


FRAND in Germany

recent case law and perspective

Young EPLAW 2017
 Brussels, 24 April 2017
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Recent Decisions in Germany

- 10 March 2015: Regional Court Mannheim, 2 O 103/14
- 26 March 2015: Regional Court Düsseldorf, 4b O 140/13
- 23 April 2015: Higher Regional Court Karlsruhe, 6 U 44/15 (stay of enforcement of the decision of Regional Court Mannheim of 10 March 2015, 2 O 103/14, see above)
- 3 November 2015: Regional Court Düsseldorf, 4a O 93/14
- 27 November 2015: Regional Court Mannheim, 2 O 106/14, 2 O 107/14 and 2 O 108/14
- 13 January 2016: Higher Regional Court Düsseldorf, I-15 U 66/15 (stay of enforcement of the decision of Regional Court Düsseldorf of 3 November 2015, 4a O 93/14, see above)
- 29 January 2016: Regional Court Mannheim, 7 O 66/15
- 4 March 2016: Regional Court Mannheim, 7 O 23/14, 7 O 24/14 and 7 O 96/14
- March 2016: Regional Court Mannheim, 7 O 26/14
- 31 March 2016: Regional Court Düsseldorf, 4a O 73/14 and 4a O 126/14
- 9 May 2016: Higher Regional Court Düsseldorf, I-15 U 36/16 (regarding the decisions of Regional Court Düsseldorf of 31 March 2016, 4a O 73/14 and 4a O 126/14, see above)
- 31 May 2016: Higher Regional Court Karlsruhe, 6 U 55/16 (stay of enforcement of the decision of Regional Court Mannheim of 4 March 2016, 7 O 96/14, see above)
- 1 July 2016: Regional Court Mannheim, 7 O 209/15
- 28 October 2016 Regional Court Mannheim, 7 O 241/15
- 17 Nov 2016: Regional Court Mannheim, 7 O 19/16
- Nov 2016: Higher Regional Court Düsseldorf, guidance to the parties; 30 March 2017: appeal decision, I-15 U 65/15, 15 U 66/15 (not yet published)
- 14 December 2016: Higher Regional Court Düsseldorf, guidance to the parties; 17 January 2017: partly revision of order of 14 December, I-2 31/16 (re confidentiality of third party agreements)



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Procedural issues – a sequence of steps

SEP-owner's Duties

1. Infringement Alert
 - a) Infringed Patents
 - b) Infringing Actions
 - c) Claim Charts?

3. Written License Offer
 - a) Precise royalty amount
 - b) Royalty calculation grounds

SEP-user's Duties

2. Declaration of Willingness to License
 - a) Unconditional as such
 - b) Infringement/validity challenge

4. „Diligent and Serious“ Reaction
 - a) Accept offer, or
 - b) Make counteroffer (substantiated)



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German perspective: How to determine FRAND conditions? (1)

Option 1: Submitting relevant prior licensing agreements with third parties

- Duties for the SEP-owner: degree of substantiation?
- **Sticking point: Confidentiality**
 - Limited possibilities of confidentiality according to German procedural law
 - Obligation for the SEP-user to enter into NDA?
- Issue: Deviating third-party agreements
 - Are to be justified by the SEP-owner
- Open issue: How to deal with third-party agreements on the SEP-user's part when preparing the counteroffer?
- Respective consequences in case of violation of duties

German perspective: How to determine FRAND conditions? (2)

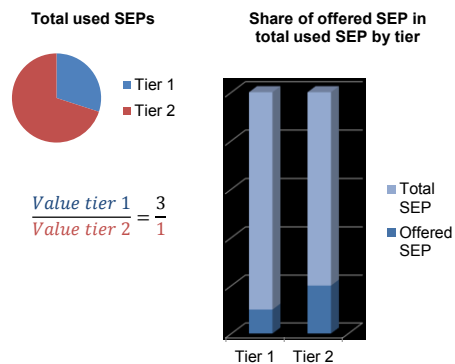
Option 2: Analogy to similar or related portfolios / pools

- Duties for the SEP-owner: Criteria to be demonstrated
 - Scope of the portfolio to be licensed
 - Quality of the patents in the portfolio:
 - Technical value
 - Validity
- Possible challenges by the SEP-user

German perspective: How to determine FRAND conditions? (3)

Option 3: Abstract estimation

- Exception: Typically, one of the two prior options will apply
- Proposal by Judge Kühnen:
 - Count asserted/offered patents
 - Sort into two "tier" groups
 - Calculate respective shares of asserted portfolio
 - Multiply shares with respective "acceptable burden"
 - Caveat: Not yet adjudicated!
- Side note: Dutch approach



The SEP-owner's FRAND offer – provisions to be included

Especially in case of a portfolio license, generally, the following adjustment clauses may have to be included:

- Adjustment clause in case the scope of the licensed portfolio changes
- Adjustment clause re exhaustion
- Adjustment clause re scope of used patents in separate territories
- Adjustment clause with regard to maximum license load

German perspective: A fellowship of FRANDs

FRAND as an "Area"

- Not a „point“
- Not even a „line“
- Instead: „Area“
- **Open issue: How to deal with conflicting but (respectively) FRAND offers?**

Plaintiff



Defendant

Thank you!



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