



Regional Court Mannheim

File reference: 7 O 91/22

Decision dated 14. April 2023

Guiding principles

1. Sec. 16 et seq. Trade Secret Act in connection with. Sec. 145a German Patent Act aim at allowing the parties to disclose classified information in the course of the proceedings without jeopardising the existence of the trade secret. In this respect, they aim at protecting the information from use and disclosure by the opposing party.
2. If the other party has already undertaken to protect the information contractually and under a penalty clause, in particular within the scope of an NDA, it is necessary - at least in the scope of application not determined under EU law by Directive (EU) 2016/943 of 8 June 2016 on the protection of confidential know-how and trade information (trade secrets) against unlawful acquisition and unlawful use and disclosure which does not determine Sec. 145a German Patent Act - there is no need for procedural orders to ensure protection of secrets and thus effective legal protection, which means that a request to classify information as classified generally lacks the need for legal protection. The possible contractual agreement not to disclose information in court proceedings without a court order for secrecy measures does not justify a different assessment.
3. The mere interest of the owner of the secret in protection against disclosure by third parties involved in the dispute, such as judges and clerks of the court registry, does not establish a need for legal protection for an application under Sec. 16 et seq. Trade Secret Act in conjunction with Sec 145a German Patent Act.



Tenor:

I. The following information disclosed by the Defendants in the [...] trial concerning [...] is classified as confidential:

- [...];

- [...].

This classification relates to the information as such, so that it is covered even if it is disclosed again in further pleadings or exhibits.

For the rest, the Defendant's further request for classification dated 10. February 2023 is rejected.

II. The following information disclosed by the Plaintiff in the [...] proceedings, which includes information on the contents of [...], is classified as confidential:

- [...].

This classification relates to the information as such, so that it is covered even if it is disclosed again in further pleadings or exhibits.

For the rest, the Plaintiff's further request for classification dated 13. January 2023 is rejected.

III. The following information disclosed by the Plaintiff in the [...] proceedings, which includes information on the contents of [...], is classified as confidential:

- [...];

- [...];

- [...].

This classification relates to the information as such, so that it is covered even if it is disclosed again in further pleadings or exhibits.



Pursuant to Sec. 20 (2) sentence 1 Trade Secret Act, the Defendant has the opportunity to comment until [...].

In all other respects, the Plaintiff's further request for classification of 29. March 2023, as amended on 06.04.2023, is rejected, with the exception of the application with regard to [...], which will be decided on at a later date (cf. in this respect order [...]).

IV. The following information disclosed by the Defendants in the [...] proceedings concerning [...] and [...] is classified as confidential:

- [...];

- [...].

This classification relates to the information as such, so that it is covered even if it is disclosed again in further pleadings or exhibits.

Pursuant to Sec. 20 (2) sentence 1 Trade Secret Act, the Plaintiff has the opportunity to comment until [...].

In all other respects, the Defendant's further request for classification dated 31.03.2023 is rejected.

V. Access to the information mentioned under No. III, insofar as it is presented in the proceedings, shall be restricted on the part of the Defendant - in addition to its legal representatives or other external representatives within the meaning of Sec. 19 (1) sentence 3 of the Trade Secret Act - to the following persons:

[...].

Access to the oral proceedings and to the recording or the minutes of the oral proceedings, insofar as relevant information is disclosed, is also restricted on the part of the Defendants - in addition to their legal representatives or other external representatives within the meaning of Sec. 19 (1) sentence 3 Trade Secret Act - to the designated persons.



The Chamber reserves the right to amend the order after the Defendants have submitted their observations by [...] (Sec. 20 (2) Trade Secret Act). The Defendants are ordered to [...].

VI. The following instructions are issued:

1. The parties, their legal representatives, witnesses, experts, other representatives and any other persons involved in the present proceedings or having access to documents of such proceedings shall keep confidential the classified information introduced into the proceedings and shall not use or disclose it outside these judicial proceedings, unless they can prove that they have lawfully acquired knowledge of it outside these proceedings and comply with the limitations, if any, attached to such other acquisition of knowledge. These obligations shall continue to exist after the conclusion of the legal proceedings. This shall not apply if and to the extent that the existence of a trade secret with regard to the information classified as confidential and introduced into the proceedings is denied by a final judgement or as soon as the information concerned becomes known or readily accessible to persons in the circles that normally handle such information without this being based on a breach of the confidentiality obligation.
2. The court may, at the request of a party, impose and immediately enforce a fine of up to EUR 100,000.00, or imprisonment in lieu of an order, or imprisonment in lieu of an order of up to six months in the event of culpable breaches of the confidentiality obligations.

VII. The parties are instructed to make the information covered by paragraphs I-IV particularly clear in their written submissions (e.g. underlined in colour).

VIII. The Chamber will decide in due course on the further requests concerning the exclusion of the public at the oral proceedings or at a possible pronouncement hearing.

IX. Insofar as the inspection of files by third parties as well as the publication of a judgement are envisaged with further applications, there is no room for an order with the corresponding content, because the effect, if any, which is associated with the classification order and which affects the judicial activity pursuant to Sec. 16 (3) Trade Secret Act requires neither a separate order nor a notice (cf. Sec. 20 (5) sentence 2 Trade Secret Act).



Reasons

I. The Plaintiff is conducting a patent infringement dispute against the Defendant's. In the context of their submissions on the antitrust compulsory license objection / FRAND licence objection, the parties seek to classify certain information as classified pursuant to Sec. 16 (1) Trade Secret Act and to issue further protective orders. Some of the information in question is already subject of a non-disclosure agreement (NDA) between the parties.

II The orders under Nos. I-V, insofar as they grant the parties' requests, are based on Sec. 145a German Patent Act in conjunction with Sections 16 (1), 19 (1) and 20 (1) Trade Secret Act.

III. In all other respects, the requests for classification must be dismissed because they relate exclusively to information covered by the NDA concluded between the parties.

Since these requests are directed solely towards protection against third parties within the meaning of Sec. 16 (2) of the Trade Secret Act, they lack the necessary need for legal protection. Already in the direct scope of application of the Act on the Protection of Trade Secrets, there is, as a rule, no need for legal protection for court protection orders (see 1.), subject to an interpretation in conformity with the Directive, which is not appropriate in the scope of application extended to patent litigation (see 2.). A different application of the law is not required within the scope of the corresponding applicability under Sec. 145a German Patent Act (see 3.). According to the circumstances in the specific dispute, no other consideration is justified (see 4.).

The reference made by the Chamber pursuant to Sec. 20 (5) sentence 3 of the Trade Secret Act ([...]) did not have to be repeated in response to the parties' requests made hereunder, as the Chamber continues to follow the underlying considerations and a further reference with the same content would not foreseeably trigger any dissenting opinions of the parties.

1. Sec. 16 et seq. Trade Secret Act pursue the purpose of enabling the parties to submit classified information without endangering the existence of the trade secret - which is to be enforced by means of an action within the meaning of Sec. 15 (1) Trade Secret Act. If there is an NDA between the parties to protect the information, there is generally no need for a court



order to protect the information, which means that a corresponding request by the parties generally lacks legal protection.

a) The trade secret owner as Plaintiff will be forced to disclose the secret at the latest when presenting and proving the claim requirements, which include the existence of a protected secret (cf. Ohly/Stierle, GRUR 2021, 1239). Without the procedural protection under Sec. 16 et seq. Trade Secret Act, however, the owner of the secret may refrain from legal action altogether because he fears to lose the confidential information in the proceedings (cf. Köhler/Bornkamm/Feddersen/Alexander, 41st ed. 2023, Trade Secret Act § 16 para. 1), in view of a missing or questionable duty of confidentiality of the Defendant, who - in guaranteeing the right to be heard pursuant to Article 103 (1) of the Constitutional Law - is granted access to the entire material of the proceedings (cf. also Sec. 299(1) Code of Civil Procedure). The risk associated with the action may therefore jeopardise the effective enforcement of the law (cf. Explanatory Memorandum to the RegE, BT-Drs. 19/4724, 35), although the protection of trade secrets in civil proceedings was already possible before the Act came into force, namely on the basis of the provisions on the exclusion of the public for the hearing pursuant to Sec. 172 no. 2, Sec. 174 (3) German Judiciary Act. In view of this danger, the legislature has provided procedural protection under Sec. 16 et seq. Trade Secret Act for the (possible) trade secret initially only in relation to "trade secret litigation" and did not fundamentally reshape procedural and court constitutional law with regard to the protection of trade secrets. The court order made possible by the provisions on procedural protection enables the Plaintiff to satisfy the procedural requirement of certainty and the substantive requirement of concretisation (already outside the hearing) when asserting claims under the Trade Secrets Act, without having to disclose his secret without protection. Although the Defendant's knowledge cannot be prevented in this way, he may (now) neither use nor disclose the information (Ohly/Sosnitzer/Ohly, 8th ed. 2023, Trade Secret Act § 20 para. 6).

The procedural orders made possible in the direct scope of orders under Sec. 16 et seq. Trade Secret Act are accordingly primarily aimed at protecting the information from being used and disclosed by the other party. Only vis-à-vis the opposing party is there a relevant need for protection for orders under Sec. 16 (1) Trade Secret Act. It is also only the opposing party who, with regard to the impairment of its legal position in the case of classification of the information as a trade secret within the meaning of Sec. 16 (1) of the Trade Secret Act, must be heard pursuant to Sec. 20 (2) of the Trade Secret Act, whereby the hearing - precisely because of



the threat of a breach of secrecy in the interim period until the decision - is regularly only held by the court after the measure has been ordered (cf. Explanatory Memorandum to the RegE, BT-Drs. 19/4724, 38; Köhler/Bornkamm/Feddersen/Alexander, 41st ed. 2023, Trade Secret Act Sec. 20 (11)).

b) However, if the opposing party has already contractually and punitively committed itself to confidentiality in order to protect the information, there is no need for procedural orders in order to ensure effective legal protection, which means that a request aimed at classifying information as classified generally lacks the need for legal protection.

c) The mere interest of the owner of the secret in protection against the disclosure of the information by third parties involved in the dispute is not sufficient for a request under Sec. 16 et seq. Trade Secret Act.

Admittedly, according to Sec. 16 (2) Trade Secret Act, third parties involved in trade secret disputes (such as court persons) are also bound in addition to the parties. However, the explanatory memorandum to the Act does not indicate a particular danger of disclosure of secrets emanating from these third parties, which would impair the guarantee of effective legal protection and which could justify a need for legal protection of the owner of the secret for a court order.

The legal position of these third parties with regard to the handling of secrets is not significantly changed by the entry into force of the Trade Secret Act, which is also reflected in the fact that they - unlike the opposing party of the secret holder - do not have to be heard prior to the decision under Sec. 16 of the Trade Secret Act. Thus, the obligations of confidentiality under professional and civil service law - which already existed under the previous legal situation (cf. also the explanatory memorandum to the draft bill, BT-Drs. 19/4724, 36) - as well as the protection of secrets under criminal law remain unaffected (Sec. 1 (3) No. 1 Trade Secret Act).

The binding of third parties by Sec. 16 (2) Trade Secret Act ultimately acts in favour of the owner of the secret as a mere legal reflex to the classification as a trade secret, which primarily addresses the protection against the other party; the lack of (only) such reflexive protection and thus the "reversion" to the duties of confidentiality that exist anyway cannot in itself establish a need for legal protection on the part of the owner of the secret.



2. In the context of the patent infringement proceedings of interest here, there is no need to discuss whether a different application of the law might be required under EU law, in particular, the provisions under Sec. 16 et seq. of the Trade Secret Act serve to implement Directive (EU) 2016/943 of 8 June 2016 on the protection of confidential know-how and trade information (trade secrets) against unlawful acquisition, use and disclosure (Abl. L 157, 1) and are therefore subject to interpretation in conformity with the Directive. This is because the Directive, with the corresponding applicability of the procedural protection of secrets in patent law (Sec. 145a sentence 1 German Patent Act) - and also in utility model law (Sec. 26a GebrMG) - ordered by the national legislature, has in any case been transposed in an overshooting manner, and thus does not guide the interpretation and application of the law in this respect. The protection of confidentiality of trade secrets in the course of legal proceedings to be ensured by the member states according to Art. 9 of the Directive only concerns legal proceedings "which have as their object the unlawful acquisition or unlawful use or disclosure of a trade secret" (Art. 9 (1)) or such "in connection with the unlawful acquisition or unlawful use or disclosure of a trade secret" (Art. 9 (2)).

3. The extension of the scope of Sec. 16 to 20 GeschGehG to patent disputes by Sec. 145a sentence 1 German Patent Act - in response to the bill of the Federal Government of 6 November 2020 (BR-Drs. 683/20) within the scope of the Second Act to Simplify and Modernise Patent Law (2. PatMoG) - extends the scope of Sections 16 to 20 of the Trade Secret Act to patent litigation and does not require a different application of the law with regard to the protection of secrets vis-à-vis third parties in the case constellation of an NDA between the parties that is of interest here and does not lower the requirements for the applicant's need for legal protection.

The legislature has extended - or at least clarified - the scope of application of Sec. 16 et seq. Trade Secret Act to the effect that information of the Defendant can also be protected (Sec. 145a sentence 2 German Patent Act, cf. the resolution recommendation of the Committee on Legal Affairs and Consumer Protection, BT-Drs. 19/30498, 56). In addition, the legislator has also taken so-called "FRAND" cases into consideration (cf. explanatory memorandum to the draft bill, BT-Drs. 19/4724, p. 61: "In order to substantiate or defend a claim, it may be necessary to disclose trade secrets in court. This applies, for example, to the determination of FRAND ("fair, reasonable and non-discriminatory) licensing terms, ..."). However, it does not follow from this that it would be in accordance with the subjective intention of the legislator or



the objective purpose of Sec. 145a German Patent Act introduced by Sec. 2 PatMoG to be able to obtain a court classification decision without the applicant's need for legal protection with regard to such information of the Plaintiff or the Defendant raised in the context of the antitrust compulsory license objection / FRAND objection and in respect of which an NDA exists between the parties.

Although the legislator probably recognised a (supposed) "special need" for procedural protection of trade secrets in "FRAND" cases and therefore, with the corresponding applicability of Sec. 16 et seq. Trade Secret Act under Sec. 145a German Patent Act, "which is equivalent to a NDA subject to criminal prosecution" (cf. BeckOK PatR/Kircher, 27th ed. 15.1.2023, German Patent Act Section 145a para. 19), it cannot be inferred from the legislative materials that a protection of the information, detached from a need for legal protection, could be sought, with which, in the case of an already contractual - regularly stricter than a court order, but at least equivalent - binding of the (litigation) opposing party by NDA, an additional binding of the third parties referred to in Sec. 16 (2) Trade Secret Act can simply be aimed at.

The requirement of a need for legal protection - going beyond the additional binding of the third parties referred to in Sec. 16 (2) Trade Secret Act - is consistent with the objective purpose of the law: Sec. 145a German Patent Act serves the sole purpose of enabling the parties in patent litigation to submit information requiring secrecy by extending the direct scope of application of Sec. 16 et seq. Trade Secret Act, the parties in patent litigation are also able to disclose classified information beyond the protection of secrets already possible under Sec. 172 No. 2, 174 (3) German Judiciary Act, without jeopardising the existence of the trade secret. However, effective prosecution and legal defence are already guaranteed for the owner of the secret in "FRAND" cases - not unlike in trade secret litigation (cf. above III.1.b) and c)) - if the parties have concluded an NDA. The owner of the secret does not then have to fear losing either the secret or the lawsuit. The absence of the legal reflex favouring him in the form of binding third parties does not prevent the achievement of this objective purpose of the law.

The decision of the 2nd Civil Chamber of the Regional Court of Mannheim cited by the Defendant (decision of 13. October 2021 - 2 O 73/20 ZV II, GRUR-RR 2022, 301) to justify a legal opinion deviating from the position taken here does not contain any statement on the case constellation at issue here.



4 In the case in dispute, a need for legal protection cannot be derived from the fact that the parties additionally agreed upon conclusion of the NDA that information may not be disclosed in court proceedings without a court order for confidentiality measures. This is because the substantive as well as the procedural requirements of a classification order pursuant to Sec. 16 (1) Trade Secret Act are beyond the contractual disposition of the parties (cf. on the substantive requirements of a trade secret: Alexander, WRP 2020, 1385 para. 50). Insofar as a party prevents its own submission and proof of facts in the proceedings by means of a contractual self-binding, the general rules of civil proceedings simply apply: The party that does not meet its burden of presentation or proof because it prevents this itself remains incapable of presentation or proof and has to bear the resulting consequences of the proceedings (cf. on this also: Higher Regional Court Düsseldorf, GRUR-RS 2019, 6087 para. 126 - Improving Handovers).

5. Against the background of the lack of a need for legal protection, it is irrelevant whether all the information concerned could be classified as trade secrets at all.

In particular, it is not necessary to assess whether there are "legitimate interests" in keeping the information secret within the meaning of Sec. 2 No. 1 c) Trade Secret Act. As far as the terms of the licence agreement demanded by the licensor or that information is concerned which serves the assessment of those terms as FRAND-compliant, this may appear doubtful and in need of particular justification in detail. For both from the commitment to the standardisation organisation to grant licences on FRAND terms, in this respect already significantly from the FRAND criterion of "fairness", and from the corresponding antitrust obligation of the market-dominant licensor to grant exploitation-free and namely non-discriminatory access to the patent-protected, standard-essential technology, a minimum degree of transparency of the licence offer and thus of the licensing terms applicable to the group of interested parties follows in any case (cf. Higher Regional Court Karlsruhe, GRUR 2020, 166 para. 122, 123 - Datenpaketverarbeitung; Higher Regional Court Düsseldorf Decision of 25.4.2018 - I-2 W 8/18, BeckRS 2018, 7036 para. 19). Accordingly, it is not readily apparent what legally justifiable interest the licensor has in keeping its practised licensing conditions secret in court proceedings (cf. Higher Regional Court Düsseldorf loc. cit.).



Finally, it is also not necessary to decide whether, for example, mere date information in the context of the expiry of the contract negotiations is to be assumed to be information "of economic value" within the meaning of Sec. 2 No. 1 a) Trade Secret Act.

IV. The notices under Section VI are issued pursuant to Sec. 145a German Patent Act in conjunction with Sec. 20 (5) sentence 2, Sec. 16 (2), Section 17, Section 18 Trade Secret Act.

V. A decision can still be taken on additional measures in accordance with Clause VIII in the run-up to corresponding processes, if such should occur and information to be protected should be affected. There is no need for the precautionary order of the measures. There are no indications that the Plaintiff is seeking a decision detached from the actual occurrence of such events.