

OUTLINE OF THE PRELIMINARY INJUNCTION PROCEDURE IN INTELLECTUAL PROPERTY MATTERS IN GERMANY

1. General

A preliminary injunction („PI“ in the following) is a provisional court decision establishing or maintaining in a quick summary procedure a legal situation the establishing or maintaining of which would be jeopardized by the long duration of a regular lawsuit. In intellectual property („IP“ in the following), especially in patent and utility model matters, courts are rather hesitant in issuing PIs.

2. Conditions

A PI in IP matters can be obtained only, if three conditions are met:

2.1 There must be an element of **urgency**. This can normally be assumed in cases of infringement of an IP right. Courts will deny urgency, however, if the infringed party waits too long to take legal action. Some courts will deny urgency if the infringed party files a request for a PI more than **four weeks** after positive knowledge of the infringement. Therefore, upon hearing of an IP right infringement the infringed party should contact its attorneys **immediately** in order to be able to stay within the four-week term.

2.2 The **validity** of the IP right must be almost **beyond doubt**.

In case of patents, this criterion is usually only met if the patent has survived an opposition or nullity procedure. In the absence of such procedures it might help to show that patents of identical scope have been granted in other examining countries. It may also help to run a search by a recognized search authority and to

thereby demonstrate that no critical prior art can be found.

In case of utility models (which are not officially examined), validity can only be established if the utility model has survived a cancellation action, or if the results of a comprehensive search show that there is no critical prior art.

For design models, validity can only be established via prior art searches.

In case of trademarks, validity will normally be assumed, unless the mark should apparently not have been registered and is subject to a cancellation action or involved in an opposition.

2.3 Infringement must be **clear and easy to understand**.

Courts will issue PIs only if the judges themselves - without the help of experts - can rule in favor of infringement. If in case of patent or utility model infringement too much time is required to understand the invention and the accused product or process (which is often the case in biotech, chemical, and electronics matters) no PI will issue.

3. Procedure

3.1 It is recommendable to send a **warning letter** to the infringer demanding a cease-and-desist undertaking backed up by a penalty. A very short term (from several hours to a few days) should be set in order not to lose the element of urgency. If no warning letter is sent and the infringer gives in immediately, then the infringer has to bear the costs of the procedure.

3.2 A demand brief asking for the issuance of a PI is sent to a court

which has jurisdiction over the case. The brief explains the involved right, the accused product or process, and why there is an infringement. The brief is accompanied by all relevant documents and by affidavits confirming the relevant facts.

3.3 Pursuant to the receipt of the demand brief by the court, one of the following can happen:

3.3.1 The court issues a PI on a unilateral basis without hearing the defendant. This procedure takes from a few hours to a few days. This will happen in very clear cases only.

3.3.2 The court serves the demand brief on the defendant and sets a date for a hearing, said date usually being within two to three weeks after the filing of the demand brief. At the hearing, there is a full discussion of all relevant issues; witnesses can be heard at the hearing. A decision issues shortly, sometimes immediately, after the hearing.

3.3.3 The request for the PI is rejected by the court on a unilateral basis. This also usually happens within hours or a few days. The defendant is informed of the rejection.

Often judges will call the plaintiff's attorneys and tell them that they do not believe a PI should issue. In these cases the demand is often withdrawn without the defendant becoming aware of the procedure.

3.4 An appeal can be lodged against the rejection of a PI demand. It takes from several weeks to a few months until the Appeal Court decides.

3.5 Once a PI issues, the plaintiff must serve it on the defendant within one month. If that term is missed, a PI becomes unenforceable.

With the serving of the PI on the defendant, the injunction is legally in force and has to be observed by the defendant subject to fines set by the court in case of a contravention.

3.6 The defendant has the following remedies, which however do not affect the validity of the PI as long as it has not been lifted by the court:

3.6.1 In case of a unilateral decision according to point 3.3.1 above, the defendant can at any time request a hearing with the procedure then following point 3.3.2 above.

3.6.2 In case of a decision according to point 3.3.2 or 3.6.1, the defendant can lodge an appeal within one month. Again, it takes from several weeks to a few months for the Appeal Court to decide.

3.6.3 The defendant can at any time demand that the plaintiff must start a regular court action within one month. The outcome of the regular action then dominates the PI.

4. *Seizure*

A PI can effect provisional seizure (sequestration) of infringing products, including border seizures. (For the latter, there is a special quick procedure, preceding a PI procedure).

5. *Risk*

The drawback of a PI for the plaintiff is that the plaintiff has to reimburse the defendant for all damages suffered due to the enforcement of the PI, if it later turns out that the PI was not justified. This duty to reimburse the defendant is absolute in the sense that it makes no difference whether the defendant has demanded the PI in good faith or negligently or willfully.

6. Costs

The costs of a PI procedure depend on the value in dispute to be set by the court with a view to the economic importance of the infringed right. Therefore, the costs can vary widely. Most PI cases cause costs of between EUR 7.500,-- to EUR 25.000,-- for the first instance. The losing party has to refund most of the costs to the winner.

7. Preemptive Measure

A party being afraid of a PI issuing against it in a unilateral procedure according to point 3.3.1 above can file a „protective brief“ with the court or courts in which the PI procedure is likely to be brought. Such a brief contains all the arguments which the defendant has against the infringement and/or validity. Unless these arguments are totally without merit, the protective brief will cause the court not to issue a decision unilaterally, but to set a date for a hearing in accordance with point 3.3.2 above.

8. Post PI Measure

About four weeks after a PI has issued and has not been contested by the defendant, the plaintiff sends a „termination letter“ to the defendant in which an undertaking is demanded that the defendant accept the PI as final and renounce on legal remedies. If that demand is not met, the plaintiff must start a regular lawsuit early enough to avoid a statutory bar against the claim enforced by way of the PI.