In Germany, injunctions are readily available in cases where IP rights are found to be infringed. Particularly in proceedings on the merits in patent matters, there is no discretion of the court in this respect. Starting from the EU enforcement directive, the German Group of AIPPI however proposes a harmonization introducing some proportionality considerations in that respect.

Questions

As preliminary remarks and for the purpose of better understanding of the following answers to the working questions, we would like to point out that the following three scenarios have to be clearly distinguished according to German law:

In general, a permanent injunction is granted by an infringement court in proceedings on the merits. If this decision is taken by the appellate court, i.e. the Higher Regional Court ("Oberlandesgericht"), it can be enforced without any limitation.

If the court decision in proceedings on the merits granting an injunction is a first instance decision by a Regional Court ("Landgericht") only, the injunction will only be provisionally enforceable ("vorläufig vollstreckbar") on condition that plaintiff provides sufficient security for damages in case the decision will be revoked in second instance. They become permanent injunctions if the first instance decision becomes legally binding, i.e. for example if it is not appealed or if appeal is withdrawn or if it is upheld. Upon request of the defendant, the provisionally enforceable first instance decision might be temporarily stayed, usually against provision of a security by the defendant, according to Sec. 719, 707 German Code of
Civil Procedure. However, the courts require that defendant will suffer significant irreparable harm if the decision will be provisionally enforced and caused by the provisional enforcement. In addition, the interests of both sides need to be balanced and only if defendant’s interests outweigh plaintiff’s interests (e.g. if plaintiff is no competitor and the harm caused by enforcing the decision is outrageous) such stay may be granted in exceptional cases (see also below, Question 9).

While during proceedings on the merits the infringer is not bared from continuing infringing activities as long as there is no decision, the IPR owner may - in selected cases requiring urgency, clear infringement and a strong validity position - request the grant of a **preliminary injunction** in order to prohibit the continuation of infringing activities on a preliminary basis. The preliminary injunction remains in force as long as the request for the grant of a preliminary injunction is not withdrawn in second instance by the appellate court upon appeal of the defendant or as long as it is not revoked by a decision of the court based on changed circumstances (Sec. 927 German Code of Civil Procedure). Such revocation may in particular be requested if the IPR right is found not infringed in subsequent proceedings on the merits.

In this regard, the terms "permanent injunction", "provisionally enforceable injunction" and "preliminary injunction" will be used in the following. As to the questions in detail:

**I. Analysis of current law and case law**

The Groups are invited to answer the following questions under their national laws:

**Availability:**

1. Are injunctions for infringement of an IPR available on a provisional/preliminary basis?
   Yes, see above.

2. Are injunctions for infringement of an IPR available on a permanent basis?
   Yes, see above.

**Criteria:**

3. If yes to question 1, what are the criteria for the grant of an injunction on a provisional/preliminary basis?

The grant of a preliminary injunction ("einstweilige Verfügung") requires that the IPR owner can credibly show that he has a infringement claim (so called "Verfügungsanspruch") and a balance of convenience (so-called "Verfügungsgrund"). A preliminary injunction may only be granted if the court comes to the conclusion that infringement is likely and that the interests of the IPR
owner prevail the interests of the alleged infringer, in particular that the matter is very urgent, that there is a threat of irreparable harm and there are strong arguments in favour of validity of the IP right.

In contrast to that the court will grant a provisionally enforceable decision on the merits, including injunctive relief, if it comes to the conclusion that the IPR right is infringed during proceedings on the merits.

4. If yes to question 2, what are the criteria for the grant of an injunction on a permanent basis?
   Same as for a provisionally enforceable decision (cf. Question 3).

5. If not addressed in answering questions 3 and 4, does the criteria for the grant of an injunction differ depending on whether the injunction sought is on a provisional/preliminary or permanent basis? If so, how?
   See answers to Questions 3 and 4.

6. Are the criteria for the grant of an injunction equally applicable to infringement of all IPRs?
   In principle, but not in detail, see Question 7.

7. If no to 6, are there any specific criteria or considerations for the grant of an injunctions for particular IPRs? If so, what criteria apply and to which IPRs?
   In preliminary injunction proceedings: The criteria set out in Question 3 are in principal the same for all IPR, but court practices may vary. For example regarding patents, the Regional and Higher Regional Court Düsseldorf generally require that the validity of the patent has already been confirmed in prior proceedings (either opposition or nullity proceedings), cf. OLG Düsseldorf, InstGE 12, 114 - Harnkatheterset. Nonetheless, as the decision in preliminary injunction proceedings is based on a summary assessment of the case, it very much depends of the specific circumstances in each particular case. In contrast hereto, validity of design patents is legally assumed.
   Proceedings on the merits: if infringement is found and the case is not stayed e.g. pending a nullity or cancellation action, injunctions are issued for all IPRs.

8. Are there any specific criteria or considerations for particular subject matter, for example, pharmaceutical patents? If so, what criteria or considerations apply to what subject matter?
In principal, there are no specific criteria. However, as set out above, when weighing the interests of IPR owner and defendant in preliminary injunction proceedings in the course of the summary assessment of the factual circumstances, the fact that one of the parties is for example manufacturer of generics might play a role. Apart from that, for example the decision "Simvastatin" (BGH GRUR 2007, 221) that granted an injunction against a manufacturer of generics who offered (but not yet distributed) the generic medicament prior the expiration date of the supplementary protection certificate, the specific situation on the pharmaceutical market was taken into consideration by the Federal Supreme Court, since the limited remaining time of protection created a particular urgency. Also, certain technical areas like electronics are in generally too complex for preliminary injunction proceedings.

9. Are there any specific considerations relevant to particular IP holders, for example, NPEs? If so, what considerations are relevant and to what IPR holders?

There is a vivid discussion in the legal literature whether injunctive relief should also be granted to non practising entities (cf. for example Ohly, GRUR Int. 2008, 787; Osterrieth, GRUR 2009, 540). However, according to the statutory law, an IPR conveys an absolute right to its owner, "absolute" meaning that he or she is free to exclude any other person from using the right and that he or she is free whether to use it on its own or not. This is explicitly stated for "normal" property rights in Sec. 903 para 1 German Civil Code, but is applied accordingly on intellectual property rights. For this reason, specific considerations relevant to particular IP holders might only be applied if the court has any discretion in its judgment, for example in the course of preliminary injunction proceedings or when deciding on an exceptional stay of provisional enforcement. The Higher Regional Court Karlsruhe stayed in some cases the provisional enforcement of a first instance patent infringement decision by taking into consideration that the IPR owner is not active on the relevant market of mobile phones anymore (e.g. docket number 6 U 184/10, GRUR-RR 2010, 120).

Discretion:

10. Is there any element of judicial discretion in relation to the grant of an injunction for infringement of IPRs? If so, how does the discretion apply?

Discretion might only be applied in the course of preliminary injunction proceedings when the court has the weigh the interests of IPR owner and defendant.

In proceedings on the merits, injunctive relief must be granted if the IPR is found infringed and if there is no exceptional ground justifying the infringement such as right of prior use etc. Only in the course of a petition of defendant for (exceptional) stay of the provisional enforcement of a first instance decision, the court has discretion to decide regarding the stay (cf. Question 9).

11. Are there any circumstances in which a court must grant an injunction for infringement of an IPR? If so, in what circumstances?
Cf. Question 10: In proceedings on the merits, injunctive relief must be granted if the IPR is found infringed and if there is no exceptional ground justifying the infringement such as right of prior use etc.

12. Are there any circumstances where infringement of an IPR is proved and no permanent injunction is available? If so, in what circumstances?

No, cf. question 11.

**Scope:**

13. Is an injunction granted only against named parties to the infringement proceeding, or is an injunction available more broadly against potential infringers such as customers or manufacturers who are not parties to the proceeding?

An injunction can only be granted against the named parties, including any successors in title of the named parties. Only in the course of third party notices, a decision may have indirect legal effect for third parties, but this only takes place at a later stage if one of the parties of the first proceedings raises claims against such third party.

14. Is there a specific form of words used by your courts to describe the scope of the grant of an injunction? If so, what is the ‘formula’?

In patent and utility model law, the formula used is in case of an apparatus claim in general as follows:

"Defendant is ordered upon pain of an administrative fine to be determined by the Court of up to € 250,000.00,- for each case of non-compliance - alternatively administrative imprisonment - or administrative imprisonment of up to 6 months, and in the event of repeated non-compliance of up to two years, with administrative imprisonment to be executed on the respective legal representatives of the defendants, to refrain from manufacturing, offering, placing on the market or using, or importing or possessing for the above purposes in the area of the Federal Republic of Germany the [product] comprising [content of the claim of the patent]."

In design right law, the formula used is in general:

"Defendant is ordered upon pain of an administrative fine to be determined by the Court of up to € 250,000.00,- for each case of non-compliance - alternatively administrative imprisonment - or administrative imprisonment of up to 6 months, and in the event of repeated non-compliance of up to two years, with administrative imprisonment to be executed on the respective legal representatives of the defendants, to refrain from offering, placing on the market or using, or importing or possessing for the above purposes in the area of the Federal Republic of Germany the [generic name of the product], in particular as displayed in the following [photograph of the infringing product]."
In trademark law:

"Defendant is ordered upon pain of an administrative fine to be determined by the Court of up to € 250,000.00,- for each case of non-compliance - alternatively administrative imprisonment - or administrative imprisonment of up to 6 months, and in the event of repeated non-compliance of up to two years, with administrative imprisonment to be executed on the respective legal representatives of the defendants, to refrain from offering, placing on the market, possessing for the above purposes and/or importing and/or exporting as wells as from advertising [generic denomination of product] as displayed in the following [photograph of the infringing product]."

In copyright law:

"Defendant is ordered upon pain of an administrative fine to be determined by the Court of up to € 250,000.00,- for each case of non-compliance - alternatively administrative imprisonment - or administrative imprisonment of up to 6 months, and in the event of repeated non-compliance of up to two years, with administrative imprisonment to be executed on the respective legal representatives of the defendants, to refrain from distributing the [product] as displayed in the following [photograph of the infringing product]."

15. Is the grant of an injunction referable to the item(s) alleged to infringe the relevant IPR, or may the grant of an injunction be broader in scope? If it may be broader, what is the permissible scope of the injunction?

As can be taken from the above 'formula', in design right, trademark and copyright law, the injunctive relief refers to the item in question, but may be broadened by using the wording "in particular as displayed below". However, whether the court grants injunctive relief using this wording or by omitting the words "in particular" depends from the concrete wording of IPR owner's request and the circumstances of the case.

Regarding patent and utility model law, the practice is somewhat different. Although the German Federal Supreme Court in the decision "Blasfolienherstellung" (BGH GRUR 2005, 569, critical discussion by Kühnen in GRUR 2006, 180) required that the infringing embodiment or infringing means is described as concrete as possible in the operative part of the judgement, the instance court rather tend to simply reproduce the content of the patent claims. Nonetheless, in particular in case of infringement under the doctrine of equivalence, a more detailed definition of the item in question might be required by the courts.

**Judicial trends and practice:**

16. Is there any discernible trend in your country as to the willingness or otherwise of courts to grant or refuse injunctions for particular IPRs or in relation to particular subject matter?

Apart from the above explanations, in particular re: Questions 9 and 10: No.
17. What, if any, has been the impact of the *eBay v Merc-Exchange* decision or any tendency of the courts in your jurisdiction to treat final injunctions as discretionary? Please explain whether the eBay v Merc-Exchange decision has been relied on or cited by your courts, and in what circumstances. Alternatively, or in addition, has there been any legal commentary on any potential implications of the *eBay v Merc-Exchange* decision in your jurisdiction?

II. Proposals for harmonisation

The Groups are invited to put forward proposals for the adoption of harmonised rules in relation to injunctions for infringement of IPRs. More specifically, the Groups are invited to answer the following questions:

**Availability of provisional/preliminary injunctions:**

18. Should there be a test or criteria for the grant of a provisional/preliminary injunction for the infringement of an IPR? If yes, what should that test or those criteria be?

19. If no, what principles should be considered in determining whether to grant an provisional/preliminary injunction?

The criteria currently applied by German courts (see above) are considered to be appropriate, as they allow a flexible balance of the interest of the patentee and the alleged infringer.

**Availability of permanent injunctions:**

20. Should there be a test for the grant of a permanent injunction for the infringement of an IPR? If yes, what should that test be?

21. If no, what principles should be considered in determining whether to grant a permanent injunction?

The German patent law was originally carried by the spirit that a patentee actively uses the invention on its own. Further, the Enforcement Directive 2004/48/EC harmonized the European law for enforcement of intellectual property rights. Regarding the scope of application, the Directive provides in Art. 2 para 1 states:

*"Without prejudice* to the means which are or may be provided for in Community or national legislation, in so far as those means may be more favourable for rightholders, the measures, procedures and remedies provided for by this Directive shall apply, in accordance with Article 3, to any infringement of intellectual property rights as provided for by Community law and/or by the national law of the Member State concerned."

In Art. 3, headed "General obligation", it is explicitly stated in para. 2:
"Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse."

In accordance with this, the German legislator noted in the reasons for the Act for the implementation of the Enforcement Directive that national provisions that are more favourable for the rightholder might prevail, provided that the principle of proportionality ("Verhältnismäßigkeitsgrundsatzz") is still met. Against this background, the German group is of the opinion that this principle of proportionality shall be applied also with respect to claims for injunctive relief, i.e. there should not be an automatism of decision on infringement and grant of injunctive relief, but injunctive relief being subject to examination of proportionality by taking into consideration the facts of the case. The German group suggests harmonization of the grant of injunctive relief in that such remedy shall be applied in an effective and proportionate way.

In doing so, a view to US – more specifically into the eBay decision of the U.S. Supreme Court seems to be instructive. Said decision seriously questions the fundamental concept of exclusive rights in patent law, and even raises concerns under the TRIPs obligations. This decision suggests that a ‘mere’ financial interest may be regarded as an inferior motive of patent enforcement.

. From a European perspective based on existing case law, an alternative could be to correct possibly overreaching effects of the patent system by means of competition law. If the market is no longer able to regulate such abusive use of the patent system (in particular abusive use of the court system or even criminal behaviour, claiming of excessive royalty fees and/or bundling valuable patents with ‘trash’ patents), because the patentee has gained a dominant market position, the exclusive effect of the respective patent(s) needs to be restricted as much as necessary, but also as little as possible, to re-establish a functioning market.

**Discretion:**

22. In what circumstances, if any, should the grant of an injunction automatically follow a finding of infringement of an IPR?

23. In what circumstances, if any, should the grant of an injunction be denied notwithstanding a finding of infringement of an IPR?

See above Question 20/21. There should not be an automatism, but the specific circumstances of each particular case have to be taken into consideration.

**Differences between IPRs:**

24. Should the above test/principles apply equally to all IPRs?
Preliminary injunctions should however only be granted with particular care if the IPR is a technical right - such as patent or utility model - as infringement and validity of the technical IPR are difficult to examine in the course of preliminary injunction proceedings. The availability of preliminary injunctions based on unexamined technical rights - such as utility models - should in general be more restricted.

25. If no, what should any differences be and why?

**Scope:**

26. Should an injunction be granted only against named parties to infringement proceeding, or should an injunction be available more broadly against potential infringers such as customers or manufacturers who are not parties to the proceeding?

An injunction should be granted only against named parties to infringement proceeding.

27. What is the appropriate scope of an injunction prohibiting an infringer from committing further infringing acts? For example, should the injunction relate simply to the IP the subject of the allegation of infringement, or should the injunction be broader in scope? If broader, what is the permissible or desirable scope?

The approach currently applied by German courts (see above) is considered to be appropriate.

**Summary**

In Germany, injunctions are readily available in cases where IP rights are found to be infringed. Particularly in proceedings on the merits in patent matters, there is no discretion of the court in this respect. Starting from the EU enforcement directive, the German Group of AIPPI however proposes a harmonization introducing some proportionality considerations in that respect.