

Mock Trial Japan 2018 - Germany

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➤ Recital of discussion from written preliminary proceedings

- Discussion on infringement
- Discussion on lack of inventive step

➤ Oral hearing

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- Judgement

INTRODUCTION INTO GERMAN PATENT LITIGATION

GERMAN PROCEEDINGS

Introduction

- Assessment of infringement on facts presented by parties
- Front loaded (written) procedure
 - However: oral hearing latest date to present evidence
- Strict case management by the Presiding Judge
 - Explicit Deadlines for written submissions
 - Trial date is generally set at an early stage
 - Judges usually give their preliminary view and hearing only focus on deciding issues
- Focus on infringement
 - Dual-track system (separation between infringement and validity proceedings)
 - Assessment of damages in subsequent proceedings

FRONT LOADED PROCEEDINGS

Specific Pleadings

- All submissions must contain the relevant facts and statements
- The complaint must include:
 - Explanation of the patent(s) in suit
 - Details of the infringing product(s) and corresponding actions of the defendant
 - Explanation why the product infringes the claim(s) (based on a feature analysis)
- The statement of defence must include:
 - All the facts why defendant disputes the infringement
 - Any further defences such as prior use right, license defences etc.
 - If a stay of the infringement action is requested on an auxiliary basis, the Defendant has to attack the validity of the patent(s) in suit in the correct forum and explain in the statement of defence why that attack has a high likelihood

of success

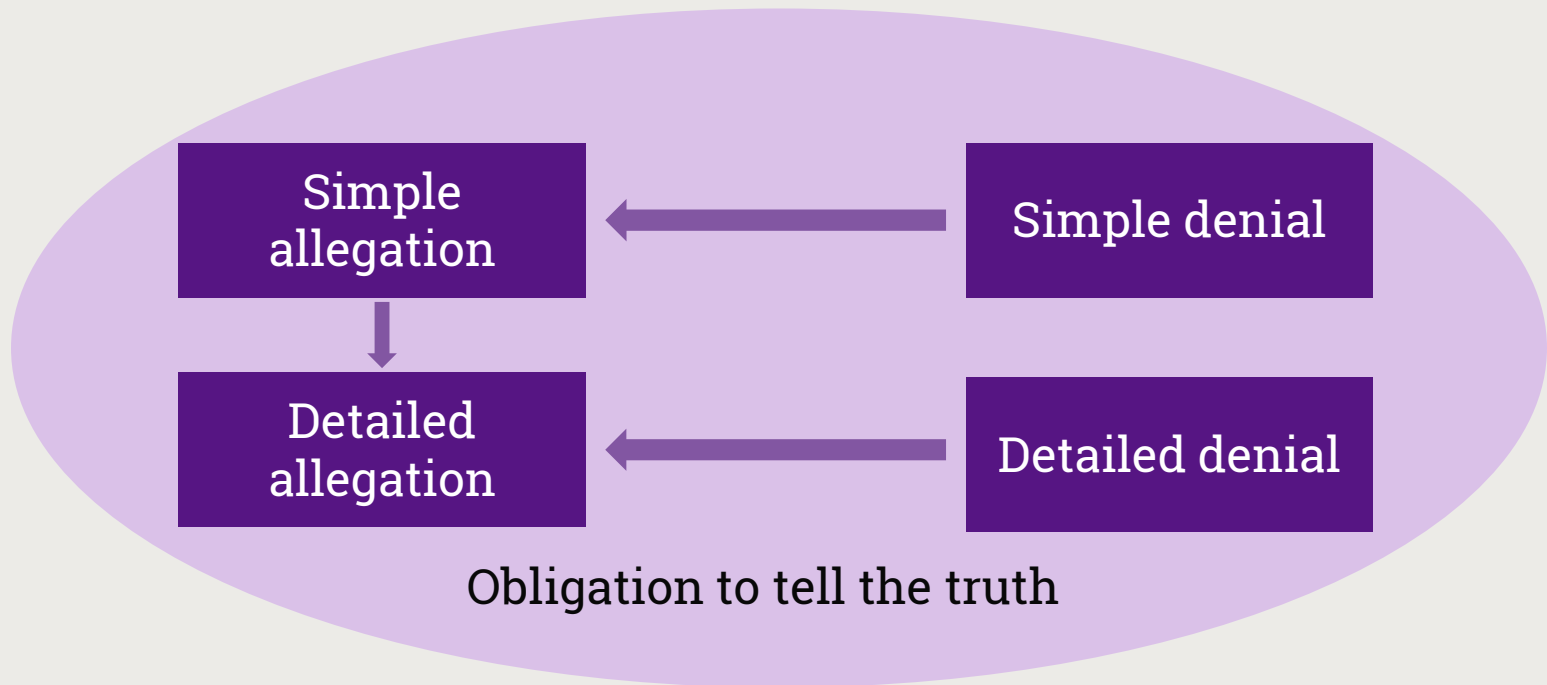
ASSESSMENT OF FACTS

Generally no evidence taking necessary

- Facts that are not contested deem to be true, Sec. 138 (3) German Code of Civil Procedure
- Obligation to dispute facts with the same level of detail as they are alleged, Sec. 138 (2)
- Obligation to tell the truth, Sec. 138 (1)

LEVEL OF SUBSTANTIATION

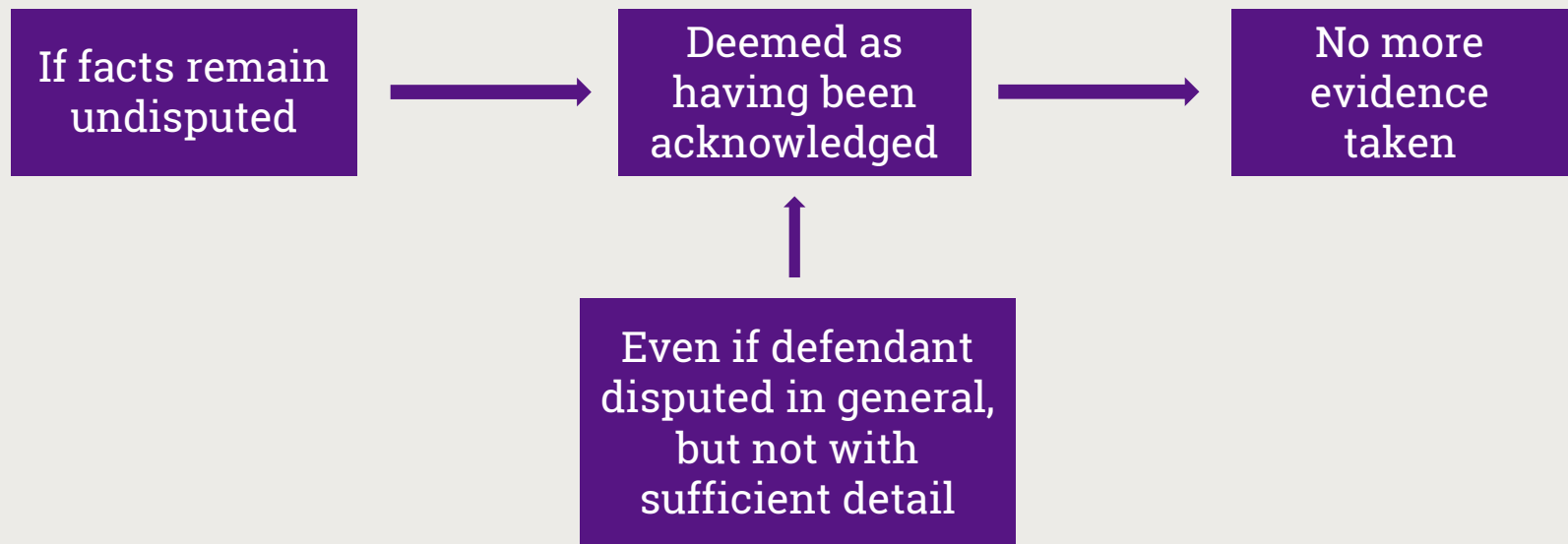
Same level on both sides



RELYING ON UNDISPUTED FACTS

Necessity of substantiation

- Plaintiff can file complaint based on a “substantiated allegation” and wait and see which facts are/can be disputed truthfully by Defendant



LIMITED NUMBER OF ADMITTED MEANS OF EVIDENCE

Only five potential means of evidence to prove infringement

- Interview of witnesses
- Court appointed experts
- Inspection
- Documents
- Interview of the opponent

➔ In PI proceedings further means of evidence are allowable (e.g. affidavit)

FOCUS ON INFRINGEMENT

First infringement – then damages

- Only one case of infringement needs to be established
- Defendant has to assert nullity in separate revocation proceedings before Federal Patent Court
- Typically claimant requests:
 - Injunction
 - Recall/destruction of infringing goods
 - Accounting information for determining damages
 - Finding liability
- Determination of damages as a second step after information was given

FOCUS ON INFRINGEMENT

Predefined set of admissible actions

- Strict priority of the action for performance
- For successful declaratory action, a legitimate interest in a declaratory judgement is required, Sec. 256 German Code of Civil Procedure
- Claimants requests are typically prespecified

DUAL-TRACK SYSTEM - OVERVIEW

Infringement Action

Revocation Action

Regional Court



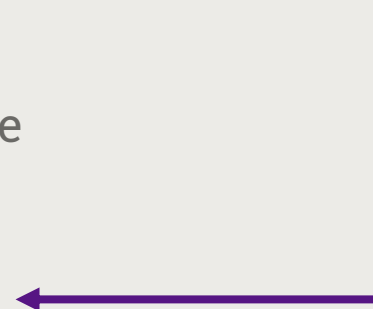
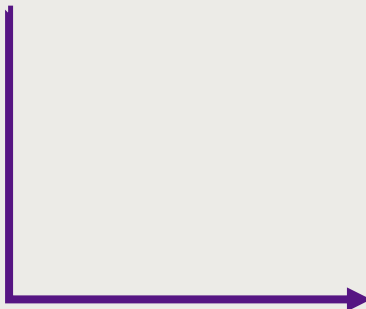
Higher Regional Court



Federal Patent Court (FPC)



Federal Court of Justice (FCJ)



**MOCK CASE – COURT
PROCEDURE**

RECITAL OF DISCUSSION FROM WRITTEN PROCEEDINGS BEFORE THE HEARING

Discussion on infringement

1. Plaintiff's allegations

- Functional construction: fully sufficient if some part of rotary shaft is directly supported by inner surface of shaft hole
- Feature F serves to solve problem of instability: implemented as long as force is being mitigated through small clearance
- Concave portions of Product Y are only additional feature of embodiment

2. Defendant's allegations

- No denial that Product X is infringing
- Refutation for Product Y: different technical solution; construction must come to conclusion that whole clearance must be less than 20 μ m \neq concave portions

RECITAL OF DISCUSSION FROM WRITTEN PROCEEDINGS BEFORE THE HEARING

Discussion on lack of inventive step

1. Defendant's allegations

- Combination of rotary valve and the Main Cited Invention is strongly suggested by Gazette 085: specifically suggests a clearance being less than 20µm
- Points out that he has filed an action for annulment with the Federal Patent Court (§ 81 German patent law); requests to suspend the infringement case (§ 148 German Code of Civil Procedure)

2. Plaintiff's allegations

- Not obvious from the two Cited Inventions to only use the clearance for stabilization
- Gazette 085 does not suggest to only use small clearance as it uses gas stabilization

ORAL HEARING

Introduction by Judge

- Focus on infringement → Dual-track system in Germany
- Feature F is decisive: crucial how the phrase “directly supports” in combination with “the clearance between them” has to be constructed
- Description of patent suggests that stabilization of rotary shaft works only via small clearance with less than 20µm
- Drawing of patent specification does not suggest that there can be no immersions on the rotary shaft; includes rotary valves that naturally breach outer surface → not every point of shaft closer than 20µm

- Judge invites parties to discuss raised issues

ORAL HEARING

Parties' allegations

1. Plaintiff's allegations

- Every feature has to be constructed in regard of its part in solving the problem of the invention
- Gap that will be caused by the tilt of the rotary shaft shall be mitigated: obtained solely by a very small clearance
- Drawing shows that solution is not disturbed by immersions in rotary shaft

2. Defendant's allegations

- Argues for stay of action in view to parallel nullity action
- Description obviously states that problem shall be solved via small clearance; Product Y uses gas pressure to stabilize rotary shaft

ORAL HEARING

Interlude

1. Judge's indication

- ▶ Sees problem with validity of patent claim under the current construction as he sees lack of inventive step → asks Plaintiff to react to this

2. Plaintiff's reply

- ▶ Plaintiff corrects claim and declares that he will add an auxiliary request in nullity proceedings matching the corrected claim

3. Discussion

- ▶ Defendant protests the introduction of the amended claim: not examined for its novelty and inventiveness
- ▶ Plaintiff argues that all relevant prior art is present in the nullity action and infringement action

ORAL HEARING

Judgement

- There will be no decision on the original claim
- Product Y now does not infringe patent claim anymore; however, Product X is still infringing
- As Court finds infringement by Product X, it is decisive if patent itself will be revoked by the Federal Patent Court
- Judge: Dual-track system leads to general rule, that infringement Court may only suspend case if the Federal Patent Court will probably revoke patent; infringement Court can only decide summarily on the nullity issue and has discretion whether he suspends the infringement proceedings
- As plaintiff has corrected claim, Judge does not see a sufficient probability for revocation of patent; Judge decides not to suspend proceedings

Thank you for your
attention