

# Europe's litigation powerhouse

Already Europe's number one patent litigation forum, Germany is becoming even more popular as a dispute resolution venue. Some of the country's leading practitioners explain why

By **Joff Wild**

Germany has always been Europe's most important patent litigation venue, but lately it has begun to attract even greater interest. As life becomes tougher for plaintiffs in the United States, many entities that in the past may have seen the US courts as their first stop when seeking to resolve global disputes are now considering Germany's more plaintiff-friendly environment as a genuine alternative. Not only is it relatively quick and cheap to enforce patents in Germany, but with success comes the prospect of an injunction – a vital tool in any dispute, but especially so in Europe's biggest and wealthiest market.

In this roundtable a group of leading German patent lawyers and attorneys – Markus Engelhard and Michael Rüberg of Boehmert & Boehmert; Arwed Burrichter and Gottfried Schüll of Cohausz & Florack; Jochen Bühling and Jens Künzel of Krieger Mes & Graf von der Groeben; and Christine Kanz and Mirko Weinert of ROKH IP – outline the key issues facing litigants in Germany and discuss how the forthcoming Unified Patent Court (UPC) regime might change things.

**What would you highlight as the main features of the German patent litigation system?**

**Michael Rüberg (MR):** In my view, the main features of the German patent

litigation system are the general availability of an injunction and the possibility to proceed to an enforceable first-instance decision on infringement even prior to a decision on validity; as well as the general efficiency of the system with regard to both costs and timing. Certainly, the injunction is the key focus of most patent owners, as damages awards are sometimes difficult to obtain. In contrast, an injunction ordering immediate cessation of the manufacture and sale of an infringing product can be obtained in eight to 12 months, and even within days when it comes to preliminary proceedings. The patent owner can thus quickly secure itself a strong position, from which a favourable settlement can often be achieved. Moreover, as the German system operates on the basis of cost compensation and does not provide for any US-style discovery, litigation costs are relatively low – often less than one-tenth of the costs of US patent litigation.

**Gottfried Schüll (GS):** The main feature of the German patent litigation system is the cumulative expertise of the specialised chambers and senates at all levels of the judiciary, based on tens of thousands of cases handled in recent decades. This has resulted in rich jurisprudence that addresses almost everything that can emerge in a patent case. This expertise has been accumulated thanks to the concentration of these cases in a few courts and a sustainable judicial staffing policy. Some say that this likewise applies to German attorneys at law and patent attorneys.

Case management is also very concise and comparatively straightforward, in terms of the papers produced and hours needed to try a case.

**Jens Künzel (JK):** The German patent litigation system provides for effective enforcement of patent rights against infringers. Lean proceedings make the system both time and cost efficient.

The bifurcation of infringement and invalidation proceedings contributes significantly to the attractiveness of the German system; while from the district court level upwards, cases are handled by specialised judges in specialised courts. A patent owner can also pursue its rights against infringers quickly by way of preliminary injunction proceedings.

The German system does not recognise pre-trial discovery, which might prolong proceedings and make them more costly. No jury is involved. Under German patent law, injunctions are generally available as remedies in cases of infringement.

On appeal, each case is heard *de novo*, with some limitations on the introduction of new facts and evidence.

**Christine Kanz (CK):** For me, the distinctive features of the German patent litigation system are the number of specialised courts, the front-loaded style of proceedings, bifurcation and the comparatively low costs involved.

By law, 13 courts in Germany handle patent litigation matters (12 infringement courts at state level and one Federal Patent Court dealing with invalidation actions). The most prominent have established two (Mannheim, Munich, Hamburg) or even three (Dusseldorf) permanent panels that deal with patent infringement cases.

In addition, patent litigation in Germany is subject to the front-loaded civil procedure, meaning that the plaintiff must fully explain in writing the basis of its allegations upfront and the defendant must likewise present an equally detailed defence. This system allows for the swift identification of the issues in question, a focused oral hearing and, in many cases, a decision without the need to take evidence.

The bifurcation of infringement and invalidation actions allows the infringement courts to deal with validity on a summary level.

Court fees and reimbursable attorneys' fees are fixed according to a statutory table, depending on the value in dispute.

### Why is Germany such a popular venue for patent litigation?

**GS:** Due to the expertise of those involved in German patent litigation, the proceedings are fast, predictable and reasonably priced.

Depending on venue, a first-instance

decision can be handed down within six to 12 months. In the faster venues there is a greater likelihood of staying a case or delaying complex proceedings. Appeals take one to two years.

Roughly 40% of all cases are decided in favour of the plaintiff, 40% are decided in favour of the defendant and 20% are stayed. This fair risk distribution makes Germany an especially popular venue.

Many cases are handled based on German minimum statutory fees, which are to be reimbursed by the losing party.

**Jochen Bühling (JB):** The German courts have developed established case law on many issues of patent law. This is also based on the extensive experience of the courts. Examples include claim construction, contributory infringement and the doctrine of equivalents. The system has proven to be cost and time efficient, while at the same time providing high-quality court decisions, which are also highly regarded in other jurisdictions. The lean system makes it possible to obtain a first-instance decision within a year. Appeals do not take much longer, so a final decision can thus be obtained within a relatively short timeframe. The bifurcation of invalidation and infringement actions slightly favours patent owners, in that it avoids frivolous attacks on validity that might otherwise slow down infringement proceedings.

At all levels, the German courts have established predictable guidelines that allow parties to seek legal advice from external counsel with a high degree of legal certainty. The profound expertise of judges and attorneys is widely recognised worldwide.

**Mirko Weinert (MW):** As Germany is one of Europe's major markets, many enterprises also offer their products or services in Germany. Thus, for plaintiffs, Germany is a promising 'hunting ground'.

In addition, the features described above create an environment in which a plaintiff can expect that an experienced infringement court will deal with its case quickly and at a foreseeable cost risk. First-instance infringement proceedings take between eight and 14 months from filing to judgment.

Since invalidation proceedings are usually slower (18 to 28 months), the plaintiff finds itself in an even more favourable position in Germany: it can enforce an infringement decision long before the issue of validity is decided.

**Markus Engelhard (ME):** In my view, three things have made Germany a popular venue



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for patent litigation. First, Germany became a popular venue for patent litigation soon after the end of World War II, and by the 1950s and 1960s the German courts had already handled numerous patent cases, even though patent litigation was still comparatively rare in Europe at the time. As a result of this accumulated expertise, German judges are highly familiar with complex technical matters, even though they are legally trained and qualified.

Second, when deciding where to litigate in Europe, a potential plaintiff will try to maximise the impact of its suit; this is most likely if the country and market affected by a court ruling are relatively big. Therefore, a favourable decision in Germany is much more beneficial to a patent owner than successful enforcement in smaller countries, such as Denmark or the Netherlands. Third, the German patent litigation system is fast and efficient, with preliminary injunctions available within a couple of days. The costs are also relatively low in comparison to those in other jurisdictions, such as the United States or the United Kingdom, making Germany an attractive place to sue infringers.

#### What potential is there for forum shopping in Germany and how advisable is this?

**JK:** Although the German patent litigation system limits jurisdiction over such cases to a relatively small number of specialist courts throughout Germany, there is still some room for forum shopping. Inevitably, some courts are more experienced and busier with patent litigation cases than others. The potential for forum shopping results from the fact that a court's jurisdiction may be established wherever infringement has been committed. In the internet age, this will be the case for most venues in Germany.

In practice, some courts are preferred over others. Certain aspects of the proceedings vary from court to court. If a court is known for making quick decisions without regularly employing court-appointed experts – such as Dusseldorf – this may make the court more attractive as a forum.

It is advisable to consider the different aspects of a case and weigh up all circumstances when choosing a venue.

**CK:** Forum shopping is possible and rarely deemed abusive. For example, if a defendant offers its products online in Germany, the plaintiff can choose from between any of the 12 infringement courts.

Moreover, under German law, it is fine to sue one defendant in one court and another defendant in another court (provided that they are not mandatory co-defendants) on the basis of the same patent. The first court decision may also influence the other courts; while this is an advantage for the plaintiff if the decision is favourable, an unfavourable decision could have the opposite effect. Thus, the decision on forum shopping should be carefully balanced.

**MR:** Forum shopping in German patent litigation is quite common. The patent owner can choose from between all 12 German patent infringement courts if the relevant product is offered or advertised in the whole country (which is commonly the case today due to online sales). However, in practice, most cases are handled by the patent courts of Dusseldorf, Munich, Mannheim and Hamburg, thanks to their long track records and experience.

Forum shopping between these four courts is also advisable, as each applies different procedural rules and has its own advantages and disadvantages. The Dusseldorf court handles by far the largest number of cases and is often a preferred choice. However, there may be good reasons to choose a different venue. For example, the Mannheim court has very good experience in telecommunications matters and proceedings before the court are fast; while the two-step oral proceedings at the Munich court can give a useful early indication of the merits of the case.

**GS:** As mentioned, a case can be brought before a certain patent court as long as the infringement has taken place within that district. Based on German forum selection rules, in the vast majority of cases infringement can be proven within the districts of more than one – or even all – of the competent courts.

Selecting the right court is key. The Ivy League courts are Dusseldorf, Mannheim, Munich and Hamburg. The Dusseldorf court handles about 60% of all German patent litigation cases, with three chambers and nine judges.

#### Anecdotally, more non-practising entities (NPEs) are now using German courts. Is this something that you have seen and, if so, why is it happening?

**MW:** We are indeed seeing an increase in litigation initiated by NPEs, particularly in the telecoms sector. As the German patent

litigation system has been established for longer than the phenomenon of NPEs, the mere fact that it is plaintiff friendly cannot fully explain this trend.

It is certainly fair to assume that NPEs – like many other plaintiffs – choose Germany as a forum because of the features described above. However, this does not explain the increasing number of NPEs. One reason could be that over the past decade, patent monetisation has evolved far beyond the usual licence and cross-licence scenarios. Likewise, standardisation and streamlining of comparably expensive mass products have created a new playground that may be attracting venture capital more easily than in the past.

**ME:** We have also seen NPEs pursuing patent rights before the German courts. The main reason is that the advantages of the German patent litigation system over those of other jurisdictions also apply to NPEs when acting as a plaintiff. Another reason is that judges generally do not treat NPEs differently from other patent owners. NPEs are not seen as a disturbing factor in the patent litigation landscape and therefore try to take advantage of the system like any other patent owner.

It remains to be seen whether and how this will change with the introduction of the new UPC patent litigation system. Nevertheless, the German courts are prepared to prevent abuse of the system by any plaintiffs, including NPEs.

**GS:** NPEs have always used the German courts, which do not discriminate between parties based on business model. Companies investing in intellectual property and especially patents are treated equally to every other party. This is true for universities and other non-profit organisations, as well as for funds investing in patents and patent portfolios.

There is no discussion in Germany about NPEs or trolls, as no misuse of the legal system exists. The cost burden for the defendant is limited and if it prevails, it will receive full reimbursement of its costs in many cases.

**MR:** The German courts are certainly seeing an increasing number of cases brought by NPEs. Also, a number of NPEs are considering moving their cases to Germany. One reason for this is the hostile environment towards patent owners, and in particular NPEs, in the United States, which is making this traditionally preferred choice of forum increasingly unattractive. Also, a

number of patents which are currently being destroyed in proceedings in the United States have a chance of survival in Europe, so litigation is bound to move across the Atlantic. While there is significant debate on limiting the rights of NPEs before the UPC and the German courts are aware of the issues surrounding NPEs, all remedies – including injunctions – are still available to NPEs in the German courts. On this basis, a lot of litigation is being brought to Germany with the aim of obtaining a pan-European or even worldwide settlement. An injunction in Germany can be a very powerful tool, as it allows the rights holder to block infringers from Europe's biggest and most important market, which is difficult for any company doing business in the continent to bypass. Also, if additional litigation is considered in other jurisdictions, a prior German court decision will usually carry some weight.

**A perennial issue for many non-German litigants is bifurcation. How does this work and what are the associated advantages and disadvantages?**

**ME:** Under the German bifurcated system, questions of validity are dealt with separately from questions of infringement, such that the infringement court acts on the presumption that the patent being enforced is valid. Hence, a defendant wishing to challenge the validity of the patent will not be heard by the infringement court, but must rather address the Federal Patent Court in separate invalidation proceedings, which are totally independent of the infringement proceedings. While a first-instance decision in infringement proceedings is likely to issue within 10 to 14 months, the parallel first-instance invalidation decision normally issues within 18 to 20 months. A defendant in infringement proceedings cannot challenge the validity of the patent; at best, it can argue that the infringement proceedings should be stayed because the patent is invalid – for example, due to lack of novelty or inventive step. A party that foresees an infringement attack by a patent owner would therefore be well advised to initiate invalidation proceedings well before the infringement proceedings commence, in order to have a realistic chance of obtaining a decision on validity from the Federal Patent Court before the decision in the infringement proceedings. Likewise, a plaintiff should try to be first to initiate proceedings in order to ensure that the infringement decision issues before any decision on validity. The typical timing of the two proceedings works in favour of the plaintiff.



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Christine Kanz has worked as an attorney since 1998. Although she primarily focuses on international patent litigation in the areas of pharmaceuticals, biotechnology and chemistry, she has also handled numerous cases in the areas of medical devices, mechanics and consumer products.

Much of her work involves cross-border litigation and she is thus highly experienced in handling and coordinating such cases. Dr Kanz started specialising in IP law during her legal internship in 1996. After attending the Max Planck Institute for Intellectual Property, Competition and Tax Law in Munich as an auditing student, she obtained her PhD in trademark law in 2002 from the University of Dusseldorf.

“The German courts are certainly seeing an increasing number of cases brought by NPEs. Also, a number of NPEs are considering moving their cases to Germany”

**Arwed Burrichter (AB):** Bifurcation means that separate courts decide on infringement on the one hand and validity on the other. Invalidation proceedings before the Federal Patent Court in Munich are considerably slower than infringement proceedings.

The defendant in infringement proceedings will thus seek a stay where it has initiated invalidation proceedings in Munich. The infringement court will evaluate the merits of the invalidation case; in doing so, it will take into account the fact that the patent has been granted based on the evaluation of a competent and respected authority (ie, the German Patent and Trademark Office or the European Patent Office (EPO)). If the court anticipates a high likelihood of revocation, the infringement proceedings will be stayed. Statistically, this happens in roughly 20% of cases.

**JK:** There are significant advantages to bifurcation. First, it helps to streamline the infringement proceedings, allowing the court to concentrate on the contested infringement issues. There is thus no delay in the assessment of vast amounts of prior art which the defendant might present in order to seek invalidation of the patent. On the other hand, the Federal Patent Court need not consider issues of infringement. Again, this allows it to focus on the specific problems concerning the validity of the patent in suit. Since the defendant in the infringement proceedings is forced to initiate separate proceedings as a petitioner, bifurcation also helps to avoid frivolous attacks against the patent which might otherwise be brought in order to delay the infringement proceedings.

The risk of divergent decisions is low. Again, the infringement court will not decide on validity, but will consider only the likelihood of success of a pending invalidation action. Problems may arise when the infringement court and the Federal Patent Court have different opinions as to claim construction. In this regard, it is the task of the representing attorneys to align their positions. In this context, timing

is essential. If a defendant becomes aware of an attack from a patent owner, it should evaluate and assess the validity of the patent at an early stage and at least prepare the necessary steps accordingly.

As the Federal Court of Justice is the final instance where infringement and invalidation actions end up, a common decision is safeguarded.

**CK:** In its decisions the Federal Patent Court does not consider questions of infringement; while in principle, the infringement court does not consider questions of validity. However, there is the discretionary possibility to stay the infringement proceedings pending the outcome of the invalidation action. In assessing whether to stay the infringement proceedings, the court will not discuss all details of the grounds for invalidation or take any evidence on questions of validity. It is up to the defendant to present its strongest arguments for invalidation.

While bifurcation facilitates speedy infringement proceedings, problems can arise when the timelines of the infringement proceedings and nullity actions deviate significantly. This creates a risk of enforcement of potentially weak patents – something which does not arise in non-bifurcation systems. Further, both courts must define the technical teaching of the patent and may ultimately reach different conclusions in this regard. However, this is accounted for in the appeal jurisdiction of the Federal Court of Justice.

**For US litigants especially, the lack of discovery may lead to a conclusion that the issues in a case are never as thoroughly scrutinised as they could be. Is this a fair criticism?**

**AB:** Based on experience from many multi-jurisdictional cases involving the United States and Germany, we have rarely experienced substantial factual evidence produced through discovery that influenced the outcome.

Theoretically, the US and German legal systems have diverging priorities of legal certainty on the one hand and individual justice on the other. Obviously, there are pros and cons to both. At least in parallel proceedings, there is no limitation under German law to make use of evidence material produced under, for example, US discovery.

**JB:** The German procedural rules require that both parties present the facts which

support their position. Only where facts are contested by the other side is a party required to produce evidence of those facts.

Practice shows that, in general, the parties obtain sufficient information on the infringement, the infringer and other relevant circumstances to substantiate their allegations and build a sufficient basis for their claims or their defence. In such cases additional discovery would not significantly improve the situation.

There are certainly cases where the parties lack relevant information. However, in this situation the fact that German civil procedure law does not recognise discovery does not leave the parties unsupported. The EU Enforcement Directive has introduced a number of tools and remedies through which patent owners can force a defendant to provide information (eg, about infringing goods or processes). Furthermore, German case law has developed proceedings to gather additional evidence which are similar to discovery proceedings and the French *saisie-contrefaçon*. The courts may issue an inspection order, which allows a court-appointed expert to inspect the defendant's premises and determine whether a patented invention has been realised by the defendant.

Thus, sufficient tools are available which allow the parties and the court to decide the case on a well-founded basis. The criticism that issues are never as thoroughly scrutinised as they could be is therefore unjustified. On the contrary, over-extensive discovery imposes additional burdens on both the parties and the court, and consumes significant amounts of time, money and other resources that could be better spent elsewhere. This is one of the advantages that foreign parties acknowledge in the German patent litigation system.

**ME:** In my view, the answer to this question is a philosophical one. The US system is designed to uncover the 'truth' about a case and its associated circumstances. This involves significant expenditure of efforts and costs, which some suggest prevents justice from being served because it appears to favour financially strong parties. The German system does not recognise discovery or jury trials, but nevertheless aims to establish the facts underlying a case. If a dispute arises between the parties over a particular fact, the court may consult outside experts or ask the parties to provide specific evidence to clarify the situation. Hence, in my view, the parties' right to be heard and to be able to present their

case is guaranteed, despite the absence of discovery.

**MW:** I would agree that it is neither fair nor sufficient to focus on one aspect of an entire system in this way.

First, there are procedural options for a plaintiff under German law to access the information that is necessary to prepare an infringement complaint under the German system (eg, inspection proceedings, orders for the production of documents, reversal of burden of proof). Second, while the type of internal information that one might have in mind when considering the advantages of discovery is useful – if not essential – in persuading jurors in a jury trial, it is usually of little to no interest in German-style litigation, where the patent owner enjoys the same rights (eg, injunction, damages) regardless of whether the infringement was wilful or inadvertent.

Finally – and tellingly – the outcomes of cases handled in parallel in Germany and the United States tend to be the same regardless of the lack of discovery.

#### **Should a winning plaintiff in a case count on being awarded an injunction?**

**JK:** As a fundamental principle, German patent law allows the patent owner to bring an unconditional claim for an injunction in case of infringement. As a general rule, there is no discretion for the court to award an injunction when finding infringement. In such cases an injunction must be awarded to the plaintiff if requested.

Therefore, in the vast majority of cases the plaintiff can count on being awarded an injunction if the court finds infringement and the proceedings are not stayed for reasons of invalidity.

Additional circumstances, such as irreparable harm, are not required in order to obtain an injunction. Nevertheless, under specific circumstances and in exceptional cases, a court can deny an injunction if seeking an injunction would be seen as an act of bad faith on the part of the plaintiff.

The threat of an injunction is the most powerful tool that is available to the patent owner in its negotiations with the infringer. This is mitigated by the court's discretion to deny an injunction where exercise of patent rights constitutes abusive behaviour.

**CK:** Under German law, the grant of an injunction is a direct legal consequence of a finding of patent infringement. Unlike in other jurisdictions, in Germany the courts have no discretion in this respect.



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Michael Rüberg is a German-qualified attorney and certified IP lawyer based in Munich. He combines distinctive experience as both a patent litigator in a leading international law firm and a former in-house counsel in the IP department of BMW AG, where he was involved in numerous multinational patent litigation and licensing projects. Today, Dr Rüberg is a partner at Boehmert & Boehmert, one of Germany's leading IP firms. Together with his team, he advises and represents international clients in patent litigation matters, including strategic counselling in cross-border disputes, as well as in a number of related areas, such as licensing and technology transfer.

The only legal barrier for the courts to consider is whether the injunction would be disproportionate. However, there is no case law thus far in which the courts have refused to grant an injunction on that basis. The bottom line is thus that once the plaintiff has successfully established infringement, an injunction will be granted.

**MR:** The injunction is undoubtedly the central feature of German patent litigation and is awarded as a necessary (statutory) consequence of infringement. Thus, other than in very exceptional cases, the German courts must award an injunction; so the plaintiff can count on this outcome should it succeed. However, there has been considerable debate as to whether an injunction should also be granted in cases involving standard-essential patents. Here, the German courts will consider a defence based on antitrust reasons – in particular, if the patent owner fails to accept an offer based on fair, reasonable and non-discriminatory (FRAND) terms. The importance of this defence may increase following recent case law of the European Court of Justice (ECJ).

**AB:** The award of an injunction is mandated by German patent law. There are only two relevant exceptions.

The first is where the public interest demands that a licence be granted. This has been found in very few cases, primarily in the pharmaceutical field. The second is in cases where the patent owner has abused the monopoly granted by the patent.

**GS:** As noted, this topic has been hotly debated in the standard-essential patent context. In practice, the exception is irrelevant. The ECJ's decision in *Huawei v ZTE* set out clear rules in this regard. It stipulates that in responding to an initial FRAND offer by the plaintiff, a defendant must propose FRAND royalties, render an account of its own use and post a bond for royalties due based on corresponding calculations. Only in such case might the plaintiff be precluded from an injunction.

**Are certain kinds of patent right reading on certain technologies more challenging to enforce in Germany? Is there any difference in the ways that courts might treat patents issued by the German Patent Office and the European Patent Office?**

**MW:** German infringement courts hear cases involving all possible technologies.

If the technical background is particularly complex, the infringement courts will likely account for that by extending the preparation phase, to give the parties more time to prepare their written briefs. On the basis of this preparatory work, the infringement court is usually in a position to decide even technically complex matters without reference to court-appointed experts. Thus, the challenge in such cases lies with the parties, especially the plaintiff, which must develop a clear line of argumentation, especially in technically complex matters.

Whether a patent has been granted by the German Patent and Trademark Office or by the EPO is generally irrelevant. The infringement courts and the Federal Patent Court are not biased towards any of these patents.

**ME:** As the German courts are well versed in all technologies, it is unlikely that certain technologies will be more challenging to enforce in Germany. However, the way that certain claim types are currently viewed and interpreted may leave some room for improvement in the eyes of many patent owners. As an example, second medical use claims are still interpreted rather narrowly; as a result, a potential infringer may find it relatively easy to avoid a finding of infringement through relatively simple and easily implementable measures.

**AB:** The complexity of the technology covered by a patent does influence the choice of venue. More complex cases are better off being heard by a court that takes a little more time for the proceedings, such as Dusseldorf.

Until the UPC has come into force, all patent will be treated equally by the infringement courts, regardless of whether they have been issued by the German Patent and Trademark Office or the EPO. At the Federal Patent Court in Munich, there is perhaps a tendency to give more respect to patents issued by the German Patent and Trademark Office.

**JB:** In general, the German courts are used to patent cases involving all kinds of technologies. Therefore, it would be fair to state that, in principle, there is not one kind of patent right which is more challenging to enforce than others. However, issues of invalidity should also be considered, even though technically these are not part of the infringement proceedings. It may sometimes be more

difficult for patents in the electronics field to overcome the strict views of the Federal Patent Court in invalidation proceedings with regard to the patentability of the underlying invention. The fact that software patents and business method patents are not recognised as such under German and European law sometimes makes it difficult to distinguish between the technical and non-technical parts of an invention. Regarding invalidation, the technical features may be considered, so that the risk of the invention not being novel or obvious in light of the prior art appears slightly higher than in other technological fields.

While in the past, German and European patents appeared to be assessed differently, this seems less significant today. However, there are still differences in the approaches of the EPO and the German Patent and Trademark Office and Federal Patent Court with regard to certain issues, such as sufficiency and amendments after grant. The German Federal Patent Court (and the Federal Court of Justice, as the court of appeals) seem to be more generous in allowing certain amendments, compared to the EPO.

**How might the creation of the single EU patent and the UPC affect patent litigation in Germany? Would you expect it to decrease as litigants switch to the new system?**

**GS:** The German Ivy League courts in Dusseldorf, Mannheim, Munich and Hamburg will all become venues under the new UPC system. Given the experience of the judges in those courts, the UPC courts are expected to uphold the valued qualities of the national courts.

While some contend otherwise, it is likely that the German UPC courts will not make excessive use of possible bifurcation. In particular, the availability of technical judges will increase the tendency to rule on validity at the same time, rather than deferring to the Central Division.

**JK:** The UPC and the single EU patent will offer additional opportunities for patent owners to seek protection and enforce their rights. With regard to how far it differs from the existing German system, it remains to be seen how it will be applied by users and implemented by the courts in practice. The introduction of any new system inevitably causes difficulties. Therefore, in the short term, the German litigation system will not be significantly affected. Patent owners will also have the

opportunity to opt out of the new system.

If the new system proves successful, this may have an impact on the German litigation system. There may be positive lessons to be learned which can help to improve the national system where there may be shortcomings in comparison to the UPC system. However, the local chambers of the UPC will likely handle a significant portion of cases under the new regime. In this regard, the overall patent litigation landscape may change,

**CK:** Under the newly proposed renewal fee system for the unified patent, the costs will be equivalent to the costs of a traditional European patent in four countries. On this basis, we will likely see three different types of patent in future: the national patent, the traditional European patent and the new unified patent.

The UPC will be the forum for litigating unified patents, as well as all traditional European patents whose owners have not opted out; whereas the national courts will have jurisdiction with respect to national patents and unified patents whose owners have opted out. The national courts and the UPC are thus competing only with respect to the litigation of traditional European patents. Bearing in mind the transitional period for opting out, as well as the lifetime of those European patents, this competition will continue for more than 30 years (the transitional period plus the lifetime of a European patent).

Against that background, I expect both systems to play a significant role in the European litigation landscape, even in the long term.

**MR:** This is certainly one of the most controversial subjects of discussion among German patent litigators right now and there are many different views. In my opinion, the first years of the unitary patent system may even lead to an increase in patent litigation in the national system, as I understand that most companies will initially opt out and may also consider changing their filing strategy towards the filing of national patents in selected European countries, including Germany.



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Mirko Weinert has worked as an attorney since 2007 and specialises in national and multinational patent litigation. He has gained extensive experience in all matters relating to IP rights with a technical background, as well as other areas of IP law. He particularly advises clients in the telecommunications, IT, pharmaceuticals, medical devices and mechanics fields. Before becoming an attorney, Dr Weinert worked as a research fellow at the Johann Wolfgang Goethe University in Frankfurt am Main, where he extended his expertise in procedural law and earned his PhD in 2006 with a thesis on interlocutory remedies.

While this should hold true at least for those patent owners which fear a centralised attack on their patents under the new system, other market players – particularly NPEs – might still be attracted by the new system and be keen to try their luck at the UPC. However, I doubt that the new system will be more favourable towards patent owners than the existing national system. In particular, injunctions will become discretionary, decisions on validity will likely be rendered at the same time as the infringement award, litigation costs may still increase and there will be a lot of uncertainty – particularly in the first few years – as to the quality of judgments. Also, the mere fact that one judgment will cover all of Europe does not necessarily mean that the commercial outcome will be better, as it remains unclear, for example, whether high damages awards will be granted under the new system. Thus, to me, the current German system – with its early injunctions and possibility of reaching an overall settlement on this basis – still seems more favourable to patent owners which are considering litigation and may continue to be for quite some time.

**If you had one piece of advice to offer a party thinking of filing suit in Germany, what would it be?**

**JB:** Do not overlook preliminary injunction proceedings. While most cases may be unsuitable for such proceedings, in certain circumstances the courts have issued preliminary injunctions where effective enforcement of the patent was at stake and the interests of the patent owner clearly outweighed those of the defendant in continuing the infringement until a decision was issued on the merits. This requires swift action on the part of the patent owner once all information on the infringement and the infringer has been collected. The situation should be assessed quickly, as well as the risk of possible attacks against the validity of the patent. These are decisive factors in evaluating the chances of success in preliminary injunction proceedings.

Although the courts tend to be hesitant in granting preliminary injunctions, this option should still be considered and may serve as an additional tool for the patent owner. Since preliminary injunction proceedings are available for a relatively short time only, due to the requirement of urgency, the situation must be assessed at a very early stage.

**MW:** KISS – Keep it short (and) simple. To profit from the speedy system in Germany, you must prepare your case diligently prior to filing the complaint. This not only relates to the content of the complaint, which of course must be drafted as clearly and convincingly as possible. It also requires avoiding from the beginning all potential side discussions that could offer the defendant the opportunity to add unnecessary complexity to the case.

**ME:** Expect the judges to have read and understood everything that you have submitted. Put as much emphasis as possible on what you include in your briefs, as this is the main stage where you can present your case in the most favourable light. As a plaintiff, choose a forum that is known to be patent owner friendly, such as Dusseldorf or Mannheim. As a defendant, consider filing an invalidation action as early as possible and make use of certain instruments – such as a protective memorandum – which are aimed at preventing a preliminary injunction from being issued without you being heard.

**MR:** Patent litigation usually serves a business strategy. Patent owners should therefore be aware that the German system works differently in supporting their strategic aims, in particular as compared to the US system. Hence, they should carefully consider how to benefit from the German approach and the different tools available. Remember also that most costs arise quite early in the proceedings, as cases must be well prepared and all evidence must be put together before filing suit. Thereafter, the patent owner can count on efficient and predictable proceedings, and will rarely face unexpected burdens or costs. Finally, patent owners should not be afraid to litigate in a foreign language system, as all attorneys involved in the German system are accustomed to providing instant translations and keeping clients well informed and ahead of developments.

**GS:** Under certain conditions, a patent owner may also take advantage of urgent proceedings and obtain an injunction as quickly as within one day. This is very helpful when patents are infringed at German trade shows. Also, a claim to inspect the defendant's premises is available in Germany. *iam*