



HOFFMANN EITLE

Translation of the Decision issued by the Federal Court of Justice

**FEDERAL COURT OF JUSTICE
DECISION**

X ZR 23/21

of
11 May 2021
in the patent nullity action

Reference: yes
BGHZ: no
BGHR: yes

Nichtigkeitsstreitwert III [Value in Dispute in Nullity Proceedings III]

Sec. 51 (1) German Court Costs Act

The fact that the patent in suit is considered to be standard-essential does not in itself justify fixing the value in dispute of the patent nullity proceedings at an amount that exceeds the value in dispute of the infringement proceedings that are based on this patent by more than one quarter (supplement to Federal Court of Justice decision “*Nichtigkeitsstreitwert I*” of 12 April 2011, court docket: X ZR 28/09, as published in GRUR 2011, at 757).

Federal Court of Justice, decision of 11 May 2021 – court docket: X ZR 23/21 – Federal Patent Court

The Tenth Civil Panel of the Federal Court of Justice, composed of the Presiding Judge Dr. Bacher, Judges Dr. Grabinski, Dr. Kober-Dehm, Dr. Marx and Dr. Rensen, on 11 March 2021

held:

The value in dispute for the appeal proceedings is preliminarily fixed at EUR 1,875,000.

Grounds:

1 I. Defendant is the proprietor of European patent 2 228 933 (Patent in Suit) which was
filed on 26 December 2008 and relates to a device and a method for radio transmission in
communication systems with adaptive modulation.

2 At the time the nullity action was filed, three infringement proceedings based on the
Patent in Suit were pending. In each of these proceedings, the value in dispute was fixed at
EUR 500,000.

3 The Patent Court declared the Patent in Suit null and void in part, dismissing the
further legal action, and imposed nine tenths of the costs on Defendant. Defendant is
objecting to this with its appeal.

4 In view of the fact that the patent at issue is a standard-essential patent, the Patent
Court fixed the value in dispute for the first instance at EUR 30 million. A remonstrance filed
by Defendant was unsuccessful.

5 Defendant requested that the value in dispute for the appeal proceedings be
preliminarily fixed at EUR 1,875,000.

6 II. The Panel has fixed the value in dispute as requested.

7 1. Sec. 63 (1), sentence 1, German Court Costs Act stipulates the preliminary fixation of
the value in dispute in cases where neither an amount of money is claimed nor a specific value
is stipulated by law. These requirements have been met.

8 2. The amount of EUR 1,875,000 stated by Defendant appears to be appropriate after preliminary assessment.

9 a) The amount of the value in dispute in patent nullity proceedings is to be fixed at equitable discretion pursuant to Sec. 51 (1) German Court Costs Act.

10 Following the established case law of the Panel, what is decisive for this is the fair market value of the patent at the time the legal action is filed or the appeal is lodged plus the amount of the claims to compensation of damages incurred up to that time (Federal Court of Justice decision of 11 October 1956 - I ZR 28/55, GRUR 1957, at 79; decision "*Sachverständigenentschädigung IV*" of 7 November 2006 - X ZR 138/04, GRUR 2007, at 175; decision "*Druckmaschinen-Temperierungssystem III*" of 28 July 2009 - X ZR 153/04, GRUR 2009, at 1100; decision of 16 February 2016 - X ZR 110/13, margin no. 7).

11 In the absence of other indications, the Panel, in established case law, has taken the (preliminary) fixation of the value in dispute from pending infringement proceedings as a basis. This as a rule reflects the nullity plaintiff's interest in the desired revocation of the patent in suit, by means of which the patent infringement action is to be deprived of any basis. This amount is usually to be increased by 25% to take into account the value of the patent proprietor's own use of the patent (Federal Court of Justice decision "*Nichtigkeitsstreitwert I*" of 12 April 2011 - X ZR 28/09, GRUR 2011, at 757, margin no. 2 *et seq.*; decision of 16 February 2016 - X ZR 110/13, margin no. 7).

12 b) Contrary to the opinion held by the Patent Court when fixing the value in dispute in the first instance, the fact that the Patent in Suit is a standard-essential patent does not in itself result in a fixation at the maximum value of EUR 30 million or in any other increase of the surcharge for the patent proprietor's own use of the patent.

13 Basically correctly, however, the Patent Court presumed that a higher surcharge may come into consideration if special circumstances suggest the assumption that the value of the patent proprietor's own use of the patent is significantly higher than 25% of the value in dispute in the infringement proceedings.

14 However, the fact that the Patent in Suit is considered to be standard-essential does not in itself justify such an increase.

15 aa) The fact that the use of this patent is essential for accessing a specific market
is usually already taken into account when fixing the value in dispute in the infringement
proceedings.

16 When fixing the value in dispute in the infringement proceedings, the significance of
the patent in suit for the sale of marketable products and the corresponding revenue
expectations of the right holder must be taken into account (Federal Court of Justice
judgment of 13 November 2013 - X ZR 171/12, GRUR 2014, at 206, margin no. 16; decision of
27 September 1984 - X ZR 53/82, GRUR 1985, at 511, 512). This aspect – among others – is
also taken into account in a license forecast used to determine the value in dispute (Higher
Regional Court Dusseldorf, NJOZ 2010, 2425; GRUR- RR 2011, at 341).

17 However, when assessing the expected sales and licensing revenues, it may also be
necessary to take into account the fact that access to the market and the associated revenue
opportunities often do not depend on a single patent, but on a portfolio comprising numerous
IP rights, and that the outcome of an individual infringement suit does not necessarily lead to
a noticeable impairment of the market position resulting from this portfolio.

18 bb) The latter aspect is also relevant for the fixation of the value in dispute in nullity
proceedings.

19 If the patent attacked with the nullity action is part of a portfolio of numerous IP rights
which is typically licensed as a whole, the market position of the proprietor is usually only
marginally affected by the loss of this individual right. This does not mean that the portion
attributed to the proprietor's own use or the value of the patent as a whole is to be assessed
as marginal, but it does mean that a surcharge of 25% on the added value in dispute of
pending infringement proceedings will as a rule appropriately reflect the value of the patent
proprietor's own use also for such patents.

20 The fact emphasized by the Patent Court that the entitled party often already gains a
strong bargaining position if an enforceable injunction is issued against an alleged infringer
on the basis of just one patent does not lead to a different assessment in this respect. This
aspect does not concern the patent proprietor's own use, but the value conveyed by the
patent through the possibility of an infringement action. Furthermore, in this situation, an
individual patent enforced in an infringement suit stands for a multitude of other IP rights
which the proprietor may alternatively take as a basis for an action in the event of failure or
which the proprietor may already be taking as a basis for parallel actions. As a consequence,

it is usually not justified to economically attribute the leverage provided by an injunction to that individual patent.

21 c) Other circumstances which in a dispute could make the fixation of the value in dispute in the infringement proceedings appear inappropriate or which could suggest that the value in dispute in the nullity proceedings should be fixed at more than 125% of this amount are not apparent on the basis of the present facts and circumstances of the case.

22 d) Based on a total value in dispute in infringement proceedings of EUR 1.5 million, a value in dispute of EUR 1,875,000 accordingly appears appropriate for the nullity proceedings.

Bacher

Grabinski

Kober-Dehm

Marx

Rensen

Previous instance:

Federal Patent Court, decision dated 1 October 2020, court docket: 2 Ni 54/20 (EP)