



GERMAN ROUNDTABLE II

Validity practice (G 2/21) and update on preliminary injunctions

January 23, 2024



01

HIGHER REGIONAL COURT OF DÜSSELDORF - GLATIRAMERACETAT - I-2 U 124/22

October 12, 2023

HIGHER REGIONAL COURT OF DÜSSELDORF, OCTOBER 12, 2023 – I-2 U 124/22

- § 945 of the German Code of Civil Procedure (ZPO) provides for a strict liability concept, i.e. without fault (*Verschulden*):

“Erweist sich die Anordnung eines Arrestes oder einer einstweiligen Verfügung als von Anfang an ungerechtfertigt oder wird die angeordnete Maßregel auf Grund des § 926 Abs. 2 oder des § 942 Abs. 3 aufgehoben, so ist die Partei, welche die Anordnung erwirkt hat, verpflichtet, dem Gegner den Schaden zu ersetzen, der ihm aus der Vollziehung der angeordneten Maßregel oder dadurch entsteht, dass er Sicherheit leistet, um die Vollziehung abzuwenden oder die Aufhebung der Maßregel zu erwirken.”

“Should the order of a seizure or an injunction prove to have been unfounded from the start, or should the measure directed be repealed pursuant to section 926 subsection (2) or section 942 (3), the party that has obtained the order is under obligation to compensate the opponent for the damages that he has suffered as a result of the measure directed having been enforced, or as a result of the opponent having provided security in order to avert the enforcement or to obtain the repeal of the measure.”

HIGHER REGIONAL COURT OF DÜSSELDORF, OCTOBER 12, 2023 – I-2 U 124/22

- The decision extends the liability of the patentee in case of unlawful enforcement of a PI(!)
- Important headnotes of the decision (summary) (1/2):
 - There is no need to decide whether the strict liability concept of § 945 ZPO is compatible with the Enforcement Directive (cf. ECJ 2019, C-688/17 - Bayer v Richter), since the patentee acts knowingly and at his own risk (with fault) in view of a pending challenge to the validity of the patent (headnote 2).
 - In principle, all damages caused by the enforcement of the PI are compensable (headnote 3).
 - Contributory fault (*Mitverschulden*) of the defendant must be considered according to § 254 BGB (headnote 4).
 - If the amount of the patentee's profits exceeds the defendant's loss of profits, the difference can be claimed (in addition to) the loss of profits of the defendant(!) (headnote 6).

HIGHER REGIONAL COURT OF DÜSSELDORF, OCTOBER 12, 2023 – I-2 U 124/22

- Important headnotes of the decision (summary) (2/2):
 - To be able to quantify the patentee's profit, the patentee must provide the relevant information (§ 242 BGB) for the period of approximately one year prior to the enforcement of the PI, as this is the only way for the defendant to assess the extent to which business volume and profits have increased as a result of the unjustified forced absence from the market(!) (headnote 7).
 - When calculating lost profits, overheads are not deductible, as is the case with the infringer's profits (headnote 8).
- The further appeal (*Revision*) to the Federal Court of Justice was allowed and is pending (ref. IX ZR 201/23).

HIGHER REGIONAL COURT OF DÜSSELDORF, OCTOBER 12, 2023 – I-2 U 124/22

– Take away messages:

- All damages caused by the unlawful enforcement of the PI are compensable.
- Not limited to loss of profit suffered by the defendants.
- In addition, the defendant may claim patentee's profits in excess of the defendant's lost profits.
- For the purposes of the calculation, the patentee is obliged to provide information for up to one year before the PI is enforced.
- In the calculation of lost profits, overhead costs are not deductible.

– However, it remains to be seen whether the Federal Court of Justice will uphold the decision in its entirety.

HIGHER REGIONAL COURT OF DÜSSELDORF, OCTOBER 12, 2023 – I-2 U 124/22

– Possible consequences / TBD:

– Will the decision lead to

- more cases in which defendants attempt to assert their claims under sec. 945 ZPO?
- patentee's be more cautious when enforcing their patents in preliminary injunction proceedings?



02

CJEU: C-473/22 - MYLAN AB V GILEAD AND OTHERS

January 11, 2024

CJEU: C-473/22: MYLAN AB v GILEAD and others

- Background: Referral of the Finnish Market Court
- Finnish law provides for a strict liability concept
- History: Bayer v Richter 2019 (C-688/17)
- **Topic: Interpretation of Art 9(7) Enforcement Directive** (Directive 2004/48/EC)
 - Is a compensation regime based on strict liability considered compatible with Article 9(7)? **YES**
 - The court ruled:

“Article 9(7) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights must be interpreted as not precluding national legislation which provides for a mechanism for compensation for any injury caused by a provisional measure, within the meaning of that provision, based on a system of strict liability of the applicant for those measures, in the context of which the court is entitled to adjust the amount of damages by taking into account the circumstances of the case, including whether the defendant played a part in the occurrence of the injury.”

CJEU: C-473/22: MYLAN AB v GILEAD and others

– Conclusion / Take away messages:

- A damage compensation system with or without strict liability is compatible with the Enforcement Directive.
- In EU Member States with a strict liability system, the national courts must consider all elements of the case in order to adjust the appropriate compensation according to the circumstances of the case, i.e. the defendant's contributory fault (*Mitverschulden*).
- Consequences for the German concept of strict liability under § 945 ZPO? (-)

No need to amend § 945 ZPO in conjunction with § 249 BGB

CJEU: C-473/22: MYLAN AB v GILEAD and others

– Possible consequences / TBD:

– Will the CJEU decision lead to more forum shopping?

→ Patent holders may be inclined to sue in countries where there is no strict liability system.

– Article 60(9) of the UPCA states that the UPC 'may' order 'appropriate compensation' for the revocation of a PI order.

*“Where the measures to preserve evidence are revoked, or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of the patent, the Court **may order** the applicant, at the defendant's request, to provide the defendant with appropriate compensation for any damage suffered as a result of those measures.”*

→ an indication that a system of strict liability is not intended?

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