

HARVARD IP CONFERENCE PROBLEM

Principles of German Patent Law

General

In Germany, patent infringement disputes are decided by select District Courts (“Landgerichte”), most commonly by the District Courts of Duesseldorf, Munich or Mannheim, which are considered the most renowned and capable courts for patent matters. The District Court’s bench consists of three professional judges. There are no jury trials. The District Court determines whether or not the patent is infringed, and may award injunctive relief and damages. However, the District Court may not decide whether or not the patent is valid. Instead, a separate court, the Federal Patent Court, adjudicates validity disputes. The judgments of the District Courts and the Federal Patent Court are both subject to review by the Appeals Court. The decisions of the Appeals Court, in turn, may under certain circumstances be revised by the Federal Court of Justice in Karlsruhe, but only with regard to legal, not factual issues.

Claim Construction

Under German patent law, a patent claim is construed according to the understanding of an average person skilled in the art at the priority date. The terms of the claim are the primary and most decisive means for determining the scope of the patent (and hence whether the patent is infringed), but the description and the drawings are also used to interpret the claims. The prosecution history is not a permitted means of interpretation (although the prosecution history may be used to interpret the initial understanding of the average person skilled in the art).

Infringement

The patent owner must prove the facts which constitute the infringement, *i.e.* the owner must prove that the accused infringer made, used, sold, offered for sale, or imported a product, or, in the case of a process patent, performed a method, that meets all of the claim limitations. There is no discovery in a German infringement proceeding, so the patent owner must have positive knowledge of the basic facts supporting the claim before initiating the lawsuit.

Validity/Obviousness

Invalidity is not a defense in an infringement proceeding because the District Courts do not have the authority to render decisions on the validity of a patent. If the alleged infringer believes that the patent is invalid, the infringer can file a nullity suit with the Federal Patent Court in Munich and, having done so, can request that the District Court stay the infringement proceeding until the Federal Patent Court has decided the validity of the patent.

The District Court will stay the infringement proceedings if it believes that the nullity suit has merit.

In evaluating issues of obviousness, the Patent Court considers whether or not the invention was obvious according to the understanding of an average person skilled in the art at the priority date. German patent law does not explicitly acknowledge “secondary considerations” of nonobviousness. However, in evaluating whether the patent is obvious, the Patent Court may consider similar factors as under U.S. patent law, including, for example, significant improvement of the invention (Federal Court of Justice, decision dated October 12, 2004 – X ZR 190/00, in GRUR 2005, 233 – *Paneelemente*) and – together with other indications – the economic success of the invention (Federal Court of Justice, decision dated January 26, 1982 – X ZR 27/79, in GRUR 1982, 289 – *Massenausgleich*).

Patentability/Methods of Treatment

Methods for treatment of the human body by surgery or therapy, and diagnostic methods practiced on the human body, are not patentable under German law.

Injunctions

If it determines that the patent is infringed, the District Court will award injunctive relief and damages (provided that the patent owner has proven damages). The District Court has no discretion to deny an injunction on the grounds of public interest or public policy. However, the infringer may seek a compulsory license from the Federal Patent Court if it has previously tried to obtain a license from the patent owner and if the public interest commands the issuance of a compulsory license.