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PRELIMINARY INJUNCTION IN PATENT INFRINGEMENT PROCEEDINGS: ECJ OVERTURNS PREVIOUS PRACTICE OF GERMAN HIGHER REGIONAL COURTS

ECJ: REIMBURSEMENT OF PATENT ATTORNEY FEES IN TRADEMARK PROCEEDINGS BEFORE GERMAN COURTS VIOLATES EU LAW

JULIA BITTNER JOINS PRINZ & PARTNER'S TEAM OF LAWYERS AS OF 01 APRIL 2022

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Preliminary injunction in patent infringement proceedings: ECJ overturns previous practice of German Higher Regional Courts

The road for obtaining a preliminary injunction (PI) in patent infringement proceedings is becoming easier again for patentees: According to the decision of the ECJ of 28 April 2022 (C 44/21), it is not mandatory for the issuance of a PI due to a patent infringement that the asserted patent has already survived first instance opposition or nullity proceedings.

Background

One of the requirements for issuing a PI is that the court has no doubts about the validity of the patent to be enforced. For many decades, it was common practice that the grant of the patent alone gave rise to the presumption that the patent was legally

valid - at least if no prior art was known which was more relevant than the prior art already considered in the examination proceedings.

This practice changed in 2010, when the Higher Regional Court Düsseldorf was the first German court to state in its decision "Harnkatheterset" (I-2 U 126/09) that the grant of the patent by the Patent Office was not sufficient for issuing a PI. Rather, sufficient validity can only be assumed "if the asserted patent has already survived first instance opposition or nullity proceedings". After controversial discussion, the Higher Regional Court Munich also followed this line at the end of 2019.

Because of this decision practice, patentees have now faced a number of obstacles before the first instance patent litigation chambers of the District Courts in order to obtain a PI. If no competitor had filed an opposition against the patent and no nullity action had been filed, the patentee could normally not obtain a PI from his/her patent.

At the beginning of 2021, the 21st Civil Chamber of the Munich Regional Court took a case at hand as an opportunity to issue a referral order (21 O 16782/20) with which the European Court of Justice (ECJ) was asked whether this additional hurdle set by the Higher Regional Courts was compatible with the European Directive 2004/48/EC, specifically with Article 9 (1) of this Directive. Said Article provides that a patentee may enforce his/her patent against an alleged infringer by means of PIs (see most recently our information letter of January 2021, available at: https://www.prinz.eu/fileadmin/Newsletter/Client_Information_January_2021).

In the specific case, the 21st Civil Chamber came to the preliminary assessment that the asserted patent, which had just been granted, was both infringed and legally valid. However, due to the decision practice of the Higher Regional Court Munich, the Chamber felt prevented from issuing a PI, although it considered a different interpretation of the Directive to be correct.

The ECJ now agreed with the doubts of the 21st Civil Chamber and overturned the additional requirements for the issuance of an EV.

On the grounds for the decision

The ECJ concluded that the previous practice of the German Higher Regional Courts constitutes an additional requirement for obtaining a PI. However, such requirements are precisely not provided for in Directive 2004/48/EC and deprive Article 9 (1) of the Directive of any practical effectiveness.

In particular, the ECJ focuses on the objectives of the Directive, according to which a uniform and high minimum level of protection for intellectual property rights is to be achieved. In its decision, the ECJ also explicitly points out that European patents are subject to a presumption of validity as of the date of publication of their grant and thus the protection offered by the patent must be fully guaranteed.

As measures for balancing the interests of the parties involved, the judgment refers to the instruments already laid down in the Directive:

- Setting a deadline for filing an infringement suit after issuing the PA,
- Requiring a reasonable deposit or security, and
- Asserting a claim on damages in case the patent proves not to be legally valid later on.

Effects of the Decision

It can be assumed that PIs will now be issued more frequently again. It remains to be seen whether the courts will now achieve a balance between the interests of the patentee on a fast enforcement of his/her patent right and the protection of the competitor from being forced out of the market, at least temporarily, due to patents that are not legally valid. In this case, the instruments mentioned by the ECJ, such as a high security, could serve to balance the interests.

It is encouraging that it should now be easier for patentees to obtain a PI against a competitor who infringes their patent, since it is no longer necessary to wait for a prior opposition or nullity proceeding.



QUESTIONS?

We will be happy to advise and support you in all matters relating to action against competitors who infringe your patents. Please feel free to get in touch with Thomas Heydenreich or Jochen Sties by e-mail: t.heydenreich@prinz.eu / j.sties@prinz.eu or by phone: +49 (0) 89 / 59 98 87-0.



ECJ: Reimbursement of patent attorney fees in trademark proceedings before German courts violates EU law

German courts have ruled on the reimbursement of patent attorney fees in intellectual property proceedings, which are claimed in addition to the fees of the attorney-at-law on several occasions. This can be seen from the fact that the current legal dispute on this issue is referred to as "Patent Attorney's Costs VI".

The German Trademark Act stipulates that the costs of a patent attorney participating in trademark proceedings are automatically recoverable. There is no examination of whether the involvement of the patent attorney was necessary for the specific case.

In addition, some courts allowed a simple declaration by the attorney-at-law to suffice as proof that the patent attorney costs have been incurred. As a result, costs often had to be reimbursed even though no patent attorney had actually participated in the legal dispute.

This provision has now been overturned by the ECJ (judgment of April 28, 2022, Case No. C-531/20 - NovaText GmbH ./ . Ruprecht-Karls-Universität Heidelberg).

On a general note, the Court stated that Member States are not permitted to remove a particular category of costs from judicial review as to its reasonableness and proportionality.

The automatic imposition of patent attorney fees may lead to court proceedings becoming unnecessarily costly. The risk of having to bear substantial litigation costs in the event of losing could discourage right holders from enforcing their rights.

Furthermore, the Court sees the danger of an abusive exercise of rights, since some courts – as described above – required little evidence that the patent attorney fees did incur.

According to the ECJ, the German regulation therefore violates European Union law.

It now remains to be seen how the German courts and the German legislature will implement the ECJ ruling.

Either it will become standard practice that patent attorney fees are no longer recoverable in trademark litigation proceedings, or proof of the necessity of the patent attorney's participation will always be required in the future.

Such examination of necessity already takes place when a trademark owner requests reimbursement of the costs of a patent attorney for participation in issuing a cease and desist letter – usually, necessity is denied.

It is therefore foreseeable that it will become very difficult to obtain reimbursement of the costs for the involvement of a patent attorney in the future. This is because in most trademark disputes the involvement of a patent attorney in addition to an attorney-at-law is in fact not necessary.

Accordingly, the cost risk in trademark proceedings decreases. However, this also means that the trademark owner who wins a legal dispute can only claim reimbursement of the fees of the attorney-at-law.



QUESTIONS?

If you have any questions regarding this topic, please feel free to get in touch with your personal contact or Sebastian Kroher at s.kroher@prinz.eu or +49 (0) 89 / 59 98 87-129.

Julia Bittner joins Prinz & Partner's team of lawyers as of 01 April 2022

Mrs. Bittner joined Prinz & Partner's Munich office on 01 April 2022 as a specialist lawyer for all matters relating to trademark, design, copyright and unfair competition law.

For the last ten years, she advised national and international clients as an attorney at law in one of the largest German IP boutiques. After her law studies at the University of Munich and a semester abroad specialized in "Intellectual Property Law" at Harvard University, USA, Mrs. Bittner completed her legal traineeship with stations

in the IP department of a large international law firm in Frankfurt a.M. and the German-British Chamber of Industry & Commerce in London. Subsequently, Mrs. Bittner completed her Master's degree in Intellectual Property Law at the University of Manchester, UK.

Julia Bittner is a member of the IP associations GRUR and ECTA.



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