the patent infringement action of January 8, 2021, filed with the Regional court Munich I concerning EP 1, or from adding further claims to the action, as well as claims from further patents from the N. portfolio, or from bringing further infringement actions, in particular with claims for injunctive relief for



infringement of patents from the N. portfolio, against the respondents or their affiliated group companies or further companies of the H. Group in the Federal Republic of Germany (anti-suit injunction). portfolio against the respondents or their affiliated group companies or further companies of the H. Group, in the Federal Republic of Germany (anti-suit injunction), as well as to apply for a corresponding order of a court in the People's Republic of China which directly or indirectly affects the enforcement from corresponding judgements of the named proceedings,

whereby this cease and desist obligation also includes in particular,

- the command to withdraw any application already filed for the issuance of an injunction as aforesaid before the respective court of the People's Republic of China without undue delay after the service of this injunction order, and
 - prohibiting the further prosecution of any such injunction proceedings in any court of the People's Republic of China other than for the purpose of withdrawing the application; and
 - instruct or otherwise enforce its affiliated group companies not to file a corresponding application (anti-suit injunction) with a court in the People's Republic of China either, or to withdraw an application already filed accordingly without undue delay after service of this injunction order; and not to aid or assist in the filing of corresponding applications in the H. Group.
2. The applicant shall bear 1/5 of the costs of the proceedings and the respondents 4/5.
 3. The amount in dispute shall be € 250,000.00 until the partial withdrawal of the application of 11.01.2021 and € 200,000.00 thereafter.



4. The order shall be accompanied by the following

- Notice of motion dated 08.01.2021 including exhibits
- Memorandum of 11.01.2021
- Partial withdrawal of application dated 11.01.2021.

The preliminary injunction of 11.01.2021 was served ex officio on the applicant's legal representatives on 12.01.2021 (at p. 33/38). The preliminary injunction was served on the first and second respondents in the party proceedings on 13.01.2021 by handing it over to Mr T. from the second respondents legal department at the latter's business address.

The second respondent filed an objection against the preliminary injunction of 11.01.2021 in a written statement dated 26.02.2021.

By written statement of 26.02.2021, the first respondent initially applied for the preliminary injunction of 11.01.2021 to be lifted pursuant to § 927 ZPO (file, p. 66/69). In a written statement dated 20.04.2021, the first respondent withdrew the application for setting aside (file, p. 104/105) and also filed an objection to the preliminary injunction in a written statement dated 21.04.2021 (file, p. 108/127).

On 4 March 2021, a further video conference took place between the applicant and the first respondent, during which the first respondent submitted a compensation amount as a counter-proposal to the applicant's offer for the licensing of the N. portfolio. After the video conference, the applicant informed the court that it was prepared to consider a written counter-offer.

On 05.03.2021, the first respondent together with H. D., Ltd. filed a lawsuit against the first respondent in the court in Guangzhou, China to initiate Chinese FRAND determination



proceedings. The Chinese court was requested to determine a FRAND licence rate for the injunctive plaintiff's N. portfolio, whereby the determination would apply to a licence agreement with the entire H. group and would only concern China. The first respondent informed the applicant of the injunction of this by email of the same day and at the same time sent the lump sum amount offered on the previous day.

Neither the two respondents nor any other company of the H. Group have so far applied for an anti-suit injunction against the applicant (Exhibits AG 2a/2b). A declaration that they would not apply for an anti-suit injunction against the applicant has not yet been made by the respondents (Exhibits EIP 16/16a), not even after a request to this effect in a letter from the applicant to the representatives of the applicant and other respondents dated 19 March 2021 setting a deadline of 28 March 2021 in the context of the English proceedings before the High Court of Justice (Exhibit EIP 17).

[...]

Reasons

The preliminary injunction of 11.01.2021 is to be confirmed because there is a need for legal protection against both respondents and the existence of a ground for injunction and a claim for injunction is still plausible. The preliminary injunction was also executed in time against both respondents.

[...]

B. Need for legal protection

The present application for a preliminary injunction also does not lack the need for legal protection. The need for legal protection as a general prerequisite for proceedings



generally arises from the non-fulfilment of the claim asserted by the applicant for an injunction. There is no need for legal protection if the applicant for an injunction can achieve its legal protection objective by simpler and cheaper means or has already achieved it.

I. The argument of the representative of the respondent in the oral hearing of 29.04.2021 that there is no need for legal protection of the applicant against the second respondent because an injunction against the first respondent as parent company would grant sufficient legal protection in itself cannot be accepted. Both respondents are equally respondents in the patent infringement proceedings concerning EP 1 before the Regional Court Munich I, so that both respondents have an equal interest in defending the patent infringement proceedings by applying for an ASI and could in principle apply for it independently of each other. An AASI only against the first respondent would therefore - even with an additional obligation to act against subsidiaries - not ensure equally effective protection as an AASI against both respondents. This also applies in particular with regard to the possibility of separate enforcement of the AASI against both respondents, which, moreover, is likely to be more cost-effective and more promising in purely factual terms vis-à-vis the second respondent as the subsidiary located in the Federal Republic of Germany.

II. For the reasons set out by the Higher Regional Court Munich in its judgement of 12.12.2019 (GRUR 2020, 379, paras. 51, 68 et seq.), the need for legal protection also does not cease to exist due to the possibility for the applicant to defend itself against an expected ASI by a Chinese court in the context of the reconsideration proceedings in China. It is also not to be expected in the present proceedings that the applicant's property-like rights to its 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, would be sufficiently safeguarded by the Chinese courts. For 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 patent proprietor, which is protected in a manner similar to ownership (see OLG München GRUR 2020, 379, marginal notes 55-57). 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 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 patent proprietor seeking relief 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. Moreover, according to the uncontradicted submission of the applicant on Chinese procedural law, the appeal of the reconsideration also has no suspensive effect.

III 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 Chinese FRAND licence fee for the applicant's portfolio. Even if the action were successful, this would not result in a contractual licence grant in favour of the respondent that could render the unlawfulness of an established patent use in the Federal Republic of Germany void. The continuing unlawful situation of multiple infringements of the applicant's patents in the Federal Republic of Germany by the respondents, which is to be assumed for the purposes of the present decision, would therefore not be ended.

C. Claim for injunction

The applicant has also substantiated the existence of a claim for an injunction.

I. The application for an ASI before an American court with the aim of preventing the enforcement of injunctive relief for patent infringement in Germany constitutes an



infringement of the property-like legal position of the patent proprietor pursuant to Section 823(1) BGB in conjunction with section 1004(1) sentence 1 BGB. (OLG München GRUR 2020, 379; LG München I BeckRS 2021, 3995, marginal no. 120; 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 an AEI or a decision prohibiting the application for a decision of the type in question (AAASI) before a Chinese court (LG München I, BeckRS 2021, 3995, marginal no. 120). For the applicant, the right of self-defence pursuant to Section 227 (1) of the German Civil Code (OLG München GRUR 2020, 379 marginal no. 75; LG München I, BeckRS 2021, 3995, marginal no. 120; Werner in: Busse/Keukenschrijver, PatG, 9th edition 2020, Vor § 139 Rn. 4, 85).

II. On the basis of the prima facie case, there is a risk of first infringement for the application for an ASI against the applicant by the respondent.

I. In its judgement of 25 February 2021, Case No. 7 O 14276/20 (BeckRS 2021, 3995), the Regional Court Munich I further developed the case law on the substantiation of a risk of a first occurrence in the context of the risk of applying for and issuing a worldwide prohibition of action to the effect that in future it would always assume the existence of a risk of a first occurrence if the existence of one of the situations listed below is made credible (LG München I, BeckRS 2021, 3995, para. 142, 144). 142, 144), whereby these situations are to be understood as non-exhaustive standard examples (LG München I, BeckRS 2021, 3995, marginal no. 146):

- The patent user has threatened a request for an ASI against the patent proprietor.
- The patent user has filed a request for the issuance of 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 against other patent owners or has already requested such an ASI, and there is no evidence that the patent user has renounced this practice for the future, at least in relation to the patent owner, which is apparent to the patent owner.
- The patent user did not declare in text form within the short time limit set by the patent proprietor, for example in the context of the first infringer's notice, that he would not file an application for an ASI.

Companies belonging to the same group are generally to be regarded like the patent proprietor or the patent user respectively (LG München I, BeckRS 2021, 3995, para. 143).

a) 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 opposing party 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 Judgement of 20 December 2020 - I ZR 133/17, marginal no. 50 with further references - Neuausgabe). 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 - Neuausgabe). 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 (cf. BGH Judgement of 20.12.2020 - I ZR 133/17, marginal no. 53 with further references - Neuausgabe).

b) This cannot be fully endorsed for the case of threatened ASIs, in particular if they are issued without a concrete reference to a judicial measure of the patent proprietor (LG München I BeckRS 2021, 3995, marginal no. 146). It is true that owners of global portfolios with global licensing requests could use the time before the first approach to a patent user to prepare corresponding requests for appropriate countermeasures (AASI) in all relevant jurisdictions in the event of a later risk of first infringement. In the case of a large number of patent users, however, this would lead to disproportionately high costs without there being any tangible indications at this point in time in the sense of this case law as to whether a specific patent user will file a request 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 with worldwide effect outside those territories in which actions or applications of the patent proprietor 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 patent proprietor. 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 above - non-exhaustive - examples of claims giving rise to the risk of first infringement are all based on acts of the patent user (or the affiliated companies). The patent user and the companies associated with him therefore



have it in their own hands to prevent the risk of first infringement from arising in the first place or to eliminate an already existing risk by making suitable statements. 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 take a licence and that the absence of a licence agreement legitimising the already performed and continued worldwide acts of use is solely attributable to the patent proprietor. If, however, these patent users are truly willing licencees, 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, in other words, a patent user who files an application for an ASI or threatens to do so cannot, as a rule, be considered sufficiently willing to take 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 BeckRS 2021, 3995; 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 licence after receiving the infringement notice, but also that he will not request an ASI (LG München I BeckRS 2021, 3995, para. 146).

c) If one wanted to see this differently, the course of proceedings 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 Standard (GRUR 2009, 694) would be restored, namely that the licence seeker using the patent has to take the first step in the negotiation process (LG München I BeckRS 2021, 3995, marginal no. 147).



d) 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 negotiation regime of the European Court of Justice if the patent proprietor, 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 already excluded from the outset. This applies all the more as an ASI directly and immediately excludes the right to access to the courts (right to justice), which is guaranteed under Article 47(1) of the EU Charter of Fundamental Rights and is derived from Articles 2(1), 101(1) sentence 2, 103(1) of the Basic Law, Article 6 of the European Convention on Human Rights in conjunction with the general principle of the rule of law under Article 20(3) of the Basic Law. The entitlement to the protection of justice must be taken into account in the interpretation of procedural rules (Seiler, in: Thomas/Putzo, ZPO, 42nd ed. 2021, Einl I marginal no. 29; cf. also Vollkommer, in: Zöller/Vollkommer, 33rd ed. 2019, Introduction marginal nos. 33, 34). Nothing else can apply with regard to substantive criteria which - such as the question of the risk of first appearance - directly concern 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 appearance, 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 instance as advocated here (LG München I BeckRS 2021, 3995, marginal no. 148).

e) If the negotiation regime is maintained and without the proposed modifications concerning a temporal shifting of the assumption of a first risk of infringement, the patent proprietor is threatened with the issuance of an ASI as a reaction to the infringer's notice, which, as explained, will in fact prevent him in a large number of cases from



successfully enforcing his claim for injunctive relief under patent law in court even against patent users who are indisputably unwilling to licence during the term of the patents. This result, however, would be contrary to the values of Articles 9-11 of the Enforcement Directive (Directive 2004/48/EC) and the case law of the Court of Justice of the European Union (LG München I BeckRS 2021, 3995, para. 149).

f) Thus, according to the Regional Court Munich I, a first risk of infringement is to be assumed if the existence of one of the above-mentioned standard examples is substantiated, if there are no special circumstances of the individual case that exclude the first risk of infringement. 2.

(2) Applying these standards, the requirements of a risk of first occurrence for the application for an ASI to the extent stipulated by the preliminary injunction are to be affirmed in the present case.

a) In the legal dispute with C., the first respondent applied to the Supreme People's Court of the People's Republic of China for an AEI with respect to the awaited injunction of the Regional Court Düsseldorf in a written application dated 27 August 2020, which was issued on 28 August 2020 in accordance with the application. This conduct does not literally fulfil the above-mentioned standard example of requesting the issuance of an ASI against another patent proprietor (LG München I BeckRS 2021, 3995, para. 142, 4th indent). However, the application for the issuance of an AEI is to be considered equivalent to the application for the issuance of an ASI, since the objective of both instruments is ultimately to prevent the enforcement of the patent right to an injunction and the choice of whether to apply for the issuance of an AEI or an ASI essentially depends only on the stage of the proceedings whose implementation or enforcement is to be prevented. enforcement is to be prevented, in particular whether a court decision ordering an injunction against patent infringement has already been applied for and/or issued, which may depend on mere coincidences in terms of time. This is illustrated in the present case by the fact that the preliminary injunction issued in the present proceedings under No. 1



also covers the impairment of enforcement from corresponding judgements and thus for the case envisaged by an AEI, because only in this way can effective legal protection for the applicant be guaranteed. Furthermore, the application for an AEI even expresses an even greater willingness on the part of the applicant to impair the patent proprietor's claim to the preservation of justice, as in this case there is already a court decision - even if, as in the dispute with C., only at first instance and not yet final - in which the existence of a patent infringement and the existence of a claim to injunctive relief were affirmed.

The fact that, at the time when C. initiated the proceedings before the Regional Court Düsseldorf, the Chinese court in Nanjing had already set a FRAND licence rate for the Chinese patents from C.'s portfolio in a non-appealable first-instance decision does not prevent the consideration of the first 's conduct in the proceedings against C. for the assessment of the question of the risk of first infringement in the present proceedings. In accordance with the principle of territoriality, the proceedings before the Regional Court Düsseldorf and the judgement rendered there concerned the infringement of a German patent; the court in Nanjing had set a FRAND licence rate for the Chinese patents. The first respondent still had legal remedies against the judgement of the Regional Court Düsseldorf, which was not yet final, or against its enforcement under German procedural law, i.e. in compliance with the principle of territoriality. Instead, the first respondent applied for an ASI before a Chinese court to avert enforcement of the judgement of the Regional Court Düsseldorf finding infringement of the German patent.

This willingness of the first respondent to do what it considered necessary at the respective stage of the proceedings in order to prevent the enforcement of a claim for injunctive relief under patent law and thus also the claim for the grant of justice is also confirmed by the affidavit of Mr D., Director of the Intellectual Property Department of the first respondent, dated 26 February 2021, submitted by the representative of both respondents as Exhibit AG 1a/1b. In this affidavit, Mr D. stated that H. would "only consider using ASI to defend its legitimate rights and interests when appropriate and



necessary" (Exhibit AG 1b). He then set out the reasons for which "for example" the appropriateness and necessity of AEI arose in the proceedings against C. (Exhibit AG 1b). As far as the representative of the respondent in the proceedings submitted in the oral hearing of 29.04.2021 that the statement of Mr D. quoted above was not to be understood in a generalised way, but strongly referred to the proceedings against C., this is already not convincing because Mr D. in his statement first presents the general attitude of H. towards the use of ASIs and only afterwards refers to the proceedings against C. as an example.

b) The reference made by Mr X., Director of the IP Licensing & Transaction department of the first respondent in the injunction, in the video conference with, inter alia, Mr H., Director of the Licensing division of the applicant, on 18.12.2020 also constitutes a threat of an application for an ASI within the meaning of the first rule example mentioned above (LG München I BeckRS 2021, 3995, para. 142, 1st indent).

For the interpretation of this statement, the objective recipient's horizon of a person familiar with the overall circumstances, in particular the approach of both parties in the proceedings referred to, must be taken into account (cf. Pitz, in: BeckOK PatG, as at: 15.04.2021, § 139, marginal no. 62; Bornkamm, in: Köhler/Bornkamm/Feddersen, UWG, 39th ed. 2021, § 8, marginal no. 1.18). In this context, relying on an objective recipient's horizon does not constitute a disproportionate disadvantage for the party making the statement, because by making the statement the party has given rise to the examination of the initial risk of infringement in the first place (cf. LG München I BeckRS 2021, 3995, marginal no. 146) and at the same time can, in principle, eliminate the risk of first occurrence at any time by making a corresponding explicit (counter-)statement that it will not apply for an ASI (cf. LG München I, BeckRS 2021, 3995, marginal no. 142, 4th and 5th indent; Kühnen, 13th ed. 2021, D.IV.1., marginal no. 500; Haedicke/Timmann, in: Haedicke/Timmann, 2nd ed. 2020, § 14 marginal no. 74).



From the point of view of an objective third party familiar with the overall circumstances, the reference to the proceedings against C. by the representative of the first respondent is undoubtedly to be interpreted as meaning that the respondent will take appropriate, i.e. if necessary also preventive, procedural countermeasures depending on the behaviour of the applicant. This understanding is also confirmed by the affidavit of Mr X. dated 26.02.2021: "In my opinion G. threatened [the applicant]. [the applicant] clearly threatened an injunction to support her negotiations. We told G. [the applicant] that H. always respects intellectual property, but H. will not be threatened by litigation to accept an unreasonable offer. (...) We also refer to the C. case to show that the abuse of an injunction would not help to settle our dispute." (Exhibit AG 2b). The interpretation put forward by the respondent that Mr X. had only wanted to point out certain procedural possibilities of the respondent which, in his view, were not appropriate (Exhibits AG 2a/2b), is not convincing. A reference to procedural reaction options, the use of which is precisely not being considered as expedient, would not make sense in a negotiation situation. In this respect, Mr X's previous reference to the proceedings N. v. D. does not lead to a different result. Even if one assumes, in accordance with the argumentation of the respondent in the injunction, that the result achieved by N. in the aforementioned proceedings was not "expedient" due to the high security deposit for N., this is an assessment of expediency from the point of view of the patent proprietor. In contrast, an application for ASI in the proceedings of the first respondent in the action as alleged patent infringer against C. was obviously expedient, since it cannot be assumed that the representatives of the first respondent in the action used a procedural means which it itself did not consider expedient.

The fact that Mr X's reference to the proceedings against C. was preceded by Mr H's reference to the action of the applicant in the proceedings against A. does not lead to a different interpretation of the reference to the proceedings against C.. Rather, this embedding of Mr X's statement in the course of the conversation confirms that the reference to the action of the first respondent in the proceedings against C. is to be



understood as an anticipation of a corresponding reaction on the part of the respondent to a certain behaviour on the part of the applicant. This is also made clear by the fact that Mr X. explicitly refers to the application for an injunction in this context as "abuse" (Exhibits AG 2a/2b). This understanding is also supported by Mr D.'s statement, quoted above, that H. would "only consider defending its legitimate rights and interests by means of ASI if this is appropriate and necessary" (Exhibit AG 1b).

The procedures described by the applicant for the issuance of ASIs by Chinese courts, even in proceedings between parties other than the parties involved in this case, illustrate the possibility under Chinese procedural law of successfully applying for the issuance of ASIs by Chinese courts at any time. The written argument of the representative of the respondent in the action that the decision of the Supreme People's Court in the proceedings against C. of 28.08.2020 (Exhibit EIP 6) shows that the issuance of an ASI is not threatened in the present case because it depends on whether the Chinese proceedings were pending before the foreign proceedings (p. 118/119) cannot be followed. According to the wording of the decision, it is only clear that this can be a factor to be taken into account when issuing an AEI.

The considerations of the respondent that Mr H. might have misunderstood Mr X.'s statement as a threat due to the fact that he had already started to prepare a lawsuit (p. 114/115) are not relevant in the present case due to the assumption of an objective recipient's horizon (see above). The same applies to the argument made by the respondent's representative at the hearing on 29 April 2021 that Mr H's affidavits (Exhibits EIP 4, EIP 15 and EIP 18) were strongly subjective and that statements made in video conferences between participants from different cultural backgrounds open up room for misunderstandings because interpersonal interaction is lost.

Accordingly, the assumption of a threat of an ASI does not require the recipient of the statement to ask for clarification. This applies all the more as a deviating understanding



of Mr X's statement, as submitted by the respondents, would not make sense in a negotiation situation (see above). In addition, a corresponding clarifying statement by the respondents that they would not apply for an ASI would in any case have been necessary after the injunction had been served on 13.01.2021, by which it was explicitly made clear to the respondents that the statement by Mr X. on the part of the applicant was understood as a threat, and again in response to a corresponding enquiry in the proceedings before the High Court of Justice in a written statement by the applicant's legal representatives dated 19.03.2021 setting a deadline of 28.03.2021 (Exhibit EIP 17), but it did not take place until the end of the oral proceedings. The statement of the representative of the respondent in the oral proceedings of 29.04.2021 in this regard that a response to this had not yet been given in the proceedings before the High Court of Justice, as other questions had been in the foreground at this stage of the proceedings, is not convincing in view of the considerable importance of this question - in particular taking into account the AASI already issued in the present proceedings at that time. The mere submission of affidavits by Mr X. that his statement was not to be understood as a threat and the corresponding submissions by the respondent's representative in the proceedings are not sufficient, in view of the objective standard for determining the existence of a threat, to deny the existence of a risk of first infringement because of a threat of an ASI or to assume that it subsequently ceased to exist.

c) Furthermore, taking into account the overall circumstances, the initiation of the Chinese FRAND determination proceedings by the first respondent in the action of 5 March 2021 also constitutes a first risk. Admittedly, this is not an action for the determination of a global licence fee in a jurisdiction that generally provides ASIs within the meaning of the above-mentioned standard example (LG München I BeckRS 2021, 3995, para. 142, third indent), since at least according to the parties' common understanding the FRAND determination proceedings are limited to a Chinese licence fee. The in this respect misleading wording of the request in the application of 05.03.2021, which does not provide for a limitation to a FRAND licence rate for China ("Pray for a



judgement on FRAND terms of a licence for PRC patents essential to 2G, 3G and 4G wireless communication standards that the respondent owns or has right to licence for terminals and base stations, including but not limited to a FRAND rate for China. "), according to the consistent submission of both parties, should not be understood to mean that a FRAND licence fee for other states could also be set, but rather that - for China - aspects other than the FRAND licence rate could also be set.

However, the action of the respondent in the proceedings against C. must also be taken into account in this respect. In the proceedings against C., too, an AEI - to be equated with an ASI in terms of valuation (see a) above) - was applied for with regard to German infringement proceedings, although the Chinese court had only ruled on a Chinese FRAND licence fee. Thus, the recourse to the procedural instrument of the ASI in Chinese law is not limited to constellations in which a global licence fee has been or is to be determined. Moreover, the question of the FRAND licence fee for the Chinese patents of the N. portfolio and the German proceedings for infringement of patent EP 728 (as well as possible further German infringement proceedings for other patents) are factually linked due to the negotiations between the parties on a global licensing of the N. portfolio and legally via a possibly required examination of a FRAND objection in the German infringement proceedings. From the point of view of the respondent, the application for an ASI in relation to German infringement proceedings therefore represents a strategically sensible lever even if only a Chinese FRAND licence fee has been or is to be determined by the Chinese courts.

The respondent's argument in this regard that the Chinese FRAND declaratory proceedings at issue here cannot constitute a risk of first infringement because this is a procedural possibility provided for by the High Court of Justice in London to support the applicant's proceedings there against the first respondent is not convincing. It can be left open whether and to what extent foreign decisions have an influence on the present proceedings. The passage from the judgement of the High Court of Justice in the



proceedings between H. and C. referred to by the respondents in this respect merely contains the statement that the English court can - but is not obliged to - take into account the FRAND licence rate set for China in the Chinese proceedings. This therefore only makes a statement about the scope of the High Court of Justice's discretion, but precisely does not open up a procedural possibility for the respondents.

d) The respondents also did not declare to the applicant that they would not file an application for an ASI, although the applicant's proceedings before the High Court of Justice's representatives in a letter dated 19 March 2021 (Exhibit EIP 17) - with reference to the initiation of the Chinese FRAND determination proceedings by, among others, the first respondent in an action dated 5 March 2021 - gave the first respondent and two other companies of the H. Group a deadline to submit a corresponding declaration. Group to submit a corresponding declaration by 28.03.2021 at the latest (see LG München I BeckRS 2021, 2995, marginal no. 142, 5th indent). The fact that the request was made in the context of the proceedings before the English High Court does not preclude the relevance of the aforementioned rule example in the proceedings here, as both proceedings are to be seen in the overall context of the parties' negotiations on a global licensing and the Chinese FRAND declaratory proceedings described above, to which the applicant expressly referred in its request for the submission of a corresponding declaration (see b) above), are relevant in both cases. b) above), is equally relevant in both proceedings as a potential starting point for an ASI (see LG München I BeckRS 2021, 2995, para. 146). This is also shown by the respective argumentation of the parties in the present proceedings, who each refer to both the Chinese and the English proceedings in support of their views.

The statement in this regard by the representative of the respondent in the proceedings at the oral hearing on 29 April 2021 that a response to the applicant's question had not yet been given in the proceedings before the High Court of Justice because other questions had been in the foreground at that stage of the proceedings is not convincing



in view of the considerable importance of this question - in particular taking into account the AASI already issued in the present proceedings at that time (see b) above).

e) The short remaining term of the EP 1 patent as well as the denial of its standard essentiality by the respondents do not prevent the assumption of a risk of first infringement. Firstly, the negotiations between the parties and also the present preliminary injunction do not only concern the EP 1 patent, but the entire N. portfolio of the applicant. Secondly, the injunctive first respondent) has expressed precisely the relevance of this portfolio for the respondents by initiating the Chinese FRAND declaratory proceedings before the court in Guangzhou with its action of 05.03.2021 (see c) above).

The objection of the respondents that there was no risk of a first filing for an ASI because they had at all times shown themselves to be honest and willing to obtain a licence also does not hold water. On the one hand, according to the above-mentioned case law of the Regional Court Munich I, a willingness to take a licence cannot be assumed if, according to the objective circumstances, a threat of an ASI has been made (LG München I BeckRS 2021, 3995, para. 146). On the other hand - also irrespective of the threat made by Mr X. - the behaviour of the first respondents to file a Chinese FRAND declaratory action immediately after it had offered a lump sum for the licensing of the N. portfolio in a video conference with the applicant on 4 March 2021 and the applicant had indicated its willingness to consider a written counter-offer does not indicate a corresponding willingness to take a licence. On the contrary, this approach by the applicant illustrates its willingness to resort to the procedural possibilities of Chinese law to enforce its position. In this respect, the same considerations apply as have already been set out for the justification of the risk of first infringement by initiating Chinese FRAND declaratory proceedings (see c) above). In contrast, the mere assertion of the willingness to take a licence by the respondents is not sufficient, especially if their own conduct contradicts its assumption.



f) The risk of first infringement also does not cease to exist due to the fact that the respondents have not yet applied for an ASI against the applicant, since in the present proceedings they were obliged by the injunction of 11 January 2021 at issue here precisely to refrain from doing so. It would be absurd to deny the prerequisites of a preliminary injunction because the legal consequences ordered therein - under threat of administrative fines and imprisonment - have been and are being observed by the respondents.

g) The scope of the existing risk of first infringement results from the context of the ongoing negotiations between the parties, in the context of which Mr. X's statement on 18 December 2020, which could objectively be understood as a threat, also took place. As the negotiations concern the licensing of the N. portfolio, i.e. the portfolio of all patents of the applicant which it considers essential for the 2G, 3G and/or 4G standard, there is a risk of first infringement for the application for an ASI by the respondent with regard to all patents of this portfolio. This is also confirmed by the scope of the first respondent's request in the Chinese FRAND determination proceedings, which is aimed at establishing a Chinese licence rate for all of the applicant's patents essential to the 2G, 3G and 4G standards (Exhibits EIP 14/14a).

III Both the first and second respondents have the right to bring an action. Even if the considerations outlined above under II.2 - insofar as they are based on active conduct in the past - are linked to the conduct of the first respondent's employees and legal representatives, there is also a risk of first infringement with regard to the second respondent.) The second respondent has a direct interest in preventing these infringement proceedings due to the actions of the applicant for infringement of patent EP 1 before the Regional Court Munich I and for infringement of patent EP 2 before the Mannheim Regional Court, which are also directed against it as a subsidiary. In addition, the first respondent in the action is also conducting the global licensing negotiations for



the second respondent in the action.) The second respondent in the injunction also adopted the statements and conduct of the representatives and employees of the first respondent as its own by submitting the corresponding affidavits of these persons to establish credibility with its objection of 26.02.2021 (Exhibits AG 1a/1b and 2a/2b) and attempting to justify the statements instead of distancing itself from them. Conversely, the first respondent also addresses the question of the second respondent's passive legitimacy in the grounds for its opposition of 21.04.2021 (file, p. 126). The second respondent has also not yet made any statement that it will not apply for an ASI against the applicant.

D. Ground for injunction

The applicant has made a prima facie case for the existence of a reason for the injunction. This concerns both the aspect of urgency in terms of time and the aspect of general urgency, namely that the applicants cannot reasonably be expected to refer to proceedings on the merits.

I. The applicant has plausibly shown that it has complied with the one-month time limit applicable in the district of the Munich Higher Regional Court 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 type, under the particular circumstances of the present individual case. 1.

(1) In the Munich Higher Regional Court district, an urgency period of one month from knowledge of the act and the perpetrator must generally be observed in the field of industrial property protection. If the applicant is not yet in possession of the necessary prima facie evidence at this point in time in order to file an application for a preliminary injunction with some prospects of success, the time necessary to obtain this prima facie evidence must be added, provided that the applicant proceeds swiftly throughout and



files the application for an injunction as soon as this prima facie evidence is available (see Retzer, in: Harte/Henning, UWG, 4th ed. 2016, Annex to Section 12, para. 957). 2.

(2) Whether this case law is also applicable to the application for an preliminary injunction directed against an ASI pronounced or to be pronounced by another court can be left open in the present case. For the applicant complied with the one-month time limit, if it is to be applied, under the particular circumstances of the individual case at hand, see below under 4.

a) The particular difficulties with which the applicants are confronted, in particular if they have to apply for countermeasures against a worldwide ASI at the same time, as well as a possible unequal treatment with other defensive claims based on property, to which this one-month time limit has not applied so far, speak against an application of the one-month time limit (LG München I BeckRS 2021, 2995, para. 134).

b) On the other hand, the proximity to the core area of industrial property protection and the legal certainty associated with it speak in favour of its application. After all, as explained above, such a request is a patent dispute. In the board'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 countered with the measures explained below (LG München I BeckRS 2021, 2995, marginal no. 135).

Insofar as the application for an injunction is based on a first risk, as in the present case, it begins at the time when the patent proprietor is aware or should have been aware of the existence of an application for an ASI or of the concretising 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 infringement of an absolute right within the meaning of Section 823 I of the German Civil Code (BGB) in



conjunction with Section 1004 I 1 of the German Civil Code (BGB). Section 1004 I 1 BGB (OLG München GRUR 2020, 379, marginal no. 55 f.). However, the patent proprietor is free to first wait and see whether the risk of first infringement materialises, i.e. whether the other court also issues the requested ASI (LG München I BeckRS 2021, 2995, marginal no. 138). With the issuance of the requested ASI, the standards for the examination of the existence of a risk of repetition apply (see LG München I BeckRS 2021, 2995, marginal no. 136). 4.

4 On the basis of the standards set out above, the applicant for the injunction complied with the one-month time limit for filing the application for the present preliminary injunction by its notice of motion dated 8 January 2021.

In the present procedural constellation, the beginning of the time limit cannot be linked to the knowledge or the need to know of the first respondent's application for an AEI in the proceedings against C. on 27.08.2020 (see above C.II.2.a). a)), because the fundamental assumption of a first risk of danger for this standard example (LG München I BeckRS 2021, 3995, para. 142, 4th indent) represents a further development in the case-law of the Regional Court Munich I (cf. LG München I BeckRS 2021, 3995, marginal no. 146: "moderate temporal advance"), so that in this respect the knowledge or the need to know of this decision of the Landgericht München I of 25.02.2021 could be taken into account at the earliest.

Rather, in the present case, the earliest date on which the time limit can commence is the knowledge or awareness of the threat of the application for an ASI through Mr X's statement in the video conference on 18 December 2020 (see above C.II.2. b) above), if one assumes that the existence of a risk of a first infringement can already be derived from the general standards for the assessment of a risk of a first infringement (see BGH judgement of 20.12.2020 - I ZR 133/17, marginal no. 53 - new edition). If one assumes that



the one-month period in the present case therefore began on 18 December 2020, the notice of motion of 8 January 2021 was still received within the one-month period.

Insofar as the filing of the action in the Chinese FRAND declaratory proceedings on 5 March 2021 (see C.II.2.c) above; cf. LG München I BeckRS 2021, 3995, para. 142, third indent) or the expiry of the deadline set by the applicant for the injunction for the submission of a declaration by the respondents that they would not apply for ASI (see C.II.2. d); cf. LG München I BeckRS 2021, 3995, marginal no. 142, 5th indent), the one-month time limit is easily met, as these dates are after the date of filing the application for the present preliminary injunction.

II The applicant has also made a credible case that it cannot be expected to refer the matter to proceedings on the merits. 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 patent proprietor's sharpest weapon. The patent right as an exclusive right would in fact be worthless if the patent proprietor were deprived of the possibility of enforcing his exclusive right via the state monopoly on the use of force in the form of ordinary court proceedings (Keukenschrijver in: Busse/Keukenschrijver, PatG, 9th ed. 2020, § 9 marginal no. 26). However, the right to injunctive relief is only available to the patent proprietor during the limited term of the patent. This is all the more relevant in the present case, as the patent EP 1 asserted by way of the infringement action has only a relatively short remaining term (until 7 September 2021). Therefore, the claim for injunctive relief could not be sufficiently secured by a decision on the merits with regard to an ASI issued by another court. At any rate, the patent proprietor would be de facto deprived of his right to injunctive relief until the provisional enforcement of a successful first-instance decision on the merits. This would be all the more serious because, in contrast, according to the unchallenged submission of the applicant, an ASI can be issued at very short notice, at least in the proceedings before the Chinese courts, in particular because in the present



case a Chinese FRAND determination procedure has already been initiated as a possible connecting factor, and the remedy of reconsideration available in this respect has no suspensive effect. As explained above, an ASI issued by a foreign court is not to be recognised in Germany due to a breach of public policy. However, threatened or nationally enforced coercive measures by the foreign court can nevertheless create and maintain a coercive situation vis-à-vis the patent proprietor, which in fact prevents effective enforcement of the patents. This applies in particular due to the unchallenged argument of the applicant that as a globally operating company it is also active on the Chinese market, so that the usually threatened sanctions would directly affect it if such a Chinese order were disregarded and could lead to considerable economic disadvantages. In particular, as the Chinese FRAND determination proceedings also show, the respondent owns validated patents in China, which could be subject to attachment in the event of a breach of an ASI.

E. Balancing of interests

The necessary balancing of the opposing interests leads to the confirmation of the preliminary injunction. The interest of the respondent to use a procedural remedy that may be permissible under Chinese law must take a back seat to the interest of the application in the injunction in securing the exercise of its legal position as patent proprietor, in particular if the procedural remedy would not be aimed at securing any rights in China, but only at preventing the enforcement of the legal position of the applicant in the Federal Republic of Germany.

1. Even if a Chinese ASI could not 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 328 ZPO), in the event of a possible issuance of a Chinese ASI, the applicant cannot in fact enforce its 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 itself as a company also active on the Chinese market and owner of patents validated in China (see. above). This would considerably restrict the applicant's constitutionally guaranteed right to access to justice. The board is aware that a Chinese court could possibly come to the conclusion that the present preliminary injunction and any administrative fines imposed on the basis of it are not recognisable and enforceable there due to a violation of Chinese ordre public. If the present preliminary injunction were to be lifted, however, the applicant for the injunction would not even be able to counter a Chinese ASI that is illegal from a German perspective with a countervailing court decision claiming validity. Furthermore, it must be taken into account that the Law does not have to and must not bend to injustice (LG München I BeckRS 2021, 3995, marginal no. 169).

2 If the preliminary injunction is confirmed, the respondents would be obliged, from a German perspective, to refrain from applying for an ASI. However, this would not affect the main action in China. The Chinese main action only concerns the determination of an appropriate Chinese licence fee. The applicant has already filed infringement actions against the respondents in the Federal Republic of Germany. These will be examined by the patent litigation chambers in a two-sided procedure under the rule of law. In particular, the respondents can object to non-infringement and file a motion for a stay of proceedings due to a nullity action to be filed or an opposition. A possible FRAND objection by the respondents would most likely not be very successful because, as explained above, no willing licensee would behave as threatened by the respondents. 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, including a Chinese licence fee, could be. Consequently, a conflict with the subject matter of the Chinese proceedings is not to be expected (see LG München I BeckRS 2021, 3995, marginal no. 170). 3.



3. 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 point of view anyway. Defence submissions do not define the subject-matter of the dispute, but rather, according to the doctrine of the two-part concept of the subject-matter of the dispute, the relief sought in conjunction with the filed motions (BGH GRUR 2012, 485 - Rohrreinigungsdüse II, para. 23; LG München I BeckRS 2021, 3995, para. 172; Zigann/Werner, in: Cegl/Voss, Prozesskommentar zum gewerblichen Rechtsschutz, 2nd ed. 2018, § 253 para. 53 et seq.)

4. The respondent's interest in being spared the hassle of defending itself against a patent infringement action in the Federal Republic of Germany until a decision is reached on the Chinese main action 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 judgement of 15.12.2015 - X ZR 30/14, marginal no. 133 - Glasfasern II) and obtain the necessary licences before commencing use (see ECJ GRUR 2015, 764, marginal no. 58 - Huawei v. ZTE). In the present case, they failed to do so for more than five years and nevertheless - which is to be assumed for the purposes of the present proceedings - commenced use worldwide. Against this background, the applicant cannot be expected to delay any further (see LG München I BeckRS 2021, 3995, para. 173). 5.

5. The short remaining term of the EP 1 patent also does not mean that the interest of the applicant would have to take a back seat in the context of the balancing of interests. On the one hand, the preliminary injunction secures the current possibility of legal protection for the applicant. On the other hand, according to its operative part, the present preliminary injunction also serves to secure the enforceability of injunctive claims arising from other patents in the N. portfolio, such as the EP 2 patent at issue in the proceedings before the Regional Court Mannheim. This reflects the scope of the negotiations between the parties, the subject matter of which is the licensing of the



applicant's N. portfolio and in the context of which the statement by Mr X. of 18 December 2020 at issue here was made. The first respondent's request in the Chinese FRAND determination proceedings is also directed to the determination of a Chinese licence rate for all of the applicant's patents essential to the 2G, 3G and 4G standards (Exhibits EIP 14/14a). The fact that the standard essentiality of the EP 1 patent is disputed by the respondent does not change the result of the balancing of interests, since the examination of the standard essentiality, among other things, is precisely the subject matter of the patent infringement proceedings to be secured.

F. Compliance with the enforcement period

The time limit for enforcement of §§ 936, 928, 929 (2) ZPO was complied with in respect of both respondents. The preliminary injunction of the Regional Court Munich I of 11.01.2021 was served ex officio on the legal representatives of the applicant on 12.01.2021. The enforcement period therefore ended at the end of 12.02.2021. The preliminary injunction was served on both respondents on 13.01.2021 at the registered office of the second respondent, which is also the domestic branch of the first respondent, in the course of the parties' business in an effective and timely manner, §§ 17, 21, 192 ZPO.

G. Legal consequences

I. Due to the feared unlawful encroachment on the property-like protected legal position of the applicant, the respondents are to be ordered to cease and desist from future encroachments, Section 1004 BGB.

The scope of the cease-and-desist obligation is also sufficiently determined by the explicit mention of the EP 1 patent and the reference to the N. portfolio in the operative part of the judgement, in particular because the parties are in licensing negotiations precisely with regard to the N. portfolio, so that it can be assumed that its content is



known to the respondents. This applies all the more as the respondents have repeatedly claimed to be willing to take a licence. In addition, the motion of 8 January 2021, to which reference is made in the reasons for the preliminary injunction and which was served on the respondents together with the preliminary injunction, also explicitly refers to the licence negotiations between the parties, so that determinability is given in any case.

The objection of the second respondent that the acts ordered in the operative part of the preliminary injunction under No. 1, 3rd indent, were legally impossible for it as a company of the H. group, which is entrusted with the distribution of goods and services of the H. group in Germany, is not valid. The individual acts listed with the indents - as is also clear from the addition of "in particular" - are only examples of the extent to which the more general order, namely to refrain from applying for an injunction, in particular before a court of the People's Republic of China, directly or indirectly prohibiting the applicant from further pursuing the patent infringement action filed with the Regional Court Munich I relating to EP 1 or from adding further claims to the action, as well as claims from further patents from the N. portfolio, or from extending further infringement actions, is legally impossible. The applicant claims that it is necessary to comply with the request to extend the patent infringement action filed with the Regional Court Munich I to include further claims and claims from further patents from the N. portfolio or to bring and pursue further infringement actions, in particular with claims for injunctive relief for infringement of patents from the N. portfolio against the respondent or its affiliated group companies or further companies of the H. group, in the Federal Republic of Germany, and to apply for a corresponding order of a court in the People's Republic of China directly or indirectly affecting the enforcement of corresponding judgements of the named proceedings. In this respect, the operative part is to be interpreted without further ado to the effect that with regard to the second respondent - as incidentally also with regard to the first respondent - only such exemplary acts apply that are also legally and factually executable for it. On the basis of this understanding, the operative part under No. 1, third indent, is - contrary to the argument of the



respondents - sufficiently defined, also with regard to the term "affiliated group companies".

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

[...]