

Global Patent Disputes – Europe as a Patent War Theatre

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Present Ways (i.e. without „EU Unitary Patent System“) to Obtain Patents in Europe

- There is no „European Patent“ yet, which would be centrally enforceable, rather the so-called „European Patent“, obtained via European Patent Convention (EPC) from European Patent Office (EPO), „explodes“ after grant into national patents in the designated countries
- Through EPC, accordingly only national patents can be obtained
- Alternative way to obtain national patents in European countries: National patent applications at national patent offices
- EPC patents and „direct“ national patents obtainable either by direct filing (with/without Paris Convention (PC) priority claiming) at EPO and national patent offices or via PCT

Future Ways to Obtain European Patents by EU Unitary Patent System

- EU Unitary Patent System will give possibility to obtain a central „EU Unitary Patent“ which will be centrally enforceable
- The Unitary EU Patent („EU Patent“) will be a regional patent under EPC, covering all EU Countries except Italy and Spain
- The EU Patent will be centrally enforceable in the EU Unitary Patent Court (UPC) System
- The option to choose EU Patent instead of EPC bundle patent „exploding“ into national patents in designated countries can be exercised after grant of EPC Patent
- Option to obtain EU Patent under EU Unitary Patent System will not be available in case of national patent applications, which still will remain possible

Status of EU Unitary Patent System

- Unitary EU Patent System based on „EU Patent Package“
 - ◆ EU Patent Package consists of rules for a Unitary Patent, a language regime, and a European Unified Patent Court (EUPC)
- On December 31, 2012, EU Council Regulation No. 1257/2012 of December 17, 2012, „Implementing enhanced cooperation in the area of the creation of unitary patent protection“ and EU Council Regulation No. 1260/2012 „Implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation agreements“ have been published
- On February 19, 2013, Agreement concerning a „Unified Patent Court“ (Document 16351/2/12 has been signed)
- Regulations 1257/2012, 1260/2012 and EUPC Agreement can only come into force together
- Ratification of EU Patent Package by at least 13 EU member states, which must include France, Germany and U.K., necessary before package can come into force
 - ◆ Germany will not start Ratification Procedure before 2014 (or even only 2015)
- Spain has filed new complaint against „Package“ because of alleged inconsistency with EU Treaty
- EU Patent Package probably will come into force earliest 2016/2017, with all three „elements“ of the Package tied together

Patent Enforcement Possibilities in Germany (DE)

- Civil procedures
 - ◆ Main procedure
 - ◆ Fast injunction procedure
- Criminal procedures
- Customs procedures

Patent Enforcement in Germany – Civil Procedures

- Procedure is bifurcated, i.e. specialized civil patent infringement courts handle only infringement questions
- Attack against validity of patent only possible by separate opposition or invalidation procedure
- Duration of main patent enforcement procedure until enforceable decision of district court (first instance) 6 – 12 months
- Duration of opposition procedure at EPO until first instance (opposition division) decision 2 – 3 years
- Duration of invalidation procedures (first instance) at German Federal Patent Court (GFPC) 2 – 3 years
- In all procedures, losing party bears court fees and major part of cost of winning party (except opposition)

Enforcement of Patent Applications against early Infringers

- Branched-off utility models (UMs) helpful against „early infringers“
- From any pending patent application covering Germany, at any time, during 10 years from effective filing date, an UM can be branched-off
- Registration of branched-off UM at German Patent and Trademark Office (GPTO) takes place 2 – 3 months after request
- Branched-off UM can be tailored towards infringing embodiment
- Several UMs can be branched-off from same patent application
- After patent grant, additionally patent can be introduced into pending UM litigation procedure
- In UM litigation, infringement court tests both infringement and validity arguments

Fast Injunction Procedure

- Available for both patent and utility model litigation
- Specific requirements must be fulfilled
 - ◆ Urgency
 - ◆ Validity of patent/utility model beyond doubt
 - ◆ Infringement situation beyond doubt
- Risk of „sudden death“ by ex parte decision of court
 - ◆ Preventive measure: caveat letter („protective writ“)

Enforceability of Standard-Essential Patents in Germany

- Orange-Book-Standard“ decision of German Federal Court of Justice (GFCJ), KZR 39/06, of May 6, 2009, important
 - ◆ Essential patents subject to compulsory licensing for competition law reasons
 - ◆ No injunctive relief if „newcomer“ pays the royalties „as if already licensee“
 - ◆ Refusal to license in case of essential patents abuse of dominant position
- Courts in particular Mannheim, apparently make FRAND-violation-based compulsory license more difficult, but decisive cases pending at Karlsruhe appeal court, not yet any decision beyond Orange-Book-Standard by GFCJ

Discussion on legal/procedural Steps to improve Enforceability of FRAND Obligation

- One-stop shop for overall FRAND license in SSO?
- Eliminating of automatic injunction possibility of essential patents in case of FRAND obligation?
- Publication mechanism in SSO to grant, in a binding form, overall FRAND license, particularly for newcomers
 - ◆ including license conditions offered?
- Registration of FRAND obligation in Patent Register?
- License-of-right registration in patent registers compulsory?
- Competition law based compulsory license also available against design registrations?

Structure of forthcoming UPC

- Main seat of central division in Paris
- Further seat in Munich, with responsibility for mechanical cases (excluding automotive)
- Further seat in London with responsibility for pharma/biotech
- All other subject matters to be handled by central division in Paris
- First President must be French
- Centralized Court of Appeal (in Luxemburg)

Suggestions/Recommendations for Patent Drafting/Filing in Europe based on present EU Patent Situation

- Presently, it is unclear whether and when EU Patent Package will come into force – probably not earlier than 2016/2017
- Recommendations for patent filings based on EU Patent Situation:
 - ◆ National routes „alone“ no longer recommendable, because no option for EU Patent
 - ◆ Rather, at least if two countries or more should be covered by a patent in Europe, EPC route should be used, because of option lateron to obtain an EU Patent
 - ◆ National additional patent application in DE recommendable, in order to keep possibility of (cheap, fast ...) patent litigation in Germany open.
 - ◆ In case of additional DE Patent Application: Filing in English, German translation only necessary within one year from filing, delaying request for examination for seven years after effective filing date

Suggestions/Recommendations for Patent Prosecution in Europe based on Recent Decision Practice of German Federal Court of Justice (GFCJ)

- In Decision „Occlusion Device“ (X ZR 16/09) of May 10, 2011, GFCJ has decided that Embodiments of Invention only contained in specification, but not covered literally by claims, cannot be covered by Doctrine of Equivalents (DOE) any more, rather are surrendered to the public
- Before filing with effect for DE (i.e. PCT, or EPC, or DE), care should be taken to cover all embodiments by broadest claim
- Whenever during prosecution at EPO or GPTO claims are narrowed, re-checking of coverage of all embodiments by broadest claim, otherwise divisionals necessary
 - ◆ otherwise, „surplus“ of specification/description surrendered to the public
- Additional care/control of drafting/prosecuting agents/attorneys necessary because of DE presently being most used patent litigation country in Europe (70%-80% of all cases annually filed)