PATENT LITIGATION IN GERMANY: QUICK INJUNCTIONS AND SEIZURE ORDERS MAKE FOR SHARP LEGAL TOOLS

By Clemens Rübel, Bardehle Pagenberg

German District Courts increasingly tend to grant preliminary injunctions against patent infringers, the subject thereof being not only the grant of a restrictive injunction, but also the order of seizure of all patent-infringing goods situated within the Federal Republic of Germany, e.g. in department stores, warehouses or booths at trade shows. These preliminary injunctions often are granted by the District Courts within one or two days after the application for a preliminary injunction has been filed. In such cases, very drastic measures can be applied to the Defendant, mostly without the Defendant having had the right to defend himself against the arguments of patent infringement. Of course, the Defendant can file an appeal against the preliminary injunction, however, during the appeal proceedings, the effects of the preliminary injunction still remain in force. As a consequence, if the injunction patent is not infringed, often damage has occurred which can hardly be recovered before the preliminary injunction is lifted.

The only possibility for a potential opponent to arm himself against unjustified ex-parte injunctions is to submit so-called "protective letters" to all District Courts in Germany having a patent litigation chamber. In case someone suspects that a competitor intends to enforce a patent against him, he will file such a protective letter as a precautious measure, in particular before very critical dates, such as booth presentations at trade shows, a pre-announced introduction of a new product or for protection of important pre-Christmas sales. In these protective letters, non-infringement and invalidity arguments are submitted to the District Courts, in order to prevent the District Courts from granting an ex parte preliminary injunction, instead of filing an objection after grant.

The fact that the District Courts can now also order a seizure within the whole of Germany by way of an ex-parte preliminary injunction is due to the soon to come implementation of the European Enforcement Directive into German law. Although the Directive has officially not come into force yet, current case law is being interpreted in conformity with the Directive, which means that the effects of the Directive practically already apply today. Besides the seizure order by a preliminary injunction, it is also possible, according to recent case law, to seize and examine goods (which may be patent infringing) in preparation of main proceedings on the merits, or also during patent infringement proceedings when the plaintiff has a problem with providing a clear proof of patent infringement. To obtain such a seizure order it is sufficient to indicate a "reasonable likelihood" of infringement. This level of probability should not be set too high. A probability of at least 50% is sufficient. It should be noted, however, that these new pre-trial possibilities are not comparable to US pre-trial discovery, neither in scope nor in terms of the expense for affected companies, but rather to the measures of "saisie" in France or "descrizione" in Italy.

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By this new case law, the position of Germany as the most highly frequented forum for patent infringement proceedings in Europe is further strengthened. Moreover, the strength of the German system resides in the short duration of proceedings and the patentee-friendly interpretation of patents aided by a liberal doctrine of equivalents. The German so-called "split system" is patentee-friendly, since the infringement courts can not revoke a patent-in-suit. The infringement court is bound to the granting decision of the Patent Offices. Thus, the most important argument beside non-infringement is taken from the defense counsel. The defense counsel in patent infringement proceedings can

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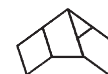

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merely file an opposition with the patent granting offices or, in case of termination of the deadline for filing an opposition or in case of termination of opposition proceedings, respectively, he can file a nullity action with the German Federal Patent Court, which is exclusively competent for nullity actions.

The duration of the invalidity proceedings, which might result in a cancellation of the patent-in-suit, however, takes much longer than main proceedings on the merits in the first instance before the patent infringement courts. The German infringement courts certainly belong to the fastest courts in Europe. For example, the District Court Mannheim as a rule issues enforceable decisions in main proceedings already after seven months, whereas the duration of opposition proceedings before the European Patent Office is two to three years. Only in cases of a high probability of success in opposition proceedings or nullity proceedings against the patent-in-suit, infringement judges may stay the proceedings and wait with their decision until the validity has been decided in the first instance. From a statistical point of view, this happens in less than ten to twenty per cent of the cases.

German Law offers an excellent possibility for those who want to enforce their rights to an invention very fast and very soon after the application of a patent. Besides a patent application, also a utility model application can be filed to protect an invention. The utility model is not examined on novelty and inventive step, but is merely registered. This happens within a few weeks, so the full scope of protection for the invention is not reached after an opposition procedure taking several years, but already a few weeks after filing with the Patent Office. A merely registered utility model offers the same rights as a granted patent. However, the duration of protection of a utility model is only ten years instead of twenty years, and seen in the long-term perspective, it cannot replace filing a parallel patent. However, for fast enforcement of protective rights against third parties, utility models are faster and more flexible. The German utility model is, therefore, often the first step in multinational lawsuits. A long time

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before a European patent will be granted, a decision can be rendered after infringement proceedings of about seven months, which tends to be Plaintiff-friendly, especially in cases of non-literal infringement which often have model character for later decisions in parallel patent infringement proceedings in other European countries due to the widely acknowledged quality of decisions of German courts.

In many cases, the German market being the largest national market within the European Union with more than 80 million consumers is of such high economic importance for the marketing of products within Europe that a Defendant, who has to cease and desist and pay damages due to an infringed utility model in Germany, may as a consequence stop his distribution in the whole territory of Europe. With a utility model granted after only a few weeks, the fast German infringement proceedings may jeopardize the whole-European marketing strategy of an infringing competitor. ■

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