



## OBERLANDESGERICHT MÜNCHEN

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**[Higher Regional Court Munich]**

**Docket no. 6 U 5042/19**

21 O 9512/19 Regional Court Munich I

Pronounced on 12 December 2019

[...]

**IN THE NAME OF THE PEOPLE**

**JUDGMENT**

[...]

**Grounds:**

**I.**

[...]

**II.**

Respondent's appeal against the challenged judgment of the Regional Court of Munich I of 30 August 2019 is admissible, and has, in particular, been filed in due form and due time (Sec. 517 ZPO [German Code of Civil Procedure]) and been substantiated (Sec. 520 para. 2 ZPO). However, the appeal is not successful on the merits. Only the operative part of the judgment had to be adapted to the amended motion. The finding of the Regional Court that an encroachment upon Applicants' rights with regard to their patents in dispute – for which Respondent is co-responsible under tort law – due to a prohibition of continuing the legal patent infringement proceedings against Daimler AG pending in Germany entailed by the imminent issuance of an anti-suit injunction is unlawful and therefore, regardless of the objections raised by Respondent against said claim, justifies the preventive

claim for injunction asserted by Applicants through the motion for the issuance of a preliminary injunction is ultimately in any case free from legal errors.

In detail:

A) The injunction motion is admissible.

1. The local and factual jurisdiction of the Regional Court is not to be assessed at the appeal instance (Sec. 513 para. 2 ZPO). The international jurisdiction of the German courts results from the fact that Respondent is domiciled in Germany.

2. The motion for the issuance of a preliminary injunction fulfills the requirement of specificity. Contrary to what Respondent believes, this also applies to the version of the motion amended during the hearing before the Senate.

The addition "*... an anti-suit injunction or other equivalent measures such as a temporary restraining order ...*" reflects the concerns expressed by the Senate during the hearing with regard to whether the original wording of the motion was sufficiently specific, as far as the motion concerned "*other equivalent measures*" (Sec. 253 para. 2 no. 2 ZPO); Applicants explained in the pleading of 06 November 2019 that the "temporary restraining order" requested by CAS in the U.S. proceedings served the purpose of securing the anti-suit motion and must therefore be considered an equivalent measure within the scope of the amended injunction motion.

A lack of urgency does not stand in opposition to the amendment of the motion either, since the "temporary restraining order" was already covered by the term "other equivalent measures" in the injunction motion of 09 July 2019.

The further amendment of the motion made by Applicants during the hearing, namely the deletion of the last two items and the inclusion of the wording "*... to enforce that Continental Automotive Systems Inc. does not file a motion as done through the motion for the issuance ... before the Northern District California United States Court*" in the motion, accounts in an admissible manner for the fact that the anti-suit motion of CAS dated 12 June 2019 is no longer a subject matter of the proceedings in the United States.

3. Furthermore, the motion for the issuance of a preliminary injunction is also not lacking a need for legal protection. Usually, as a general procedural requirement, the need for legal protection will result from the non-fulfillment of the claim asserted by the plaintiff. The need for legal protection is lacking when the plaintiff can achieve its legal protection goal in a simpler and cheaper way. The Court cannot concur with Respondent's line of argument that a need for legal protection is lacking, since Applicants would have to be referred to defending themselves against the anti-suit motion in the context of the proceedings in the United States (cf. in this regard B.3, below).

B) Respondent's appeal is not successful on the merits either.

1. The Regional Court proceeded on the basis of German law, which has not been challenged in the appeal, so that no further explanations are necessary in this regard.

2. A judicial power to deny a party the right to conduct proceedings comparable to the one under Anglo-Saxon law does not exist in German procedural law (cf. *Schulze*, in *Wieczorek/Schütze*, ZPO, 4<sup>th</sup> ed. before Sec. 50 marg. no. 43, 44, Sec. 51 marg. no. 10). However, under substantive law, a claim to cease and desist from the conduction of proceedings may result from a preceding contractual agreement (cf. also BGH [Federal Court of Justice], judgment of 17 October 2019 – III ZR 42/19); likewise, it may result under the aspect of a tortious act (*Schulze*, loc. cit.; *Schack*, Internationales Zivilverfahrensrecht, marg. no. 859 et seqq.), which is what the Regional Court assumed.

a) Likewise, the appeal does not challenge the correct assessment of the Regional Court according to which, the issuance of the anti-suit injunction requested by CAS in the proceedings before the Northern District of California United States Court constitutes an imminent encroachment upon an absolute right of Applicants within the scope of Sec. 823 para. 1 in conjunction with Sec. 1004 para. 1 sentence 1 BGB [German Civil Code] (wherein the opinion of Respondent that Applicants have not incurred any damage in this regard cannot be upheld, since the asserted preventive claim for injunction does not require such damage), namely an encroachment upon Applicants' rights to the patents that are the subject matters of the proceedings. The Regional Court has correctly found in this regard that the interference with property within the scope of Sec. 1004 para. 1 sentence 1 BGB may also take forms other than removal or withholding; namely, in the present dispute, such interference would occur due to the fact that, in case of the issuance of an anti-suit injunction – just as in case of a temporary restraining order – Applicants would be prevented from exercising their exclusive right to the patents in suit in the pending patent infringement disputes vis-à-vis Daimler AG through the continuance of the proceedings, in order to thus be able to assert the desired claims before a court, without having to wait for the outcome of the main proceedings in the United States.

It does not stand in opposition to the risk of first infringement thus correctly confirmed by the Regional Court that, after being served the order against it in the proceedings 21 O 9333/19, CAS withdrew the motion for the issuance of an anti-suit injunction: as shown by the repeated motion of 08 October 2019 (Exhibit AR 44, AR 44a) – which, according to Applicants', in this regard undisputed, submission only with reservations does not relate to the patent infringement proceedings against Daimler AG in dispute in Germany, – CAS has not abandoned its plans to further file corresponding motions.

b) The Regional Court has assumed that the imminent encroachment upon Applicants' patent rights has to be qualified as unlawful pursuant to the relevant German law (Regional

Court Judgment, page 21 et seq. under c)). The Regional Court correctly based this assumption on the fact that, pursuant to the case law of the BGH (judgment of 13 March 1979 – VI ZR 177/77, regarding the liability of a person filing a criminal complaint) and of the BVerfG [Federal Constitutional Court] (decision of 25 February 1987 – 1 BvR 1086/85 regarding the motion for the provision of an affidavit), according to which taking legal suit alone cannot be an indication of unlawfulness, if, in retrospect the suit turns out to be unjustified on the merits, the unlawfulness cannot be inferred from the confirmation of an (imminent) infringement, alone. In accordance with said case law, the Regional Court has positively confirmed the unlawfulness of the anti-suit motion. In addition, it correctly pointed out that it cannot be inferred from that case law which is related to – according to the German understanding of the law – lawful procedures, that any conduct/procedure admissible under the law of a third country therefore falls within the scope of application of said case law. Since the appeal does not raise any substantiated objections against this either, further explanations are not necessary in this regard.

3. The Court cannot concur with the appeal when it infers from the inadmissibility of the anti-suit motion that, based on these principles, the "anti-anti-suit injunction" pronounced by the Regional Court should not have been issued either.

However, the Senate cannot concur with the grounds provided by the first-instance court as far as the Regional Court has held that Respondent's objection that an anti-suit injunction assessed as unlawful by the Court cannot be countered by means of an "anti-anti-suit injunction", which would impact the legal proceedings in the United States at least indirectly, cannot be upheld, since such an anti-anti-suit injunction would precisely not be pronounced through the issuance of the preliminary injunction requested by Applicants..

a) It cannot be concurred with the assumption of the Regional Court that the issuance of the preliminary injunction requested by Applicants does not lead to a prohibition to conduct proceedings effective against CAS with regard to the U.S. legal proceedings, since the desired preliminary injunction does not affect the main proceedings in the United States and that, moreover, both Respondent and CAS are free to file further suits against Applicants around the globe (Regional Court Judgment p. 20/21). It is true that the preliminary injunction does not have any – direct or indirect – impact on the main proceedings conducted by CAS against Applicants in the United States aimed at obtaining a license to the Nokia patents on appropriate FRAND compliant terms. However, this does not change the fact that, through the issuance of the preliminary injunction requested by Applicants, CAS would be prevented from filing or further pursuing a motion admissible under U.S. law in the context of pending legal proceedings. The differentiation made by the Regional Court – inadmissible impact on the conduction of the main proceedings for licensing on the one hand, and admissible prohibition of a motion in the context of the main proceedings, on the other – cannot be concurred with. According to case law, not only suits against

the conduction of proceedings as such are lacking a need for legal protection (BGH GRUR 2013, 647 at para. 12 et seq. – *Rechtsmissbräuchlicher Zuschlagsbeschluss*, BGH GRUR 2005, 882 at para. 23 – *Unberechtigte Schutzrechtsverwarnung I*, BGH GRUR 2006, 219 at para 14 – *Detektionseinrichtung II*), but also suits against other measures in the context of pending legal proceedings (such as party submissions) (cf. case law reference in BGH GRUR 2018, 757 at para. 16 - 18).

The motion for the issuance of an anti-suit injunction and/or a temporary restraining order are motions in the context of the suit for licensing filed in May 2019 in the United States. They are to ensure the priority – in terms of time – of the proceedings for licensing, allowing their conduction to be "undisturbed" by the ten patent infringement proceedings pending in Germany. The fact that the "accompanying motions" are not independent proceedings, but require pending main proceedings does not justify the assessment that the aforementioned case law only impacts the main proceedings, but not accompanying procedural motions in the form of a motion for the issuance of an anti-suit injunction and/or a temporary restraining order.

This fact cannot be countered with the argument that, in the past, the German courts refused to service the anti-suit injunction order and considered its enforcement inadmissible, either (cf. Higher Regional Court of Düsseldorf, decision of 10 January 1996 – 3 VA 11/95, Juris headnotes and at para. 31, Exhibit FBD 9). The potential incompatibility of the order of a foreign court with German law must be assessed independently from the question of whether or not a German court is forbidden from interfering with the power to file and pursue motions of a party in foreign legal proceedings.

b) In this specific case, the encroachment upon Applicants' patent rights under tort law associated with the issuance of an anti-suit injunction (which is presently imminent and therefore justifies a preventive claim for injunction within the scope of Sec. 1004 BGB) is unlawful (cf. under 2.b, above). A procedural privilege does not stand in opposition to the issuance of a preliminary injunction, either. The same applies to the temporary restraining order within the scope of the injunction motion.

aa) Applicants consider their motion for the issuance of a preliminary injunction a (mere) defense measure against Respondent's attack in the form of an anti-suit injunction motion aiming at having Applicants prohibited from having patent infringements (further) assessed by the courts in Germany in the context of ordinary legal proceedings. The preliminary injunction targeted against Respondent would be the exercise of a self-defense right in favor of Applicants (Sec. 227 BGB) with the purpose of asserting Applicants' constitutionally protected legal position arising from their property rights and their right to access to justice against legal suit taken by CAS with solely destructive objectives in the context of a main suit in the United States that, from a chronological point of view, was filed after the patent infringement suits pending in Germany. Under these circumstances, Applicants

could not be denied the option of continuing to pursue their patent infringement suits in Germany without disturbance and without having to wait for the result of the U.S. main proceedings.

According to Section 227 para. 1 BGB an act required for self-defense is not unlawful. Para. 2 defines self-defense as the defense required to ward off a present unlawful assault on oneself or another. If these elements of the attack are present, the self-defense is lawful and does not give rise to an obligation to pay damages. As already discussed in the hearing, such self-defense refers to measures that are taken because bringing a regular legal suit first is not possible due to the present unlawful assault. Therefore, it seems to be questionable to what extent said approach can justify the ordering of a – based on the above case law principles – unlawful prohibition to conduct proceedings.

bb) However, this question does not need to be answered. The procedural privilege developed in case law, according to which the opponent cannot be prohibited from engaging in certain procedural conduct, including the initiation of legal/official proceedings by way of the suit/preliminary injunction is based on the assumption that the protection of the opponent is regularly ensured through the legal proceedings in accordance with their statutory design. In cases where such protection is not guaranteed, the principle of the unlimited protection of legal positions must continue to apply (BGH, loc. cit. at para. 21 with further reference – *Unberechtigte Schutzrechtsverwarnung I*). As far as the Senate can see, this case law regarding the so-called procedural privilege applies only to cases in which proceedings-related statements or acts in connection with proceedings in Germany were concerned, i.e. the admissibility of a statement or other proceedings-related act was exclusively subject to the assessment in domestic legal or official proceedings.

If one wanted to apply this case law to the present case, where the admissibility of the justification of the motion for the issuance of an anti-suit injunction is assessed exclusively based on the relevant U.S. law by the competent court in California, it would have to be required that Applicants' interest in the continuance of the patent infringement proceedings be sufficiently protected. In light of the substantiated factual submission, this cannot be assumed.

Based on these principles, the following applies:

(1) In the balancing of the opposing interests, Applicants' ownership-like right to their patents (in the form of the legal enforceability of the exclusive right resulting from the ownership against anybody, in particular against the potential patent infringer), which is protected by Basic Law and which, in case of dispute, takes precedence over Respondent's basic right to the general freedom to act (Art. 2 para. 1 GG [German Basic Law]) and which dictates the issuance of the preliminary injunction requested by Applicants, as ultimately correctly established by the first-instance court, is an argument in favor of Applicants. In

this regard, Applicants correctly refer to the fact that the issuance of a preliminary injunction is the only effective means of defense against an anti-suit injunction, which can secure Applicants' ability to assert their legal position as patent proprietors in the patent infringement proceedings pending in Germany until the conclusion of the U.S. proceedings, which are conducted between other parties and have a subject matter that is not identical to the ones in the infringement proceedings in Germany. Despite the fact that, according to Respondent's submission, the main proceedings in the United States (licensing) are conducted on the basis of the use of Applicants' patents, it is not clear why a FRAND licensing defense would not be able to be asserted in the infringement proceedings in Germany, which were pending prior to the main proceedings in the United States and in which two Continental group companies are involved as interveners.

(2) Against this, Respondent is not able to successfully argue that, in the context of an anti-suit injunction motion in the United States, Applicants – which, by participating in the U.S. market, deliberately subjected themselves to the legal system there, and would therefore have to accept that they are forced to adhere to said system – have sufficient legal defense options, including appeal. The fact that Applicants are granted the right to be heard by a court with regard to the motion for the issuance of an anti-suit injunction and that they may appeal against the issuance of such an injunction does not prove that, based on the above principles, Applicants' rights are sufficiently protected in the context of the proceedings regarding the motion for the issuance of an anti-suit injunction (and, likewise, regarding the motion for the issuance of a temporary restraining order, that seeks to obtain a preliminary measure without the opponent being heard first). This can neither be inferred from Respondent's submission – as far as Respondent's belated submission of 25 November 2019 includes new factual submissions, said submission was no longer able to be taken into consideration (Sec. 296a ZPO) – nor from the motion submitted as Exhibit AR 4. According to the understanding of the Senate, the "protection" of the main proceedings is the focus of the assessment. The effects of a prohibition of the continuance of the patent infringement proceedings pending in Germany, on the other hand, are obviously only the subject matter of the assessment as far as the question of whether the associated effects on another foreign legal system can be considered "tolerable" is concerned.

(3) Furthermore, a lack of need for legal protection of Applicants cannot be inferred from the fact that, according to the case law of the Higher Regional Court of Düsseldorf, an anti-suit injunction cannot be pronounced enforceable in Germany. In this regard, Applicants rightly refer to the fact that they would have to expect the imposition of a penalty to be pronounced against them in the United States, in case of a violation of an anti-suit injunction.

(4) Under these circumstances, Respondent's interest in filing a – under U.S. law admissible – motion for the issuance of an anti-suit injunction is outweighed. Likewise, Respondent cannot successfully cite in its support that, through their motion for the issuance of a preliminary injunction, Applicants would act in a contradictory manner, since, on the one hand, they claim a right of defense against a potential prohibition from being able to continue their patent infringement proceeding in Germany, and, on the other, on their part, they would overwhelm Respondent with a prohibition to conduct proceedings in the United States. For the aforementioned reason, the present case is an exception that justifies the issuance of a preliminary injunction as an indispensable defense reaction to a potential anti-suit injunction (in the form of an "anti-anti-suit injunction").

4. Contrary to what Respondent believes, the issuance of the preliminary injunction requested by Applicants does not violate international law. In this respect, reference is made to the correct explanations in the Regional Court Judgment (Regional Court Judgment p. 27 et seqq.). It must be noted, in particular, that, by way of implementing the principle of territoriality, the preliminary injunction merely serves as a defense against imminent [translator's note: encroachments against] patent rights in Germany; any reflex-like extra-territorial effects are legitimized by this and do not constitute an interference with the sovereign rights of the United States (cf. *Maunz/Dürig*, GG, 87<sup>th</sup> ed. 2019, Art. 25 marg. no. 50; Geimer, *Internationales Zivilprozessrecht*, 8<sup>th</sup> ed., Gerichtsbarkeit, marg. no. 399c). In addition, pursuant to Art. 25 GG, as an "integral part of federal law", international law is subordinate to federal law. Since, for the reasons set forth under 3. above, the issuance of a preliminary injunction such as the one issued by the Regional Court is justified under constitutional law, an assessment to the contrary under international law is not called for in this regard, either (cf. BVerfG NJW 2016, 1295 marg. no. 67 et seqq.).

5. Finally, the Regional Court decision does not violate European law either. As correctly assessed by the Regional Court, the facts of the case concerned do not even relate to any cross-border, intra-European matters. Applicants are taking legal suit against Respondent on the grounds of an alleged infringement of their patent rights in Germany, in the form of an unlawful encroachment upon Applicants' exclusive right through the imminent grant of a prohibition to conduct proceedings.

The BGH judgment of 17 October 2019 – III ZR 42/19 (damages, jurisdiction clause regarding the obligation to pay damages in case of the filing of a main suit in the United States in breach of the contract) referred to by Respondent does not support Respondent's contrary assessment. With regard to the Federal Court's reference to the case law of the ECJ, according to which prohibitions to conduct proceedings ordered by a court cannot be reconciled with the (former) Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters and the (current) Regulation on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, since



they stand in contradiction to the principle of mutual trust and the legally regulated jurisdiction provisions, pursuant to which each court in the European Union is attributed the same expertise and an assessment of the jurisdiction of a court by a court of another contracting or member state is not allowed, it must be noted that this does precisely not apply to the relationship with third countries such as the United States (BGH loc. cit., at para. 30 at the end). With regard to the fact that the literature published after the ECJ case law upholds the opinion that the rejection of the anti-suit injunction certainly also means, at the same time, a rejection of the anti-anti-suit injunction in the European area (*Man-kowski*, EWIR 555, 756 at the end; same author in *Rauscher*, *Europäisches Zivilprozess- und Kollisionsrecht*, 4<sup>th</sup> ed., preliminary remarks regarding Art. 4, marg. no. 55), it must be noted that this assessment as well does not apply to the present case.

6. Respondent also has standing to be sued.

a) As a general rule, the party that has committed the act infringing and/or encroaching upon the object of legal protection himself as a perpetrator or as an indirect perpetrator will be liable for a tortious act in accordance with Sec. 823 para. 1 BGB (cf. *Palandt/Sprau* loc. cit., Sec. 823 marg. no. 76), and so will the party that commits the act in question together with others (Sec. 830 para. 1 sentence 1 BGB).

b) Applicants have submitted sufficient facts showing the participation of Respondent; Respondent has not disputed these facts – as required – in a substantiated manner.

aa) The Regional Court has stated that Respondent, the parent company of the Continental Group, is liable as a co-perpetrator for the identified tortious act that justifies the preventive claim for injunction of Sec. 1004 para. 1 in conjunction with Sec. 823 para. 1 BGB. By way of substantiation, the first-instance judgment states in this regard that CAS did not only file the U.S. main suit, but also the motion for the issuance of an anti-suit injunction, with the knowledge of Respondent and in accordance with Respondent's intentions. Above all, this can, according to the Regional Court, be inferred from the factual submission established by the Regional Court and the procedural conduct of the two group companies of Respondent that have joined the patent infringement proceedings before the Regional Court of Düsseldorf, docket no. 4c O 17/19.

bb) The Senate concurs with this assessment.

The central matter in dispute, namely on what terms Applicants are obligated to license their patents, is a matter that does not only affect the business area of individual group companies of Respondent, as can also be inferred from Respondent's line of argument regarding the group-related assessment of the FRAND defense. It is obviously also in accordance with the importance of this matter that Respondent filed the complaint with the EU Commission in January 2019 (Exhibit AR 6). According to the findings of the Regional

Court, CAS filed the main suit in the United States with the knowledge of Respondent and in accordance with Respondent's intentions. Respondent has admitted that it had positive knowledge of the (initial) filing of the motion for an anti-suit injunction by CAS (pleading of 13 August 2019, marg. no. 10). Respondent has not disputed Applicants' assertion that, regardless of Respondent's submission according to which CAS acted independently, Respondent was involved in global decisions of the group in a specific manner, but has only pointed out that it is not possible to draw the conclusion that all procedural acts and pleadings of CAS in the anti-suit proceedings had been coordinated with Respondent in an admissible manner. Furthermore, Respondent has not denied that, during the anti-suit proceedings, it continuously provided CAS with information (cf. Respondent's pleading of 09 August 2019, marg. no. 90, first item).

Against this background, the Senate believes that it is far-fetched that, while the decision of CAS to file the main suit in the United States was coordinated with Respondent, the motion for the issuance of an anti-suit injunction – the objective of which is make it possible to conduct the main proceedings "without disturbance" from the patent infringement proceedings already pending in Germany – was filed "independently" by CAS. Since Applicants do naturally not know the underlying procedures and decision-making processes, Applicants comply with their burden of demonstration when they – as they have done – submit sufficient indications suggesting a joint coordination; as a result, Respondent has a secondary burden of demonstration with regard to its assertion that such coordination has not taken place (cf. BGH BeckRS 2019, 12963, at para. 47). Respondent that, at the first instance, confined itself to criticize Applicants' corresponding submission as insufficient, has not fulfilled this obligation. Nothing to the contrary can be inferred from the decision BGH GRUR 2016, 1031 – *Wärmetauscher* referred to by Respondent. In said decision (at para. 58), the only reason why the BGH did not consider the mere fact that Defendant 2) in said case was the parent company of Defendant 1) in said proceedings and that the parts supplied to Defendant 3) were marked in a certain way sufficient for giving rise to liability is that the marking could have also referred to Defendant 1), so that consequently, even in consideration of the affiliation under corporate law, an attribution of the patent infringement was not able to be justified. These circumstances are not comparable to the facts of the present case.

[...]