



# FEDERAL SUPREME COURT

on behalf of the people

## Judgment

KZR 36/17

Announced on:  
May 5, 2020  
Anderer  
judicial clerk as clerk  
of the court's office

in the litigation

Reference book:       yes  
BGHZ:                   yes  
BGHR:                 yes

FRAND objection

TFEU Art. 102(2)(b), (c); ARC Sections 18, 19(2) Nos. 1 to 4

- a) The assertion of the claims for injunction, recall and destruction by the patent proprietor by way of action may also constitute an abuse if the infringer has not (yet) declared its legally binding willingness to conclude a license agreement under certain reasonable conditions, but the patent proprietor is to be blamed for not having made sufficient efforts on its part to meet the special responsibility associated with the dominant position and to enable an infringer who is in principle willing to license to conclude a license agreement.
- b) Special duties of conduct on the part of the dominant patentee may arise in particular from the fact that the infringer notified of the infringement has clearly and unambiguously expressed his will and willingness to conclude a license agreement with the patentee on reasonable and non-discriminatory terms, but is not, or at least is not readily, in a position to formulate on his own initiative the terms which the patentee must grant him in compliance with the prohibition of

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discrimination and hindrance which applies to him. The patent proprietor may be under an obligation to give detailed reasons for its license claim in order to enable the licensee to verify whether the license claim constitutes an abuse of the dominant position.

- c) The offer of a portfolio license agreement or another license agreement covering further property rights by a market-dominating owner of a standard-essential patent is in principle unobjectionable under antitrust law, at least to the extent that it does not oblige the licensee to make payments for the use of non-standard-essential patents and the remuneration is calculated in such a way that users who wish to develop a product for a specific, geographically limited area are not disadvantaged.
- d) The infringer may counter the patent proprietor's claim for damages with a claim for damages of its own based on the non-fulfillment of its claim to conclude a license agreement on reasonable and non-discriminatory terms. Such a counterclaim can only arise if the infringer demands from the patent proprietor (initially by expressing its willingness to license) the conclusion of a license agreement on FRAND terms and the patent proprietor fails to respond thereto in accordance with the obligations incumbent upon it due to its dominant position by either unlawfully refusing to conclude such a license agreement or by not making an offer on FRAND terms despite the patent infringer's willingness to license.

BGH, judgment of May 5, 2020 - KZR 36/17 - OLG Düsseldorf  
LG Düsseldorf

At the hearing on May 5, 2020, the Cartel Senate of the Federal Supreme Court (Bundesgerichtshof) by the Presiding Judge Prof. Dr. Meier-Beck, the Judges Dr. Berg and Dr. Tolkmitt, and the Judges Dr. Rombach and Dr. Linder

found in favor of the defendant:

On appeal by the plaintiff, the judgment of the 15th Civil Senate of the Düsseldorf Higher Regional Court of March 30, 2017, dismissing the defendant's cross-appeal, is set aside on the issue of costs and insofar as the Court of Appeal found against the plaintiff and the judgment of the 4th Civil Chamber of the Düsseldorf District Court of November 3, 2015, is not ineffective due to the parties' concurring declarations of settlement (injunction). To the extent of the reversal, the defendant's appeal against the judgment of the 4a Civil Chamber of the District Court Düsseldorf of November 3, 2015 is dismissed with the proviso that the words "during the call setup" are inserted after "user data rate negotiation" in the text specifying the mobile stations (I. 1) and that the order to destroy (I. 4) be limited to such products in the direct or indirect possession or ownership of the 1st Defendant that the 1st Defendant had in its possession or ownership by September 25, 2016, and that the order to recall (I. 5) be limited to such products that were manufactured and delivered by September 25, 2016.

The costs of the proceedings in the first and second instance are set aside against each other, and the costs of the appeal proceedings shall be borne by the defendants.

By law

Facts:

The plaintiff has been the registered proprietor in the register of the German Patent and Trademark Office since August 8, 2012, of the German part of European patent 852 885 (patent in suit), which was filed on September 25, 1996, claiming the priority of a Finnish application of September 25, 1995, and expired by lapse of time during the appeal proceedings. The applicant and initially registered proprietor was N..... . The Patent Court (judgment of October 6, 2017 - 6 Ni 10/15 EP) declared the patent in suit invalid to the extent of claim 12, which is relevant here, while dismissing the remainder of the action, insofar as it goes beyond the following version (amendments to the granted version are highlighted):

"A mobile station (MS) for a digital mobile communication system, characterized by comprising

at least one data call bearer service which covers several user data rates and which is determined for the mobile subscriber at the subscriber database of the mobile communication network,

means for carrying out a user data rate negotiation during call set-up for setting the user data rate to be used in a data transfer with the mobile communication network (BTS, BSC, MSC) and for establishing the data call with radio channel resources allocated according to the user data rate negotiated."

The defendant's appeal filed against this was unsuccessful (BGH, judgment of March 10, 2020 - X ZR 44/18, juris).

The defendants belong to the same group. The 1st Defendant sells cell phones and tablets in Germany. In September 2014, the 2nd defendant offered cell phones and tablets at the International Consumer Electronics Fair in Berlin. The cell phones and tablets challenged by the plaintiff support the GPRS (General Packet Radio Service) service. This is an extension of the GSM standard (Global System for Mobile Communications Standard). Both standards are the responsibility of the European Telecommunication Standard Institute (ETSI).

On April 10, 2013, the plaintiff submitted to ETSI the commitment statement shown in detail in Exhibit AR 3, according to which it was willing to license, inter alia, the patent in suit on fair, reasonable, and non-discriminatory (hereinafter FRAND) terms.

The plaintiff regards the offering of the challenged cell phones and tablets as an infringement of its rights under the patent in suit. It has filed a claim against the defendants for injunctive relief, information, rendering of accounts, destruction and recall, as well as for a declaration of its obligation to pay damages. The District Court ordered the defendants to pay damages as requested.

In the appeal proceedings, the parties unanimously declared the request for injunctive relief to be settled due to the expiry of the term of protection of the patent in suit. The plaintiff defended the judgment of the District Court with the proviso that the further claims are limited to acts of infringement until September 25, 2016. The Court of Appeal limited the finding on the obligation to pay damages to the damage caused by acts committed up to September 25, 2016. The Court of Appeal dismissed the claims for information and accounting as currently unfounded, insofar as information on costs and profits was requested, as it did the claim for destruction and recall.

In its appeal, which was allowed by the Court of Appeal, the plaintiff challenges the judgment of the Court of Appeal and, insofar as the Court of Appeal found to its disadvantage, seeks the reinstatement of the judgment of the District Court with regard to the part of the dispute that was not declared settled, whereby the plaintiff clarified at the oral hearing before the Senate that the claims are only being pursued in accordance with the limited version of the patent in suit and, with regard to the requested destruction, are limited to products that the first defendant had in its possession or ownership up to September 25, 2016, and, with regard to the requested recall, to products that were manufactured up to September 25, 2016. With regard to the requested destruction, the requests are limited to products that the defendant 1 had in its possession or ownership until September 25, 2016, and with regard to the requested recall, the requests are limited to products that were manufactured and delivered until September 25, 2016. In their cross-appeal, the defendants challenge their conviction.

Reasons for Decision:

The admissible appeal leads to the restoration of the judgment of the District Court to the extent requested by the plaintiff, insofar as the parties did not agree that the legal dispute was settled on the merits; the cross-appeal of the defendant remains unsuccessful.

I. The court of appeal did not err in law in assuming that the defendants made use of the technical teaching of the asserted patent claim 12 by offering and selling the challenged mobile radio-capable devices and thus infringed the patent in suit.

1. The patent in suit relates to a method for setting up a data call in a mobile communication system and a mobile station for such a system.

a) According to the patent in suit, modern mobile communications systems allow data calls in addition to voice calls. The data rate, i.e. the amount of data transmitted per time unit, can vary. To handle such calls, certain telecommunications services are required, whereby a distinction is made between tele services and bearer services. A bearer service is a telecommunications service for the transmission of signals between the user network interfaces. An example of this would be modem services (para. 2).

In the state of the art, an independent carrier service would be required for each user data rate (para. 3).

A mobile subscriber may be entitled to use telecommunication services or carrier services to different extents. For example, he or she may have access to different data services that require different carrier services to use. This requires that the network be informed of which specific carrier service is required for a data call. For example, according to the GSM mobile communications standard, the signal from

a mobile station to the mobile communications network to set up the call contains information about the required bearer service in a bearer capability information element (BCIE, para. 4).

However, such information about the service required for the call is lacking if the call originates from or is routed via the public switched telephone network (PSTN). In this case, the mobile communications network must be informed in some other way about the service required for the call.

In the prior art, a multi-numbering scheme was known for solving this problem, in which a mobile subscriber was assigned as many directory numbers as the number of desired services available for receiving incoming calls. The caller would dial the directory number of the mobile subscriber corresponding to the desired service. In the GSM system, the subscriber's services are stored in the Home Location Register (HLR), along with other information about the subscriber. This register is also used to store information about the assignment of directory numbers to the subscriber's services. In the location register, a specific BCI element indicating the type of call and the network resources required for the call was also linked to the directory number (Mobile Subscriber ISDN Number, MSISDN).

The associated number of different services has disadvantages for both the network operator and the mobile subscribers. In order for the mobile subscriber to be able to make data calls at different data rates, he or she must subscribe to several carrier services from the network operator. From the network operator's point of view, it is disadvantageous that a considerable amount of number space and database capacity is consumed.

b) The Court of Appeals, like the Patent Court in its judgment of October 6, 2017, assumed, following paragraph 8 of the specification, that the patent in suit was based on the technical problem of providing a digital mobile communications network

in which a fixed carrier service could handle as many data rates as possible.

This cannot be accepted. The determination of the technical problem serves to determine the starting point of the skilled efforts to enrich the prior art without knowledge of the invention, in order to assess in the subsequent examination for patentability, which must be separated therefrom, whether the proposed solution was anticipated or suggested by the prior art. In view of this, elements that belong to the patentable solution may not be taken into account when determining the technical problem (BGH, judgment of November 11, 2014 - X ZR 128/09, GRUR 2015, 356 marginal no. 9 - Repaglinid).

Accordingly, the patent in suit is based on the technical problem of providing a mobile station for a digital mobile communication system in which the use of different data carrier services with different data rates is enabled in a simple and effective manner (BGH, judgment of March 10, 2020 - X ZR 44/18, juris para. 16).

b) According to the invention, this problem is to be solved by a device whose features - factually in agreement with the Court of Appeal - can be divided as follows (feature added in the invalidity proceedings highlighted):



	Eine Mobilstation (MS) für ein digitales Mobilkommunikationssystem, umfassend	<i>A mobile station (MS) for a digital mobile communication system, comprising</i>
1.	mindestens einen Datenanruf-Trägerdienst, der	<i>at least one data call bearer service, which</i>
a)	mehrere Benutzerdatenraten umfasst und	<i>covers several user data rates and</i>
b)	für den Mobilfunkteilnehmer in der Teilnehmerdatenbank des Mobilkommunikationsnetzwerks bestimmt ist;	<i>is determined for the mobile subscriber at the subscriber data base of the mobile communication network,</i>
2.	Mittel,	<i>Means</i>
a)	<u>um während des Anrufaufbaus</u> eine Verhandlung über die Benutzerdatenrate durchzuführen, um die Benutzerdatenrate einzustellen, die in einer Datenübertragung mit dem Mobilkommunikationsnetzwerk (BTS, BSC, MSC) verwendet werden soll, und	<i>for carrying out a user data rate negotiation <u>during call set-up</u> for setting the user data rate to be used in a data transfer with the mobile communication network (BTS, BSC, MSC) and</i>
b)	um den Datenanruf mit Funkkanalressourcen aufzubauen, die entsprechend der ausgehandelten Benutzerdatenrate zugewiesen sind.	<i>for establishing the data call with radio channel resources allocated according to the user data rate negotiated.</i>

2. The court of appeal (OLG Düsseldorf, GRUR 2017, 1219) assumed that the defendants used this technical teaching contrary to Section 9 PatG and essentially justified this as follows:

Feature group 1 is fulfilled literally. By a mobile station "comprising" at least one data call bearer service, the patent in suit understands that the mobile station has means for executing a data call bearer service and can use this service for signal transmission with other user network interfaces. According to the mandatory requirement of the GPRS standard, the Quality of Service (QoS) information element (1E) includes multiple selectable data rates. Furthermore, Release 4 of the GPRS standard, with which the attacked devices are compatible, provides for storage of the user-related packet data protocol (PDP) context and the QoS profile generated from the quality of service information element in the location register. Since the carrier service uses the PDP context to transmit the data packets, it is intended for the mobile subscriber in a patent-pending database. It was irrelevant whether the challenged embodiments actually used carrier services that included multiple user data rates. Nor

was it relevant that, at the time of offering and marketing, the challenged embodiments did not yet have an entry in the location registry for the mobile subscriber.

By means in the sense of feature group 2, the patent in suit means that the mobile station is able to accept a changed data rate communicated by the mobile communications network in response to its request, provided that it supports it. A mobile station that, in the case of an unsupported data rate, leaves the data rate unchanged or drops the data call is also in compliance with the patent.

3. This assessment proves to be free of legal errors and also applies to the version of patent claim 12 supplemented in the patent invalidity proceedings by the additional feature of negotiation during the call setup.

a) The question of how claim 12 of the patent in suit is to be interpreted is a question of law and may be reviewed in its entirety by the appellate court (see BGH, judgment of September 7, 2004 - X ZR 255/01, BGHZ 160, 204, 212 - Bodenseitige Vereinzelungseinrichtung; judgment of May 20, 2008 X ZR 180/05, BGHZ 176, 311 marginal no. 19 - Tintenpatrone I). The interpretation by the Court of Appeal stands up to this review.

aa) A data call carrier service within the meaning of feature 1, taking into account the prior technical understanding of the skilled person who, according to the unchallenged findings of the Court of Appeal, has a (technical) university degree in the field of electrical engineering and profound knowledge of transmission technology as well as several years of practical professional experience in the development of mobile communication systems, is to be understood, in accordance with paragraph 2 of the patent specification in suit, as a communication service which effects data transmission at the user network interfaces of a telecommunications system.

(1) Contrary to the view of the cross-appeal, the data call is not necessarily a circuit-switched call, but can also be a packet-switched call, as the Court of Appeal, without expressly stating this, based its examination of infringement on by referring to the relevant section of the standard. It may be true that the problem solved by the technical teaching of the patent in suit arose from data transmission in circuit-switched calls and is also presented accordingly in the description of the patent in suit. However, this does not justify a corresponding limitation of the meaning of the patent claim, for which nothing else can be inferred from the description. The cross-appeal also shows no evidence for this. Its interpretation, which does not interpret the patent in suit on its own merits and in consideration of the prior art described in the description, but on the basis of the (subsequently published) standard, and which wants to contrast the section dealing with the circuit-switched data calls also described in the description of the patent in suit, which in its view are solely in accordance with the invention, with the section of the standard containing the specifications for packet-switched services, is incorrect due to this erroneous starting point.

(2) Multiple user data rates within the meaning of feature 1a include the data call carrier service if a specified carrier service can handle multiple data rates (see description of patent in suit, para. 8).

(3) The Court of Appeal correctly assumed that feature 1 only requires that the mobile station has means for executing a data call bearer service and can use this service for signal transmission with other user network interfaces. According to feature 2b, the use of the service depends on radio channel resources being allocated to the mobile station. Carrier services, as is also apparent from the description of the patent in suit, are provided by the mobile communications network, not by the mobile, and are intended to effect data transmission at the user network interfaces. Accordingly, the network must be informed which bearer service an incoming or outgoing call

requires (para. 4: *"A mobile terminating or originating call may therefore require any of aforementioned tele and bearer services, or combinations thereof, for which reason the correct service must be addressed to the mobile communication network"*). The Court of Appeal correctly pointed out that, in line with this, the embodiments in the patent application describe a request for a bearer service initiated by a call. Thus, in the embodiments, the mobile switching center (MSC) provided in a GSM system is responsible for checking whether it supports the requested service (*"In the compatibility check, the MSC checks whether it is able to support the service requested,"* para. 29).

Feature 1 thus describes a communication function that the mobile station must be capable of performing by virtue of its spatial and physical design and programming. The fact that the suitability of the mobile station for use of a data call carrier service (feature 1) comprising several user data rates (feature 1 a) cannot be determined independently of an interaction of the mobile station with the other components of the communications network, in particular the exchange, does not lead to a limitation of the subject-matter of the patent in suit to the use of the mobile station in a mobile communications system. The mobile station is claimed as a product. In principle, the protection of a product is not limited to its use for a specific purpose, even if this purpose can be derived directly from the claim. If indications of purpose, effect and function are part of a patent claim, they generally participate in its function of defining the protected subject matter and thus at the same time limiting it, if they define the device element to which they refer as such, which must be designed in such a way that it can fulfill the relevant function (see BGH, judgment of May 20, 2008 - X ZR 180/05, BGHZ 176, 311 marginal no. 17 - Tintenpatrone I, mwN), and this is also the case here. However, it is sufficient for this if the mobile station is designed spatially-physically and according to its programming in such a way that it can use at least one data call carrier service with several user data rates in interaction with the other components of a mobile communications system.

The same applies to feature 1 b. The Court of Appeal correctly assumed that this feature does not require that the mobile station be assigned to a mobile subscriber in the subscriber database of the mobile communications network; rather, it is to be understood as meaning that the mobile station has means with which such an assignment is made in the event that the data call bearer service is executed.

bb) According to Feature 2a, the mobile station must have means to conduct a negotiation on the user data rate to be used in a data call. For this purpose, it is not sufficient that after one side has communicated a desired data rate, the other side only has the option of accepting this proposal, and otherwise the connection is not established. According to the invention, a termination of the connection setup can only be considered if this counter-proposal is also not accepted (BGH, judgment of March 10, 2020 - X ZR 44/18, juris marginal no. 28). As can be seen from the examples of embodiments (paras. 28 to 44) which are consistent in this respect and which, according to paragraph 27, describe the establishment of a connection according to the teaching of the invention, a negotiation in the sense of feature 2a presupposes that a request for a certain data rate submitted by one side can be answered by the other side with a deviating proposal. This understanding is also expressed in the description, among other things, in the distinction made between recognized and negotiated data rates (paragraph 26, line 47; paragraph 33, right column, line 49). However, negotiation is also present if the bearer capacity information element BCIE does not specify a particular data rate but different user data rates and the other party can choose between them. In this case, too, the user data rate at which the bearer service is to be executed is not already fixed when it is first signaled, for example by the BCIE, but requires an additional decision by the addressee of the message.

cc) Due to the partial invalidation of the patent in suit, which is to be taken into account in the appeal proceedings according to established case law, the

negotiation of the user data rate as understood must take place during call setup.

dd) The appeal does not raise any objections against the interpretation of the further features of claim 12 by the Court of Appeal; it does not reveal any legal errors.

b) The appellate court did not err in law in concluding that the challenged embodiments implement claim 12 as granted, which was the basis of the appeal.

aa) The Court of Appeal rightly affirmed that characteristics 1 and 1a were fulfilled. For the reasons explained, the finding by the Court of Appeal that the challenged mobile stations have means for executing a carrier service covering several user data is sufficient for this purpose. For a patent infringement also exists if a device is regularly operated in such a way that the properties and effects according to the patent are not achieved (BGH, judgment of December 13, 2005 X ZR 14/02, GRUR 2006, 399 marginal no. 21 - Rangierkatze).

It is also irrelevant for the reasons explained (marg. no. 28) that a PDP context, on which the Court of Appeal relied, does not concern circuit-switched calls, but only packet-switched calls.

bb) Accordingly, feature 1b is also fulfilled. According to the unchallenged findings of the Court of Appeal, the challenged embodiments have means that contribute to the assignment of the mobile subscriber to the location register (HLR). It is irrelevant that in order to identify a mobile subscriber in the HLR, the mobile subscriber's International Mobile Subscriber Identity (IMSI) is required, so that a mobile station can only connect to the network when a SIM card on which the IMSI is stored is inserted into the mobile station.

cc) Since, according to the result of the interpretation, negotiation can also be assumed in the case that the information element does not specify a specific data rate but different user data rates and the other party can choose between these (para. 33),

the Court of Appeal was also correct in affirming the partial characteristic of negotiation according to feature 2a.

According to its findings, which are not objected to and which make supplementary reference to the findings of the District Court's judgment, the packet data protocol contains a Quality of Service Information Element (QoS IE). With reference to Table 10.5.138 of the GPRS standard, the court of appeal found that a range of data rates (namely from 0 kbps to the maximum data rate) can be requested by means of the QoS IE, from which the carrier service - obviously meaning the network providing it - can select. This also follows from the District Court's finding, referenced by the Court of Appeals, that Section 10.5.156 of the Standard Document (LGU 23; Exhibit AR 27a, p. 404) provides that the maximum bit rate is binary coded in 8 bits and specifies a range of bit values depending on the coding, e.g., between 1 and 63 kbps.

dd) Insofar unobjected to and without error of law, the appellate court further found that the challenged embodiments correspond to the further sub-features of feature group 2a and the further features of claim 12 of the granted version under assessment in the appeal proceedings.

c) The Court of Appeal did not deal with the new feature of negotiation during the call setup in the invalidity proceedings. However, it is clear from its findings that the challenged devices also fulfill patent claim 12 in this respect.

The cross-appeal challenges this primarily because it assumes that the patent in suit requires negotiation of the user data rate of a circuit-switched call. Since, as explained, this is not true, it is sufficient that the mobile devices within the meaning of the patent in suit comprise a carrier service for packet-switched data calls, in which the negotiation of the user data rate according to the invention is possible during the call setup.

That this is the case is clear from the findings of the Court of Appeal on the use of the PDP context in the activation procedure described in section 9.2.2.1 of the standard document TS 23.060. It may be that the activation of the packet data protocol can also take place automatically following a logon to the network independently of a connection establishment. However, this does not change the fact that in the case of a previously inactive PDP context, negotiation takes place during call setup.

Insofar as the cross-appeal seems to assume that a possible activation independent of a call set-up is contrary to the literal sense of the limited patent claim 12, because the patent court considered a "more broadly interpreted subject matter" as not having disclosed the origin, this is wrong. The current patent claim only requires the possibility of negotiation during call set-up, but does not thereby preclude such negotiation in other cases already during application to the network.

II. The assumption of the Court of Appeal that the claim directed to an order of the defendant to destroy and recall patent-infringing products is nevertheless unsuccessful because the defendant's objection to a compulsory license under antitrust law currently prevails in this respect, and that the claim for damages and information is therefore also only justified to a limited extent, does not withstand review under the law of review.

1. The Court of Appeal essentially stated in justification of its decision in this respect: The plaintiff has a dominant position in the market within the meaning of Article 102 TFEU. A mobile communications device without GPRS access is not competitive. According to the principles established by the Court of Justice of the European Union in the Huawei/ZTE case, the legal assertion of the aforementioned claims constituted an abuse of this dominant position. Although the plaintiff had already fulfilled its resulting duty to notify before the proceedings, it had not submitted a FRAND offer to the defendants despite its willingness to license, which it had declared before the proceedings and which continued to exist.



It is true that the declaration of willingness to license was not made until about a year after the plaintiff's first notice of infringement. However, this was harmless. The failure of a party to take a necessary step in due time does not result in material preclusion; the step in question can in any case still be taken before the action is filed. In addition, no circumstances had subsequently come to light that would give reason to assume that the willingness to license on the part of the defendant or its parent company had lapsed again in the meantime.

The offers made by the plaintiff constitute evidential discrimination against the defendants. With its license offers, Plaintiff treats Defendants unequally vis-à-vis one of its licensees, a Chinese state-owned enterprise, with respect to the amount of the license fees without a valid factual reason. In relation to the standard license agreement that the plaintiff publishes on its website, the license offers for the defendants do not provide for a discount, neither for the past nor for the future. In contrast, the third-party license agreement provides for a discount compared to the standard license agreement, which results in the defendants paying many times higher license fees for the past and for the future. The immensely high differences were neither objectively justified as quantity discounts customary in the industry nor because of the influence of the Chinese authorities on the conclusion of the third-party license agreement. Further peculiarities such as the third party licensee's status as a reference customer, the special distribution of risks in the blanket license agreement, and the different procedural situation with regard to the prospects of success in enforcing the patent in suit could not justify the amount of the discount granted, either in isolation or when viewed as a whole. Nor could the plaintiff successfully plead that the defendants had shown no interest in agreeing a license agreement on the basis of lump-sum payments. There were no sufficient indications that the defendants generally rejected lump-sum payments. The question of whether the defendants' counter-offers complied with FRAND conditions was irrelevant in the absence of a FRAND offer by the plaintiff.

In contrast, the enforceability of the claims for information and accounting as well as damages remains unaffected on the merits. However, the amount of damages to be paid is limited to the amount resulting from the application of the license analogy. As long as the license seeker complies with his obligations, he only owes damages on the basis of a FRAND license fee. Therefore, the accounting had to include only such data that were necessary for the calculation of damages according to this methodology. Information on costs and profit was not necessary for this purpose; in this respect, too, the action was currently unfounded.

2. The appeal rightly challenges the Court of Appeal's assumption that the plaintiff is guilty of abuse of a dominant position pursuant to Article 102 TFEU.

a) However, the appeal does not successfully challenge the Court of Appeal's affirmation that the plaintiff is an addressee of the standard pursuant to Article 102 TFEU.

aa) During the period of protection of the patent in suit, the plaintiff held a dominant position derived from it.

(1) The Court of Appeal correctly assumed that a dominant position within the meaning of Article 102 TFEU means the position of economic strength enjoyed by an undertaking which enables it to prevent effective competition being maintained on the relevant market by affording it the power to behave to an appreciable extent independently of its competitors and customers (ECJ, judgment of 14. February 1978, Case 27/76, Sig. 1978, 207 para. 63/66 = NJW 1978, 2439, 2440 - United Brands v. Commission; Judgment of April 19, 2012 - C-549/10 P, WRP 2012, 680 para. 38 - Tomra; BGH, decision of January 16, 2007 - KVR 12/06, BGHZ 170, 299 marginal no. 19 - National Geographic II; judgment of January 24, 2017 - KZR 47/14, WRP 2017, 563 marginal no. 25 - VBL-Gegenwert II).

(2) As the Court of Appeal did not fail to recognize, the applicant's dominant position does not already follow from the fact that it could exclude any third party from using the technical teaching of the patent in suit by virtue of the exclusive right granted to it. The exclusive rights to which the owner of an intellectual property right is entitled cannot alone constitute a dominant position (ECJ, judgment of April 6, 1995 - C-241/91, Slg. 1995, 1-743 = EuZW 1995, 339 marginal no. 46 - Magill TV Guide; BGH, judgment of July 13, 2004 - KZR 40/02, BGHZ 160, 67, 74 - Standard-Spundfass).

(3) A dominant position generally results from the coincidence of several factors, each of which need not be decisive in itself (ECJ, NJW 1978, 2439, 2440 - United Brands v. Commission). In this context, the determination of the relevant market is of essential importance (ECJ, judgment of November 26, 1998 - C-7/97, Slg. 1998, 1-7791 = WRP 1999, 167 marginal no. 32 - Oscar Bronner/Mediaprint; BGHZ 160, 67, 73 - Standard-Spundfass). The determination of a relevant supply market basically follows the demand market concept. According to this concept, the relevant product or service market comprises all products or services which, due to their characteristics, are particularly suitable for satisfying a constant demand and which are interchangeable with other products or services only to a limited extent (cf. ECJ, Slg. 1998, 1-7791 para. 33 - Oscar Bronner/Mediaprint; BGHZ 160, 67, 73 f. - Standard-Spundfass). If an industrial standard (as is the case here) or another set of rules that is observed by customers as if it were a standard (de facto standard) specifies a standardized design of a product that is protected by property rights and cannot be substituted by another product from the point of view of the other party to the market, the granting of rights that enable potential suppliers of this product to place it on the market in the first place regularly constitutes a separate market that is upstream of the product market (BGHZ 160, 67, 74 - Standard-Spundfass; cf. ECJ, judgment of April 29, 2004 - C-418/01, Slg. 2004, 1-5039 = WRP 2004, 717 marginal no. 44 - IMS Health).

(4) The assumption of such an independent license market requires thus first of all the determination that it is a standard-essential patent, i.e. the use of the patent-protected teaching is indispensable for the implementation of a standard (standardized by a standardization organization or enforced on the market) (BGHZ 160, 67, 74 - Standard bung barrel), so that it is generally not technically possible to circumvent it without losing important functions for the product market (cf. ECJ, WRP 2015, 2783 marginal no. 49 - Huawei/ZTE; European Commission, Decision of April 29, 2014 - C (2014) 2892 marginal no. 52 - Motorola). In addition, a prerequisite for an independent license market is that the technical teaching corresponding to the patent and the standard cannot be substituted by another technical design of the product (cf. ECJ, Sig. 2004, 1-5039 marginal no. 28 - IMS Health; BGHZ 160, 67, 74 - Standard bung barrel).

(5) The patent in suit is a standard essential patent. As explained (para. 36 ff.), a mobile station that complies with the specifications of the GPRS standard necessarily makes use of the features of claim 12 of the patent in suit. The specifications are mandatory, as the Court of Appeal found unobjected by the parties. It is thus decisive that the use of the technical teaching according to the patent cannot be substituted by another technical design of the mobile stations (cf. BGHZ 160, 67, 74 - Standard bung barrel). Furthermore, according to the findings of the Court of Appeal, which are not objected to, compliance with the GPRS standard is mandatory for every mobile device. It is not possible to switch to another technology, in particular to the predecessor version of GPRS (GSM) or to the successor standards (UMTS or LTE), because the predecessor version does not provide fast, competitive data transmission and sufficient network coverage for the successor standards is not always guaranteed. Accordingly, a mobile device without GPRS is not competitive, and a device that complies with the standard is therefore not substitutable for a cell phone that does not comply with the standard from the perspective of the other side of the market.

According to the unobjected findings of the Court of Appeal, this also applies in particular to the technology at issue here. Mobile devices that do not allow negotiation of the data rate within the meaning of the patent in suit require a large number of carrier services according to this. The available higher transmission speeds cannot be used in this way, so that mobile devices without the standard essential and patentable technology are too slow in comparison with mobile devices with this technology.

bb) The Court of Appeal did not fail to recognize that despite the barrier to access conveyed by the standard - and the resulting monopoly position on the licensing market relevant here - there may be exceptional reasons which can preclude the market dominance of the owner of a standard-essential patent (cf. England and Wales Court of Appeal, Judgment of October 23, 2018, [2018] EWCA Civ 2344 para. 225 f. - *Unwired Planet v Huawei*; Meyer in: 80 Jahre Patentgerichtsbarkeit in Düsseldorf, pp. 377, 389). However, it was unable to find any indications of this either in the submissions of the parties or in the circumstances of the case. The appeal challenges this without success, claiming that the Court of Appeal failed to recognize that significant countervailing power on the part of the patent users limits market power.

(1) The decisive factor for the question whether a dominant position of the plaintiff can be affirmed is not its bargaining power vis-à-vis a specific party, but the economic power which the patent in suit confers on the plaintiff vis-à-vis the entire market. Contrary to the opinion of the revision, the market power in the granting of patent licenses is thus not to be determined relatively, i.e. with regard to the strength ratio between a concrete buyer of the license and the patent holder.

(a) It is true that the structure of the demand market for patent licenses differs from that for goods and services. This is because, whereas in the latter case the buyer is dependent on concluding a contract with the supplier with market power in order to have access to the goods and services, it is possible for the patent user to have access to the goods and services even without reaching an agreement with the

(b)

patent proprietor to use the patent teaching disclosed in the patent and in the standard. However, contrary to the opinion of the plaintiff, it does not follow from this that market power of the owner of a standard-essential patent can only exist if the risk of legal action against an infringer is so high that the infringer is typically prepared to conclude a license agreement on terms that are significantly less favorable than would be the case under market conditions. This is because the structurally superior power position of the patent holder does not result from its bargaining power in negotiating licensing conditions, but from the legal possibility to demand from third parties that no products according to the invention are put on the market or remain on the market, to prevent this if necessary by an action for injunction, recall of the products and destruction, and thus to reserve for itself (or a licensee) the manufacture of these products (see ECJ, WRP 2015, 1080 para. 52 - Huawei/ZTE). A market access barrier already results from the fact that it is unreasonable to expect any company to operate on the market without prior licensing because of these legal obstacles (see ECJ, judgment of April 29, 2004 - C-418/01, Sig. 2004, 1-5039 = WRP 2004, 717 marginal no. 28 - IMS Health).

(b) It is obvious that the limitation of the claims of the owner of a standard-essential patent resulting from the patent infringement considerably weakens the negotiating position of the owner, since the means of pressure necessary for equal licensing negotiations is only available to him to a limited extent. This can have an effect in particular in cases where the infringer attempts to delay the conclusion of negotiations until the patent has expired ("patent hold-out" or "reverse patent hold-up", see Opinion of Advocate General Wathelet of November 20, 2014 - C-170/13, juris para. 42). However, this cannot fundamentally call into question the dominant position of the patent proprietor, but must (only) be taken into account when assessing the abusiveness of the legal assertion of the patent in the - always necessary - weighing of the mutual interests. For only the assessment of the conduct of a patent proprietor as abuse legitimizes the restriction of his rights and leads to the restriction of the enforceability of a patent.

(2) However, the dominant position of the owner of a standard patent exists only to the extent that and as long as the owner can prevent products covered by the patent from entering or remaining on the market on the basis of its legal position (ECJ, WRP 2015, 1080, para. 52 - Huawei/ZTE). This legal position regularly ceases to exist after the expiry of the term of protection of the respective patent, since claims against patent infringers directed to the future are ruled out. It is true that the expiry of the term of protection only leads to the Complete lapse of the claims for destruction and recall pursuant to Section 140a (1), (3) Patent Act in the event of disproportionality within the meaning of Section 140a (4) Patent Act. Otherwise, the claims are limited to such products which the infringer had in his possession or ownership until then or which were manufactured and supplied until then (Grabinski/Zülch, in: Benkard, Patentgesetz, 11th ed., Sec. 140a PatG Nos. 9, 16; Kühnen, GRUR 2009, 288, 291). This follows from the fact that the purpose of the claims mentioned is not limited to the elimination of the consequences of a (continuing) patent infringement, but that Sec. 140a PatG establishes independent claims which are also intended to have a general and special preventive deterrent effect as well as a sanctioning character (Draft Law to Combat Product Piracy, BT-Drucks. 11/4792, 27 f.; Kühnen, GRUR 2009, 288, 292). However, the patent holder can no longer generally prevent products based on the invention from being placed on the market after the expiration of the property right. Thus, the structurally superior power position of the patent proprietor ceases to exist.

cc) Pursuant to Article 102 TFEU, the dominant position must - as the Court of Appeal did not fail to recognize - exist on the internal market as a whole or at least on a substantial part of it. For this purpose, the market dominance on the territory of the Federal Republic of Germany as a substantial part of the internal market, as correctly established by the Court of Appeal, is sufficient (see ECJ, Judgment of November 9, 1983 - Case 322/81, Sig. 1984, 3461, para. 103 - Michelin/Netherlands; Judgment of November 26, 1998 - C-7/97, WRP 1999, 167, para. 36 - Oscar Bronner/Mediaprint).

b) However, the findings of the Court of Appeal do not justify the assumption that the plaintiff abused this dominant position.

aa) An action brought by a dominant patent holder who has undertaken vis-à-vis a standardization organization to grant licenses on FRAND terms may constitute an abuse of its dominant position if and to the extent that it is suitable to prevent products complying with the standard from entering the market or remaining available on the market (ECJ, WRP 2015, 1080, para. 54 et seq. - Huawei/ZTE; BGHZ 180, 312, para. 22 et seq. - Orange Book Standard). Accordingly, claims for injunctive relief (BGHZ 180, 312 marginal no. 22 - Orange-Book-Standard), recall and removal of products from the distribution channels (ECJ, WRP 2015, 1080 marginal no. 73 - Huawei/ZTE) or destruction (OLG Düsseldorf, GRUR 2017, 1219 marginal no. 220; OLG Karlsruhe, GRUR 2020, 166 marginal no. 87) may be abusive.

(1) However, even the owner of a standard essential patent is not per se prohibited from enforcing his patent by asserting injunctive and other claims on the product market (ECJ, WRP 2015, 1080 para. 46 - Huawei/ZTE). This is because the standard essentiality does not change the fact that the patent proprietor must only tolerate the use of his patent if he has either permitted the person who makes use of its technical teaching to do so or, in any case, must permit him to do so while observing his obligation not to abuse his market power (cf. ECJ, WRP 2015, 1080 nos. 53, 58 - Huawei/ZTE).

(2) The obligation to license presupposes, in turn, that the person who wants to use the patent or is already using it and has already brought patent-compliant products onto the market, although he does not have a license, is also willing to take a license to this patent on reasonable and non-discriminatory terms (ECJ, WRP 2015, 1080 para. 54 - Huawei/ZTE; BGHZ 180, 312 para. 27 - Orange Book Standard). This is because even the patent holder with market power does not have to impose the license on anyone and has no legal means to do so, since while the potential



licensee can demand that he conclude a license agreement, the patent holder is not entitled to such a claim, but is rather obliged to enforce claims for patent infringement against anyone who wishes to use the teaching of the invention but does not wish to conclude a license agreement in this regard.

(3) It therefore constitutes an abuse of a dominant position if the patent proprietor asserts claims for injunctive relief, destruction and recall of products although the infringer has made him an unconditional offer to conclude a license agreement on terms which the patent proprietor may not reject without violating the prohibition of Abuse or discrimination (BGHZ 180, 312 nos. 27, 29 - Orange Book Standard).

(4) In addition, the assertion of such claims by way of action may also be abusive if the infringer has not (yet) agreed to conclude a license agreement on certain reasonable terms, but the patent proprietor is to be blamed for not having made sufficient efforts to meet the special responsibility associated with the dominant position and to make it possible for an infringer who is in principle willing to license to conclude a license agreement on reasonable terms (cf. ECJ, WRP 2015, 1080 para. 54 et seq. - Huawei/ZTE).

(a) It follows that the patent proprietor must first draw the infringer's attention to the infringement of the patent in suit if the infringer is not aware that he is unlawfully making use of the teaching of the patent in suit by implementing a technical solution required by the standard (ECJ, WRP 2015, 1080, paras. 60-62 - Huawei/ZTE).

It is generally the responsibility of the infringer to ensure that no third-party technical property rights are infringed before starting to manufacture or sell a technical product (BGH, judgment of December 19, 2000 - X ZR 150/98, GRUR 2001, 323, 327 Temperaturwächter). However, in view of the large number of patents by

which a product may be affected, particularly in the field of information and telecommunications technology, it is regularly associated with considerable difficulties to obtain a complete and reliable overview of all relevant property rights, especially since this may require a more detailed examination of the subject matter and scope of protection of a large number of patents in individual cases (cf. ECJ, WRP 2015, 1080, marginal no. 62 - Huawei/ZTE). In contrast, the patent proprietor who wishes to bring a claim against the (alleged) infringer for patent infringement has already examined the allegation of infringement. In addition, the manufacturer of a standard-compatible product may expect to be allowed to use the teaching of a standard-essential patent anyway - even if only on the basis of a license agreement under reasonable conditions (ECJ, WRP 2015, 1080 nos. 53, 64 - Huawei/ZTE). The dominant patent proprietor may therefore not claim an injunction against the infringer, who is not aware of the infringement, without informing him of the infringement of the patent in suit and thus giving him the opportunity to assert his claim to conclude a license agreement on reasonable terms and conditions and thus avert the enforcement of the patent proprietor's claim to an injunction (see ECJ, WRP 2015, 1080, para. 71 - Huawei/ZTE).

(b) Furthermore, the dominant patentee may be prohibited from claiming injunctive relief from the infringer notified of the infringement of the patent in suit on the basis of this patent if the infringer has declared that it wishes to take a license to the patent in suit but is not, or at least not readily, in a position to formulate of its own accord the conditions that the patentee must grant to it in compliance with the prohibition of discrimination and hindrance that applies to it (cf. ECJ, WRP 2015, 1080 para. 63 f. - Huawei/ZTE).

In principle, it is up to the company willing to license to object to a license claim by the patent holder on the grounds that it violates the prohibition of discrimination or obstruction. In this respect, the principles on the burden of proof and presentation in court also apply to the parties' extrajudicial duties of conduct. The burden of proof

for unequal treatment and an impediment is also borne by the license seeker in court; while the patent proprietor bears the primary burden of proof for an objective reason for unequal treatment (Art. 2 of Regulation 1/2003). However, as in the case of a procedural secondary burden of proof, the patent proprietor may be obliged to substantiate his license claim in detail in order to enable the license seeker to verify whether the license claim constitutes an abuse of the dominant position due to the amount of the license rate or other conditions of the offered license. Otherwise, the company willing to license would be forced either to run the risk of being ordered to cease and desist in response to the patent infringement action brought by the patent holder, or to have to accept a royalty demand that is in any case potentially abusively excessive or otherwise potentially abusive contractual terms in order to safely exclude the risk of being ordered to cease and desist.

The obligation of the dominant patentee to explain and justify the license terms it considers fair, reasonable and non-discriminatory (FRAND) is not only, but especially, relevant if the patentee is not willing to grant a license only to the patent it intends to enforce by litigation if necessary, but wants to allow the use of that patent only under a portfolio license or other license agreement covering further IP rights.

In any case, such a link with further property rights is in principle unobjectionable under antitrust law insofar as it is not linked to claims that oblige the licensee to make payments for the use of non-standard-essential patents, and the remuneration is calculated in such a way that users who wish to develop a product for a specific, geographically limited area are not disadvantaged (cf. Communication of the European Commission on the EU's handling of standard-essential patents of November 29, 2017, COM[2017] 712 final p. 9). This is because even the dominant patent holder does not have to accept that the infringer, in order to defend an injunction action, wants to take a license only to the patent in suit, but not to the other patents that he equally needs to lawfully manufacture or lawfully distribute a product that complies

with the standard. Negotiations on worldwide portfolio licenses are therefore common and also benefit the user of the licensed IP rights from an efficiency point of view (Communication of the European Commission of November 29, 2017, COM[2017] 712 final p. 9). At the same time, however, the inclusion of a possibly large number of further patents increases the complexity of the facts relevant for the examination of whether the contractual terms required by the patent proprietor are in line with the obligations arising from its dominant position. The patent proprietor must therefore also provide sufficient information in this respect to the licensor willing to license.

(c) To what extent, to what degree of detail and at what point in time the information to be requested from the patent proprietor is required is a question of the individual case and depends in particular also on the respective reaction of the infringer (see ECJ, WRP 2015, 1080 para. 65 et seq. - Huawei/ZTE).

Since the special obligations of conduct imposed on the market-dominating patent proprietor are intended to enable the infringer to use the patent lawfully by concluding a license agreement on FRAND terms and thus to be able to avert the assertion of a claim for injunctive relief, the obligations of the patent proprietor are in any case no different in favor of the infringer from those which also otherwise affect the patent proprietor by virtue of its market-dominating position vis-à-vis a company willing to license. Otherwise, by putting the patent into use without concluding a license agreement, the infringer could obtain a competitive advantage over those companies that use or wish to use the patent on the basis of a license agreement on reasonable and non-discriminatory terms.

What constitutes reasonable and non-discriminatory terms of a license agreement in a particular case regularly depends on a variety of circumstances. As in other cases of (possible) abuse of a dominant position, the dominant patent proprietor is not generally obliged to grant licenses in the manner of a "uniform tariff" which grants all users the same conditions (BGHZ 160, 67, 78 - Standardspundfass). Such an obligation also does not result from the FRAND self-commitment declaration. This serves to ensure actual access to the standardization norm (cf. European Commission, Horizontal Guideline, ABl. EU C 11, 1 para. 285, 287). This purpose is fulfilled with regard to the prohibition of discrimination, if the standardization requirements set out in Art. 102 para. 2 lit. c TFEU and Section 19 (2) no. 3 GWB are observed. The prohibition of second-degree discrimination, i.e. discrimination against the trading partners of a dominant company on the upstream or (in this case) downstream market (Opinion of Advocate General Wahl of 20 December 2017- C-525/16, juris para. 74), protects against competition between trading partners being distorted by discriminatory conditions (ECJ, judgment of April 19, 2018 - C-525/16, WuW 2018, 321 marginal no. 24 - MEO; BGHZ 160, 67, 79 - Standard-Spundfass; BGH, judgment of April 12, 2016 - KZR 30/14, NZKart 2016, 374 marginal no. 48 - NetCologne). Furthermore, the binding and limiting of the market dominator's scope of conduct under antitrust law in a vertical relationship Aims to enable negotiation outcomes that are not influenced by the market dominance and take into account the interests of both contracting parties to a balanced extent. Since appropriate terms and conditions for a contractual relationship, in particular an appropriate price, are regularly not objectively determined, but can only be ascertained as the result of (possibly similar) negotiated market processes, the serious and purposeful participation of the company willing to license in the negotiation of appropriate contractual terms and conditions is of decisive importance (see ECJ, WRP 2015, 1080, nos. 65-68 - Huawei/ZTE).

This is to be taken into account in particular when examining the question of whether the infringer who has brought an action against a patent can rely on the fact that the patent proprietor did not enable him to take a license under FRAND conditions. This is because, unlike in the case of contractual negotiations, which a company willing

to license seeks prior to the commencement of use, the interest of the infringer may also be - solely or at least primarily - to hold off the patent proprietor as far as possible until the expiry of the term of protection of the patent in suit, because he is then no longer threatened with an order to cease and desist (cf. ECJ, WRP 2015, 1080, para. 65 - Huawei/ZTE). Such behavior is even more economically attractive if the licensing of a plurality of patents or a patent portfolio is at issue, but the patent holder only receives damages for the use of the patent in suit after its expiration.

The obligation of the dominant patentee to inform the infringer about the infringement and the possibility of taking a license and to make a license offer to the willing infringer is not an end in itself, but is intended to make it easier for the infringer to negotiate appropriate conditions with the patentee for his acts of use. Therefore, it is not sufficient after the first indication to establish further obligations of the dominant patentee if the infringer thereupon merely shows willingness to consider the conclusion of a license agreement or to enter into negotiations as to whether and under which conditions a conclusion of an agreement would be possible for him (see Opinion of Advocate General Wathelet of 20 November 2014 - C-170/13 para. 50). Rather, the infringer, for its part, must clearly and unambiguously declare its willingness to conclude a license agreement with the patent proprietor on reasonable and non-discriminatory terms, and must also subsequently participate in the license agreement negotiations in a targeted manner. The High Court of England and Wales (J. Birss) has aptly expressed this as "a willing licensee must be one willing to take a FRAND license on whatever terms are in fact FRAND" (EWHC, Judgment of 5 April 2017, [2017] EWHC 711 (Pat) para 708 - Unwired Planet v Huawei).

bb) Accordingly, the Court of Appeal did not err in law in finding that the plaintiff was not charged with abuse of its dominant position because it had not sufficiently informed the defendant of the infringement of the patent in suit and its willingness to license it on FRAND terms.

(1) Such notification shall draw the infringer's attention to the infringement and to the possibility and necessity of taking a license. In this respect, it is sufficient that the patent is designated and that it is stated in which concrete action the infringement is to consist. The latter requires - as the Court of Appeal correctly states - the designation of the type of infringing act as well as the attacked embodiments. Detailed technical or legal explanations of the infringement allegation are not required; the infringer must only be enabled - if necessary with expert assistance or by obtaining legal advice - to form a picture of the justification of the patent infringement allegation. The presentation of the infringement allegation on the basis of "claim charts", which is widespread in practice, is regularly sufficient, but not mandatory.

(2) The court of appeal correctly assumed that the infringement notices of the plaintiff satisfied these requirements.

According to the findings of the Court of Appeal, in a letter dated December 20, 2012, and two further letters from 2013 to the parent companies of the defendants, the plaintiff referred, among other things, to the patent in suit with its publication number and informed them that the group companies were infringing the patent in suit by manufacturing and selling mobile devices that implemented, among other things, the GSM standard. In doing so, the Court of Appeal assumed without error of law that the reference to the GSM standard also included the GPRS extension. No indications have been found that the allegation of infringement required further specification with regard to the relevant section in the standard. Moreover, the patent proprietor who has named the infringed patent and the relevant standard may expect the infringer to inform him within a short period of time if this information is not sufficient to identify the infringement

allegation. This also applies if - as here - a large number of patents and standards are named.

With the first infringement notice in the letter of December 20, 2012, the applicant also indicated that it offers licenses on FRAND terms.

(3) Rightly and unobjected to by the appellant, the Court of Appeal also considered the reference to the defendant's parent companies to be sufficient.

cc) On the other hand, the Court of Appeal's assumption that the plaintiff abused its dominant position by asserting the claims for destruction and recall of infringing products (remaining after the injunction claim had been settled due to the expiry of the term of protection of the patent in suit) does not stand up to review by the Court of Appeal because it did not offer the defendants a license agreement on FRAND terms, but rather because the contractual terms offered to the defendants were discriminatory. Its findings do not support the assumption that the plaintiff was obligated to submit a concrete contract offer because the defendants had shown themselves willing to license, nor the further assumption that the contract terms offered to the defendants were discriminatory.

(1) The Court of Appeal wrongly assumed that the defendants had agreed to conclude a license agreement on FRAND terms.

The Court of Appeal correctly saw that the defendant's declaration of December 12, 2013, i.e. more than one year after the first infringement notice, did not meet the requirements for an infringer willing to license, even in terms of time. An infringer who remains silent for several months in response to the infringement notice thus regularly indicates that he is not interested in taking a license. Contrary to the view of the defendant, the fact that the plaintiff did not submit the FRAND declaration until April 10, 2013 does not contradict this. For already with the first infringement notice in the letter



of December 20, 2012, the plaintiff pointed out that it offers licenses on FRAND terms.

The Court of Appeal nevertheless affirmed a willingness to license on the part of the defendant, since a declaration of willingness to license made outside the reaction period assumed by it, but before filing of the action, did not result in substantive preclusion, the "extra-judicial licensing procedure" was rather to be continued and the patent proprietor was again obliged to make an offer to the infringer on FRAND terms.

It is irrelevant whether this is correct. The appeal successfully challenges the Court of Appeal's assumption that the declaration of December 12, 2013 is a sufficient declaration of willingness to enter into a license agreement. The further statements of the defendant and its parent companies found by the Court of Appeal also do not express the serious willingness of the defendant to conclude a license agreement on FRAND terms.

(a) Since further findings in favor of the defendant are not to be expected, the Senate can interpret the defendant's declarations itself. It is true that the interpretation of declarations of intent is in principle reserved for the judge of the facts. However, it is not binding on the appellate court if it violates statutory or generally accepted rules of interpretation, laws of reasoning or principles of experience (see BGH, judgment of October 5, 2006 - III ZR 166/05, MDR 2007, 135). Even taking into account this limited standard of review, the statements of the Court of Appeal are not free of legal errors. The e-mail letter from the IP director of the defendant's parent companies dated December 17, 2013 (Exhibit AR 39) does not satisfy the requirements to be placed on the serious and unconditional willingness to take a license on FRAND terms (para. 83 above). It merely expresses the hope that a formal negotiation will be entered into ("*We hope to have a formal negotiation with you*") and asks for information about a prospective discount ("*You mentioned that there will be a discount if we sign the license timely.*").

*Please let me know the information such as specific discount amount and the current license royalty arrangement...*"). From the objective point of view of the plaintiff, the defendants did not indicate - and certainly not clearly and unambiguously - that they were prepared to conclude a license agreement on FRAND terms.

(b) The further letters of the IP director of the parent companies of the defendant were only examined by the court of appeal from the point of view of whether they would give reason to assume that the originally existing willingness to license had ceased to exist in the meantime. Since the letter of January 16, 2016 (Exhibit AR 51) contained the statement that one would be willing to take a FRAND license and pay royalties if German courts finally found an infringement and the validity of the patent in suit as well as another patent asserted in parallel litigation between the parties, this statement, as the appellate court correctly stated, did not satisfy the requirements either. This applies irrespective of the question, which was not examined by the Court of Appeal, whether and, if so, to what extent the defendants were permitted to restrict a willingness to take a license factually and geographically. For according to their letter, the defendants not only wanted to reserve - permissibly (ECJ, WRP 2015, 1080, para. 69 - Huawei/ZTE) - the possibility of having the question of the use of the patent in suit and its validity clarified by the courts, even in the event of a FRAND license agreement coming into existence, but also only made the declaration of willingness to license itself in conditional form. Such a conditional declaration of willingness to license is insufficient (BGHZ 180, 312 marginal no. 32 - Orange Book Standard).

(c) To the extent that the Court of Appeal inferred from the letter of March 23, 2016 (Exhibit AR 51) submitted during the appeal proceedings that the defendants continued to be willing to license, it can again be left open whether and to what extent a willingness to license declared after the filing of the action (and after the first instance conviction) can have an impact on the assessment of the patent proprietor's conduct under antitrust law. A willingness to license in the above sense cannot be inferred from the findings of the Court of Appeal. It also does not result from the content of the letter.

There is indeed the statement that one is willing *to take a FRAND license*, but at the same time it is pointed out that one's own position remains *unchanged* ("*To make a long story short, we wish to express that our position remains unchanged, namely that we are willing to conclude a FRAND license and we are of the opinion that our offer is FRAND*"; Exhibit AR 51 p. 3). From the objective recipient's point of view, this could only be understood by the applicant as meaning that the impermissible condition expressed in the letter of January 16, 2016 was to remain in place.

In view of this, it is not necessary to make a final assessment of whether the letter also expresses in further respects an unwillingness to enter into an open-ended negotiation process and to accept FRAND conditions with whatever content. This is indicated by the fact that the letter insists on its own counteroffer and states that it is not prepared to amend the offer as long as the applicant is not prepared to *specify the way in which* the other patents belonging to the portfolio *could be* infringed ("*As long as you remain unwilling to specify the way in which your patents (except EP504 and EP885) could be infringed.... we are not able to further amend our offer*"). From the objective point of view of the plaintiff, this suggested at the time a delaying tactic on the part of the defendant. It is true that when offering a portfolio license, the patent proprietor must provide the infringer with sufficient information on the patents belonging to the portfolio. However, this obligation does not go beyond what a party must present in good faith in contractual negotiations about a portfolio license. Not different from the infringement notice, the presentation of the nature of the respective infringing act as well as the challenged embodiments is sufficient. Detailed technical or legal explanations of the use of the respective patent are not required; the infringer must also in this respect only be enabled to form a picture of the infringement allegation - if necessary with expert assistance or by obtaining legal advice. If there is uncertainty about the justification of the infringement allegation, honest negotiating partners can be expected to enter into a discussion. The plaintiff had already fulfilled its obligation by letter dated December 20, 2012. It had enclosed a list of the 450 patents belonging to the patent portfolio. The fact

that the defendants, after more than three years, insisted on the formal position that the plaintiff was obliged to submit claim charts with regard to all patents is in any case an indication that the defendants, in view of the near end of the term of the patent in suit, were less interested in a successful conclusion of the negotiations than in further delaying them. This again applies irrespective of the question left open by the Court of Appeal as to whether and, if so, to what extent the defendants were entitled to reject the portfolio license offered, since the patent proprietor may at least expect an infringer who is in principle willing to license to invoke factual reasons for doing so.

It is true that the letter also requested that the plaintiff explain how the offered license had been calculated. However, it can be assumed in favor of the defendants that the plaintiff had not yet fulfilled its corresponding obligation. This only existed after the defendants had expressed their serious willingness to license.

(d) Finally, it can be left open whether the January 20, 2017 - and thus four weeks before the appeal hearing on February 16, 2017 - a willingness to conclude a FRAND license agreement can be inferred. At the time of the submission of this offer, the term of protection of the patent in suit had already expired. Consequently, due to the lapse of the dominant position, the plaintiff not only lacked a normative addressee status within the meaning of Art. 102 TFEU and Sec. 19 GWB, but it could also no longer permit the defendants to use the subject matter of the patent in suit, which had become patent-free, in the future. It was not obliged to retroactively legitimize the infringing acts.

(2) Without this being relevant, the findings of the Court of Appeal also do not support its assumption that the action constitutes an abuse of the plaintiff's dominant position because the plaintiff demanded discriminatory contractual terms from the defendants. The Court of Appeal did not consider whether, on the basis of the plaintiff's submissions, it was possible to establish that the plaintiff, by intimidating the defendants,

had or pressure from a foreign authority to grant preferential conditions to the third-party licensee. It erred in law in assuming that this could not constitute an objective justification for the unequal treatment.

Whether there is an objective justification for different prices is to be answered on the basis of a weighing of all interests involved, taking into account the objective of antitrust law aimed at freedom of competition (BGHZ 160, 67, 77; BGH, judgment of August 7, 2010 - KZR 5/10, WRP 2011, 257 marginal no. 23 - Entega II). The fact that a company is in a dominant position does not in principle prevent it from protecting its own business interests if these are attacked. It must be able to react to such an attack to a reasonable extent, insofar as the conduct is not aimed at strengthening the dominant position and abusing it (see ECJ, judgment of September 16, 2008 - C-486/06, Sig. 2008, 1-7139 para. 50- Lelos/GlaxoSmithKline). If, from the point of view of the plaintiff, it was economically reasonable, in the absence of realistic possibilities for enforcing its claims in court and in view of the threat of personal or other economic disadvantages, to accept an offer that was inadequate in itself in order to receive any consideration at all for the use of its property rights and to escape such threats by state bodies, this may, in the necessary weighing of all the interests involved, constitute an objective reason for maintaining its usual terms and conditions vis-à-vis other undertakings, provided that these are objectively reasonable and, in particular, do not impair the competitiveness of the other undertakings.

III. In response to the plaintiff's appeal, the judgment of the Court of Appeal must therefore be set aside insofar as the Court of Appeal found against the plaintiff. The Senate can decide the matter itself, since further findings are neither necessary nor to be expected and the dispute is therefore ripe for final decision.

Insofar as the parties did not declare the dispute resolved on the merits due to the expiry of the term of protection of the patent in suit, the judgment of the District Court is to be restored to the extent of the claims further pursued by the plaintiff and the appeal dismissed, since the plaintiff is entitled to the claims for information, rendering of accounts, destruction and recall as well as the claim for damages pursued with the request for a declaratory judgment.

1. As a result of the patent infringement, the plaintiff has a claim against the defendants under Sec. 140a (1), (3) Patent Act for destruction and recall of the infringed products.

a) The expiry of the term of protection, as already explained (para. 65) and as the Court of Appeal rightly assumed, apart from cases of disproportionality, only has the consequence that the claims are limited to those products which the infringer had in his possession or ownership until the expiry of the term of protection or which were manufactured and supplied until then. The plaintiff took this into account by making it clear at the oral hearing that it would pursue the claims only to this limited extent.

b) According to the findings of the Court of Appeal, which remain unobjected to, the defendants, who have the burden of proof and presentation in this respect, have not presented any special circumstances and there are also no indications that the claim is disproportionate here pursuant to Sec. 140a (4) Patent Act.

Such special circumstances do not arise in the case at issue from the fact that the patent in suit had expired approximately six months before the judgment of appeal was issued (see BGH, decision of September 25, 2018 - X ZR 76/18, GRUR 2018, 1295 marginal no. 6 Werkzeuggriff).

2. The defendants are also obliged to pay damages to the plaintiff pursuant to Sec. 139 (2) Patent Act and must provide the plaintiff with the information necessary to enable the plaintiff to quantify its claim for damages. The claims are limited in time due to the expiration of the term of protection. The plaintiff took this into account in the appeal proceedings by referring the claims to acts of infringement up to September 25, 2016.

a) Without error of law, the Court of Appeal affirmed the fault in the form of negligence required for the claim for damages also for the period before receipt of the plaintiff's first infringement notice. This is because the obligation of the owner of a standard-essential patent does not change the fact that it is fundamentally the responsibility of the infringer to ensure that the property rights of third parties are not infringed before starting to manufacture or sell a technical product (BGH, GRUR 2001, 323, 327 - Temperaturwächter). It is true that in view of the large number of patents which may affect a product, particularly in the field of information and telecommunications technology, it is very difficult to obtain a complete and reliable overview of all relevant property rights (see ECJ, WRP 2015, 1080, para. 62 - Huawei/ZTE). However, this information deficit is not due to the conduct of the patent proprietor and therefore does not justify a deviation from the otherwise applicable due diligence standard.

b) The assumption of the Court of Appeal that the amount of damages to be paid by the defendants is limited to that which would result from a license analogy would not be fully applicable even if the starting point of the Court of Appeal were correct, namely that the plaintiff had abused its dominant position with the action for an injunction.

The assertion of a claim for damages due to patent infringement, as the Court of Appeal also does not fail to recognize, does not in principle constitute an abuse of the dominant position of the patent proprietor, even in the case of a standard-essential patent (ECJ, WRP 2015, 1080, para. 74 -- Huawei/ZTE). The infringer can therefore only counter the patent proprietor's claim for damages with a claim for damages of its own based on the non-fulfillment of its claim to conclude a license agreement on reasonable and non-discriminatory terms and by virtue of which it can demand to be placed in the position it would be in if the patent proprietor had fulfilled this claim without delay. Such a counterclaim can therefore only arise if the infringer demands the conclusion of a license

agreement on FRAND terms from the patent proprietor (initially by expressing his willingness to license) and the patent proprietor does not respond thereto in accordance with the obligations incumbent upon him due to his dominant position in the market by either unlawfully refusing to conclude such a license agreement (cf. BGHZ 160, 67, 82 - Standard-Spundfass) or by not making an offer on FRAND terms despite the patent infringer's willingness to license.

c) Accordingly, a limitation of the plaintiff's claim for damages in the case in dispute is completely ruled out. At least during the term of protection of the patent in suit, the defendants, as stated, did not sufficiently indicate their willingness to conclude a contract on FRAND terms.



3. the decision on costs, insofar as it does not reproduce the decision of the Court of Appeal pursuant to Section 91a ZPO, which is not subject to review in the appeal proceedings, is based on Section 97 (1) ZPO.

Meier-Beck

Berg

Tolkmitt

Rombach

Linder

Lower instances:

Düsseldorf District Court, decision dated November 03, 2015 - 4a O 93/14 -

OLG Düsseldorf, decision dated 30.03.2017 -1-15 U 66/15 -