"FRAND Objection III" (German Federal Court of Justice judgment dated 27 January 2026 case number KZR 10/25)

Headnote

FRAND Objection III

1a. The user's continued willingness to take a licence is an indispensable prerequisite for successful negotiation of a licence and therefore also for the accusation of abuse of market power against the patent proprietor in the event of failure of the negotiation. It retains its importance even if the patent proprietor has submitted an offer to the user to conclude a licence agreement.

1b. If the user does not accept a licence agreement offer from the patent proprietor and the patent proprietor rejects a counter-offer, the user must provide appropriate security immediately afterwards.

2. Anyone who makes use of the teaching of a standard-essential patent but at the same time indicates through their conduct towards the patent proprietor that they are not willing to take a licence cannot normally invoke the fact that the injunctive relief would cause them unjustified hardship.

Operative part

The second appeal against the judgment of the Sixth Civil Panel of Munich Higher Regional Court dated 20 March 2025 is rejected at the Defendant's expense.

By virtue of law

Facts

1 Since 27 September 2019, the Claimant has been the registered proprietor of the German part of European patent 2 102 619 (the patent at issue) in the register of the German Patent and Trade Mark Office, which was filed on 24 October 2007, claiming the priority of a US application dated 24 October 2006, and relates to a device and method for encoding audio signals. The Claimant's legal predecessor declared to the standardisation organisation ETSI (ETSI = European Telecommunications Standards Institute) that the patent at issue is essential for the EVS standard (EVS = Enhanced Voice Services) and declared its willingness to allow any interested party to use it on FRAND terms (FRAND = fair, reasonable and non-discriminatory).

2 In the past, the Defendant has offered and sold mobile devices in Germany that include an encoder that supports the EVS standard (EVS = Enhanced Voice Services). According to its submission, the mobile devices it sells have not supported this standard since February 2022.

3 The Claimant considers the offering of the contested mobile devices to be an infringement of its rights under the patent at issue. It initially filed a claim for information and rendering of accounts and sought a declaratory judgment establishing the obligation to provide compensation against the Defendant from the Regional Court on 11 October 2019. In a written statement dated 19 February 2021, it expanded the claim and is now also seeking injunctive relief, destruction and recall.

4 The Regional Court in essence made the orders against the Defendant as requested. During the first appeal

proceedings, the Patent Court partially revoked the patent at issue in the parallel revocation action conducted by the Defendant in a final judgment dated 16 September 2022. The Defendant's first appeal remained unsuccessful. With its second appeal, which was allowed by the Court of Appeal, the Defendant is seeking the complete dismissal of the claim. The Claimant is opposing the appeal.

Reasons for the decision

5 The admissible second appeal is not successful on its merits.

6 I. The Court of Appeal essentially justified its decision as follows (Munich Higher Regional Court, GRUR 2025, 738 - Speech-signal coder):

7 By offering and selling the contested mobile devices in which the EVS standard was implemented, the Defendant has made use of the subject of patent claims 10 and 29 of the patent at issue. Therefore, the Claimant is entitled to the claims for injunctive relief, information and rendering of accounts, recall, destruction and compensation awarded to it by the Regional Court.

8 The claim for injunctive relief is not excluded due to disproportionality. As pleaded by the Defendant itself, it has now implemented a workaround solution and sells devices without EVS functionality. It has not pleaded that this would cause it to suffer serious long-term disadvantages. Moreover, application of section 139 (1) sentence 3 German Patent Act (*PatG*) generally does not come into consideration if the infringer does not make use of the option to take a licence on FRAND terms. The claims for information, rendering of accounts, destruction and recall have not expired as a result of fulfilment. The relevant actions of the Defendant were only taken to avert enforcement.

9 The Defendant's attempt to rely on the compulsory licence defence under antitrust law remains unsuccessful. In this respect, it can be left open as to whether the Claimant has a dominant market position. According to the case law of the European Court of Justice, the question of whether the enforcement of a claim for injunctive relief in court under patent law by the proprietor of a standard-essential patent is to be regarded as an abuse of a dominant market position depends in principle on compliance with certain steps. The patent proprietor must inform the user of the alleged patent infringement before filing an action for an injunction and, if the user expresses its willingness to take a licence, make it an offer to conclude a licence agreement and wait a reasonable period of time. However, strict compliance with these steps must not become an end in itself; rather, each of these steps must be questioned as to its meaning and purpose and whether a party can invoke purely formal errors in such a step in good faith at a later point in the proceedings.

10 A sufficient notice of infringement can in any case be seen in the submission of the claim for information and rendering of accounts as well as for a declaratory judgment establishing the obligation to provide compensation from October 2019. The Defendant's view that a notice of infringement must be given before such a claim is brought cannot be accepted. It can be left open as to whether the Defendant sufficiently expressed its willingness to take a licence with its letter dated 26 November 2019. In any event, the Claimant could no longer refer to the absence of such an initial declaration of willingness to take a licence after it had submitted a licence agreement offer to the Defendant. It is not necessary to examine whether the Claimant's contractual offer met FRAND terms. If the patent proprietor's first offer already meets FRAND terms, the user's only admissible response is to accept it. If it does not meet FRAND terms, this does not lead to the objection under antitrust law being upheld and the action for injunctive relief being dismissed, regardless of the user's further conduct. In this case, the user would also have certain obligations to respond. The user is required to express any concerns it has about the terms demanded by the patent proprietor and to submit a counter-offer.

11 If the counter-offer is rejected, the user must also provide appropriate security, which must in principle be based on the terms of the patent proprietor's latest licence agreement offer. If this offer includes a global portfolio licence, the security must cover the licence fee for this. At the same time, the user must make a binding declaration that the patent proprietor will receive the security if its offer proves upon subsequent examination to meet FRAND terms and patent infringement is established by way of a final and absolute judgment.

12 The security provided by the Defendant in the amount of EUR 10,000 is insufficient. The increase of the security by USD 1 million after the conclusion of the hearing before the Court of Appeal is also insufficient. The Defendant thus

did not take the Claimant's last offer as a basis and did not suitably commit itself to accepting this offer in the event that it proved to meet FRAND terms.

13 II. This assessment withstands review on second appeal.

14 1. Without error of law and unchallenged by the second appeal, the Court of Appeal decided that the Defendant had (culpably) infringed the Claimant's patent by offering and selling the contested mobile devices. This justifies the claims for injunctive relief, information and rendering of accounts, recall, surrender for destruction and compensation asserted in the action (section 139 (1), (2), section 140a (1) and (3), section 140b (1) and (3) German Patent Act (*PatG*), sections 242, 259 German Civil Code (*BGB*)).

15 2. The Court of Appeal rightly assumed that the Defendant's compulsory licence defence under antitrust law against the asserted claims for injunctive relief, recall and destruction could not be upheld.

16 It is not necessary to decide whether the Claimant, as the proprietor of the patent at issue, has a dominant market position. Even if this is assumed for the benefit of the Defendant, there is no abuse of this position by the Claimant within the meaning of Article 102 Treaty on the Functioning of the European Union (TFEU).

17 a) The question of whether the exploitation of a dominant market position is abusive must be answered on the basis of a comprehensive assessment and weighing of the interests concerned, taking into account the objective of Article 102 TFEU, which is aimed at freedom of competition. This weighing of interests can only ever be carried out on a case-by-case basis (ECJ, judgment dated 6 October 2015 - C-23/14, NZKart 2015, 476 margin no. 29 - Post Danmark; ECJ, judgment dated 19 April 2018 - C-525/16, NZKart 2018, 225 margin no. 31 - Portuguese copyright management company; German Federal Court of Justice, judgment dated 23 June 2020 - KVR 69/19, BGHZ 226, 67 margin no. 98 - Facebook). In this respect, the national court directly applies Article 102 TFEU while preserving its national procedural autonomy in light of the principles of effectiveness and equivalence under EU law (German Federal Court of Justice, decision dated 17 September 2024 - KRB 101/23, BGHSt 68, 308 = NZKart 2025, 31 margin no. 34 - Submission agreement for power plant engineering).

18 b) As the Panel has already decided following the case law of the European Court of Justice (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 - Huawei v ZTE), a claim by a patent proprietor that has undertaken vis-à-vis a standardisation organisation to grant licences on FRAND terms may constitute an abuse of its dominant market position if and to the extent that it is likely to prevent products corresponding to the standard from entering or remaining available on the market (German Federal Court of Justice, judgment dated 5 May 2020 - KZR 36/17, BGHZ 225, 269 = GRUR 2020, 961 - FRAND Objection I; judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 - FRAND Objection II). It follows that claims for injunctive relief, recall and removal of products from the distribution channels or destruction may be abusive.

19 As the European Court of Justice has emphasised, the proprietor of a standard-essential patent is not prohibited per se from enforcing its patent by asserting claims for injunctive relief and other things (ECJ, judgment dated 16 July 2015 - C-1701/13, GRUR 2015, 764 margin no. 46, 58 - Huawei v ZTE). It only has to tolerate the use of its patent if it either has permitted the party making use of the protected technical teaching to do so or, in any case, must permit the party to do so to observe its obligation not to abuse its market power (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 53, 58 - Huawei v ZTE). The obligation to grant a licence presupposes that the party that intends to use or has already used the patent and has brought patent-compliant products onto the market even though it does not have a licence is willing to take a licence to this patent on FRAND terms (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 54 - Huawei v ZTE). Since the patent proprietor has no entitlement to conclude a licence agreement, it is relegated to enforcing claims for patent infringement against those who use the protected technical teaching but do not wish to conclude a licence agreement. Only with the powers resulting from the exclusive right can the intellectual property - in this case the invention - become the subject of market processes at all (Mestmäcker/Schweitzer, *Europäisches Wettbewerbsrecht*, 3rd ed., section 30 margin no. 7 f.; Ullrich, GRUR Int. 1996, 555, 565 f.) and is the rights holder given the means to persuade those who wish to use the invention to conclude a licence agreement (see on the specific subject of patent law: ECJ, judgment dated 14 July 1981 - Case 187/80, GRUR Int. 1982, 47 margin no. 4). This ensures that the parties disclose their use preferences and interests when initiating the agreement and mutually coordinate them - in

line with the market.

20 However, to fulfil its special responsibility as a market-dominating company and to ensure that a claim for injunctive relief or recall is not considered abusive, the patent proprietor must meet certain terms aimed at achieving a fair balance between the interests concerned (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 55 ff. - Huawei v ZTE).

21 It is an abuse of a dominant market position if the patent proprietor asserts claims for injunctive relief, destruction or recall of products even though the infringer has made it an unconditional offer to conclude a licence agreement on terms which the patent proprietor may not refuse without violating the prohibition of abuse or discrimination. In addition, the assertion of these claims by way of legal action can also be considered abusive if the patent proprietor can be accused of not having made sufficient efforts to fulfil the special responsibility associated with the dominant market position and to enable an infringer who is in principle willing to take a licence to conclude a licence agreement on reasonable terms.

22 In both cases, the claim is only abusive because the infringer willing to take a licence is entitled to have the patent proprietor contractually permit it to use the protected technical teaching on FRAND terms. Accordingly, an abuse of the dominant market position does not in principle arise from contractual terms offered by the patent proprietor before or at the beginning of the negotiations as such, which, if contractually agreed, could unfairly hinder or discriminate against the licensee. Rather, the abuse of market power follows - no differently than in the cases of refusal to supply or refusal of access to an infrastructure facility of the dominant market player - only from the fact that the patent proprietor refuses the requested access to the invention per se or from unreasonable terms for requested access, from which the patent proprietor is not prepared to back down even at the end of negotiations (German Federal Court of Justice, decision dated 24 September 2002 - KVR 15/01 - BGHZ 152, 84, 94 = NJW 2003, 748, 751 - Puttgarden ferry harbour I; judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 54 - FRAND Objection II).

23 It only follows from the special responsibility of the patent proprietor with market dominance that, before asserting claims for injunctive relief, recall or destruction in court, it must first inform the patent infringer of the infringement of the patent at issue if the infringer is (or might be) unaware that it is making unlawful use of the teaching of the patent by implementing a technical solution required by the standard (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 60 f. - Huawei v ZTE).

24 Since the FRAND commitment does not in principle change the fact that anyone wishing to make use of the technical teaching of a patent must obtain a licence from the patent proprietor to do so (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 58 - Huawei v ZTE), further obligations for the conduct of the patent proprietor with market dominance only arise if the user clearly and unambiguously expresses its intention to conclude a licence agreement on FRAND terms (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 63 - Huawei v ZTE) and subsequently participates in the licence negotiations in a targeted manner.

25 If the user has declared its willingness to conclude a licence agreement on FRAND terms, it is incumbent on the patent proprietor to submit a concrete written offer to conclude such a licence agreement. It is then incumbent on the user to respond to this offer with care, in accordance with recognised commercial practice in the sector and in good faith. This implies, as the European Court of Justice has emphasised, that the user does not pursue any delaying tactics (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 65 - Huawei v ZTE).

26 As the German Federal Court of Justice has already stated in connection with this, and not unlike in cases of negotiated access to an infrastructure facility, only the willingness of the user of the invention to base access to the protected technical solution, which it has already obtained on its own authority by infringing the patent, on a licence agreement for the future can justify the requirement for the patent proprietor with market dominance to make an offer to the user, explain this offer in a manner and depth of detail appropriate to the circumstances of the individual case and enter into negotiations on its offer and, if applicable, a counter-offer, so that a licence agreement can be reached which regulates the use of the infringed patent and, if applicable, other patents on fair, reasonable and non-discriminatory terms. This willingness of the user is the indispensable counterpart to the fact that the patent proprietor is required to accept the infringement of the patent at issue as long as the user makes the efforts required by the

given situation and possible and reasonable for it to conclude a licence agreement on FRAND terms so that it can continue to use the patent teaching on this basis (German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 58 - FRAND Objection II).

27 However, the mutual willingness to grant/take a licence is of fundamental importance not just because the patent proprietor must only, and indeed can only, grant a FRAND licence to a user of the invention that is willing to take one. It is also indispensable because an appropriate result that balances the opposing interests of both parties can usually only be achieved as the result of a negotiation process in which these interests are articulated and discussed to achieve a fair and appropriate balance of interests desired by both parties (German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 59 - FRAND Objection II).

28 As the European Court of Justice has stated, it is incumbent on the user that does not wish to accept the offer it has received from the patent proprietor for the conclusion of a licence agreement to submit within a short time period a counter-offer that, in its view, complies with FRAND terms. If this offer is rejected by the patent proprietor, the user is also required to provide appropriate security from that point in time (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 66 f. - Huawei v ZTE).

29 The requirements for the conduct of the patent proprietor and of the user of the invention are mutually dependent. Since the standard of review is what a reasonable party interested in the successful, mutually beneficial conclusion of the negotiations would do to promote this goal at a particular stage of the negotiations, the specific requirements to be met defy any general definition.

30 c) The objection of the second appeal that the Claimant did not bring the infringement to the Defendant's attention in the required manner cannot be upheld.

31 aa) The case law of the European Court of Justice only requires the proprietor of a standard-essential patent to inform the alleged infringer of its infringement of the patent before it asserts claims in court to cease and desist from infringing its patent or to recall the infringed products (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 71 - Huawei v ZTE). In contrast, the assertion of claims in court for compensation or information and rendering of accounts does not require prior notice of infringement (ECJ, judgment dated 16 July 2015 - C- 170/13, GRUR 2015, 764 margin no. 74 f. - Huawei v ZTE).

32 The material reason for this distinction is that the assertion of claims in court by the patent proprietor for compensation or information and rendering of accounts has no direct impact on whether products manufactured by its competitors enter or remain on the market (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 74 - Huawei v ZTE). Accordingly, the requirements derived from the dominant market player's special responsibility for the conduct of the patent proprietor that wishes to avoid the accusation of abusive conduct relate to asserting claims for injunctive relief and recall in court (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 52, 54 f., 59-61, 71-73 - Huawei v ZTE). The same applies to the claim for destruction of infringing products.

33 bb) A referral to the European Court of Justice pursuant to Article 267 (3) TFEU is not required in this respect.

34 According to the case law of the European Court of Justice, the court of a Member State whose decisions can no longer be contested by means of appeal under national law must refer any question concerning the interpretation of EU law raised before it to the European Court of Justice. However, there is no obligation to refer this question if the court finds that it is not relevant to the decision, that the provision of EU law in question has already been the subject of an interpretation by the European Court of Justice or that the correct interpretation of EU law is so obvious that there is no room for reasonable doubt. Whether such a case exists must be assessed while taking into account the peculiarities of EU law, the particular difficulties of its interpretation and the risk of divergent court decisions within the EU (ECJ, judgment dated 6 October 2021 - C-561/19, NJW 2021, 3303 margin no. 66 - Consorzio Italian Management et al. v Rete Ferroviaria Italiana SpA).

35 The question of whether the proprietor of a standard-essential patent must also provide the user with notice of infringement prior to asserting claims in court for compensation or information and rendering of accounts due to its

dominant market position was the subject of the aforementioned decision of the European Court of Justice and has been clarified. The European Commission also did not call this into question in the opinion it submitted in this legal dispute.

36 cc) The Claimant notified the Defendant of the infringement before asserting the claims for injunctive relief, recall and destruction in court.

37 According to the findings of the Court of Appeal, in a claim filed with the Regional Court in October 2019, the Claimant initially requested that the Defendant be ordered to provide information and render accounts and that the obligation to provide compensation be established. The second appeal does not question whether the content of this statement of claim meets the requirements for a notice of infringement (see German Federal Court of Justice, judgment dated 5 May 2020 - KZR 36/17, BGHZ 225, 269 = GRUR 2020, 961 margin no. 85 - FRAND Objection I). It was not until February 2021 that the Claimant expanded the claim and requested that the Defendant be ordered to cease and desist and to recall and destroy the goods. Whether the Defendant could still invoke the fact that the notice of infringement was not issued before the action was brought given the facts established by this time and the status of the dispute can therefore be left open.

38 d) Furthermore, it is not objectionable on legal grounds that the Court of Appeal denied the Defendant's willingness to take a licence without examining the licence agreement offers submitted by the Claimant as to whether they comply with FRAND terms in every respect. The view taken in the second appeal that the case law of the European Court of Justice establishes a mandatory sequence of procedural steps that must be strictly adhered to is not correct. In particular, the user's conduct after the patent proprietor transmitted an offer to conclude a licence agreement must always be used to infer its unwillingness to take a licence and not only when the court has previously positively determined that the licence agreement offer complies with FRAND terms.

39 aa) As the European Court of Justice has held, the patent proprietor that has made a FRAND declaration is not, in principle, abusing its dominant market position by bringing an action for injunctive relief or recall of infringing products if, before bringing the claim, it has given the required notice of infringement and, after the infringer has expressed its intention to conclude a licence agreement on FRAND terms, the patent proprietor has made a specific licence offer on such terms to the infringer and, in particular, has indicated the licence fee and the way in which it is calculated, provided that the infringer, though it continues to use the protected technical teaching, does not respond to that offer with care, in accordance with recognised commercial practice and in accordance with the requirements of good faith, which in particular prohibits it from pursuing delaying tactics (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 71 - Huawei v ZTE).

40 In support of its view that it is for the patent proprietor to make an offer to the user to conclude a licence agreement, the ECJ referred to the willingness to take a licence previously declared to the standardisation organisation and to the fact that the patent proprietor is generally more likely to have the information necessary to demonstrate why such an offer is neither abusively excessive nor discriminatory (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 64 - Huawei v ZTE).

41 At the same time, the European Court of Justice stated that the user is required to respond to this offer with due diligence and not to use delaying tactics. Accordingly, the user can only rely on the objection that the assertion of claims for injunctive relief, recall or destruction in court is abusive if it responds to the patent proprietor's contractual offer within a short time in the required manner (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 65 f. - Huawei v ZTE).

42 The European Court of Justice therefore emphasises the mutual obligation to engage in a constructive exchange to achieve a fair balance between the interests concerned. Due account must be taken of the particular legal and factual circumstances of the specific case. In this respect, the examination of a FRAND objection is no different from other cases of abuse of a dominant market position.

43 bb) The second appeal asserts, without success, that the fact that the European Court of Justice requires a specific written licence offer by the patent proprietor on FRAND terms after the infringer has expressed its intention to conclude a licence agreement on FRAND terms is contrary to an understanding of the obligation to declare willingness to take a licence as a kind of permanent condition or continuous act.

44 The second appeal does not take sufficient account of the fact that the abuse of market power in cases of this kind arises from the refusal of the dominant market player to satisfy the claim to lawful access to the invention by a company on the other side of the market and to grant a licence on FRAND terms for this purpose (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 53 - Huawei v ZTE). It is the abusive nature of this refusal that can be held against the claim being made on the basis of the patent (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 54 - Huawei v ZTE). An abusive refusal by the patent proprietor with market dominance necessarily presupposes a continuing request by the infringer for an agreement to be concluded on FRAND terms and its willingness to cooperate in concluding such an agreement, without which a "refusal" by the patent proprietor would be in vain (German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 66 - FRAND Objection II).

45 To demonstrate the required willingness of the user to take a licence, it is not sufficient that a serious and final refusal of the patent infringer to conclude a user agreement on FRAND terms cannot be established. This fails to recognise the principle, also emphasised by the European Court of Justice, that anyone wishing to make use of the technical teaching must obtain a licence to do so (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 58 - Huawei v ZTE). However, the patent infringer has already obtained access to use of the invention, for which it owes a reasonable fee, on its own authority and thus - at least initially - free of charge, meaning that delaying the resolution of the conflict of interest by concluding an agreement requiring it to provide consideration, unlike in the case of claims for supply or access to an infrastructure facility, favours the opposing party over the dominant market player. The delaying tactic, which the infringer must not use and which, as the European Court of Justice has expressly stated (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 71 - Huawei v ZTE), excludes an abuse of the dominant market position, therefore typically entails not outright rejecting a licence agreement on FRAND terms, but ostensibly striving for it while at the same time procrastinating on finding an actual appropriate solution or at least postponing it for as long as possible.

46 The user's continued willingness to take a licence is therefore an indispensable prerequisite for a successful licence negotiation and thus also for the accusation of abuse of market power against the patent proprietor in the event that the negotiation fails. It retains its significance even if the patent proprietor has submitted an offer to the user to conclude a licence agreement (German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 69 - FRAND Objection II).

47 cc) The requirements developed by the European Court of Justice are aimed at enabling negotiations on the terms of a licence which ensure both of the following: the patent proprietor cannot abuse its dominant market position to enforce excessive prices or discriminatory terms and the user cannot frustrate the patent proprietor's efforts to conclude a licence agreement on FRAND terms by using delaying tactics (Meier-Beck, GRUR Patent 2024, 411 margin no. 26). The task of such negotiations is to produce a fair and appropriate final result and, to this end, to articulate the interests of both parties and to discuss factual and legal aspects which, in the view of at least one of the negotiating parties, may be relevant to this result.

48 If the patent proprietor has made the user of the invention an at least essentially complete contractual offer and, in particular, has explained the calculation of the licence fees demanded to the extent necessary, it is the responsibility of the user to review the offer to determine whether its contents make further information from the patent proprietor necessary and whether and to what extent the structure of the offer or individual provisions of it, in particular the property rights to be covered by the agreement and the amount of and method of calculating the licence fees, (potentially) do not comply with FRAND terms from the user's point of view. If necessary, it is required to submit a counter-offer.

49 The user must therefore deal with the offer in such a way that it is clear that it is now pursuing the goal of achieving a result that is in the interests of both parties as soon as possible. Contrary to what is being pleaded by way of this second appeal, it does not matter whether and to what extent the content of the patent proprietor's contractual offer already complies in every respect with the requirements of the agreement to be concluded with regard to fair, reasonable and non-discriminatory terms for the use of the contractual property rights (German Federal Court of Justice, judgment dated 24 November 2020, BGHZ 227, 305 = GRUR 2021, 585 margin no. 72 - FRAND Objection II). This is countered by the fact that abusive conduct on the part of the proprietor of a standard-essential patent is

not seen in the submission of an offer that does not comply with FRAND terms in every respect, but rather (only) when the granting of a licence on such terms is refused (ECJ, judgment dated 16 July 2015 - C-170/13 - GRUR 2015, 764 margin no. 53 - Huawei v ZTE; German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 76 - FRAND Objection II).

50 The content of a complex licence agreement cannot be reviewed in the abstract either out of court or in court proceedings to determine whether all contractual terms meet the requirements for a fair, reasonable and non-discriminatory structuring of the use of the contractual property rights. It will also often not be readily possible for the patent proprietor to recognise the necessary conditions unilaterally - and without aligning them with the interests of the user. Whether the drafting of a licence agreement complies with the requirements of Article 102 TFEU can generally only be assessed if the party that does not want to accept a contractual term proposed by the other party, or at least not without further ado, asserts those aspects which, from the point of view of this party, argue against the appropriateness of the contractual term or at least make this appropriateness appear doubtful, and if the other party then either takes these concerns into account by amending or supplementing its proposal or explains why the concerns cannot be upheld from its point of view (see German Federal Court of Justice, decision dated 24 September 2002 - KVR 15/01, BGHZ 152, 84, 97 = NJW 2003, 748, 752 - Puttgarden ferry harbour I).

51 In particular, the question of whether the licence fee demanded is discriminatory often depends on the specific circumstances of the user, such as the markets in which it is active and to what extent, the price level of its products in relation to those of existing licensees and other competitors, its market share and its creditworthiness. A user that is seriously interested in concluding a licence agreement on FRAND terms can therefore be expected to raise appropriate objections to a licence agreement offer from the patent proprietor as soon as possible. Without such information, the court also lacks a reliable basis for assessing whether a licence agreement offer by the patent proprietor meets FRAND terms.

52 It is obvious that arguments and counter-arguments are determined by the initially opposing interests of the parties. However, this is precisely why a negotiation process is required, at the end of which an appropriate balance of interests is sought by both sides. Even if the parties' efforts to reach an amicable solution ultimately fail, these arguments, because they provide indications of which individual interests are to be taken into account and how they are to be weighted, can form the basis of any necessary court decision on the extent to which the conflicting views expressed on the individual points in dispute are compatible with the obligation to grant/take a licence on FRAND terms.

53 dd) According to the negotiation model developed by the European Court of Justice, it is therefore indispensable for the user to react within a short time to a licence agreement offer by the patent proprietor and to explain which of the proposed conditions in its view do not comply with FRAND terms.

54 (1) This is particularly clear where, as in this case, the matter being discussed is the conclusion of a licence agreement that relates not only to the patent at issue but also to a portfolio comprising multiple intellectual property rights and extends beyond the territory of the Federal Republic of Germany, and the parties' differences of opinion primarily concern the type and amount of the licence fee (on the fundamental unobjectionable nature under antitrust law of the demand for a portfolio licence, see German Federal Court of Justice, judgment dated 5 May 2020 - KZR 36/17, BGHZ 225, 269 = GRUR 2020, 961 margin no. 78 - FRAND Objection I).

55 In assessing whether a licence fee demanded by the patent proprietor is abusively excessive or not, one of the relevant factors to consider is whether, and if so which, other patents in the portfolio comprising the patent at issue are standard-essential and legally valid and are being infringed. It is practically impossible for the civil court to clarify this point within a reasonable period of time using the means available to it in the infringement proceedings (Meier-Beck, GRUR Patent 2024, 411 margin no. 33; Müller/Henke, Mitt. 2016, 62, 64; McGuire, Mitt. 2018, 297, 307). The view taken in the second appeal, which was endorsed by the European Commission, that the user is only required to respond to the patent proprietor's licence agreement offer if the court has positively determined that it complies with FRAND terms in every respect, therefore generally leads to a decision on the legitimacy of the compulsory licence defence under antitrust law potentially being delayed indefinitely. In contrast, the negotiation model developed by the European Court of Justice aims to achieve a fair balance between the interests concerned as quickly as possible.

56 (2) The point made in the second appeal that the interests of the patent proprietor are sufficiently taken into account by the fact that it is in any case entitled to an interest-bearing claim for compensation in the event of a patent infringement does not justify a different assessment.

57 This view fails to take into account that the patent proprietor bears the risk that the user will become insolvent during the time it takes to comprehensively examine the patent proprietor's licence agreement offer. According to the view held in the second appeal, the user is only required to provide security once it has been clarified that both the patent proprietor's agreement offer and the user's counter-offer meet FRAND terms. From this perspective, the patent proprietor would only be able to realise the economic value of its portfolio if it enforced claims for compensation for all patents and in all countries where they are protected. Moreover, the reference to the assertion of claims for compensation would call into question the above-mentioned function of exclusive rights under intellectual property law recognised by the European Court of Justice and thus also jeopardise the fair balance between the interests concerned sought by the Court of Justice.

58 ee) If the user first declares its willingness to take a licence in the sense explained above, for example after receiving a notice of infringement, this gives the patent proprietor reason to submit and explain an offer to conclude a licence agreement. However, the effort involved in a comprehensive court examination of whether the conditions demanded by the patent proprietor comply with FRAND terms is not justified if the user's subsequent conduct indicates that this declaration was mere lip service or that it is no longer willing to conclude a licence agreement on FRAND terms.

59 A lack of willingness to take a licence may be expressed, in particular, by the user's failure to respond to the patent proprietor's licence agreement offer in a timely and appropriate manner (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 65 - Huawei v ZTE). It may also be demonstrated by the user's failure to provide appropriate security and to submit a statement of acts of use after a counter-offer submitted by the user has been rejected by the patent proprietor (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 67 - Huawei v ZTE).

60 The obligations of the user referred to in the decision of the European Court of Justice are therefore factually related insofar as their observance is to be regarded as an indication that the user is seriously interested in concluding a licence agreement on FRAND terms.

61 It should therefore be noted that the user may already be expected to give proper consideration to a licence agreement offer from the patent proprietor if the latter has submitted and explained an agreement offer that is at least essentially complete.

62 ff) There is no need to refer this point to the European Court of Justice again either. There are no reasonable doubts as to the correct interpretation of EU law. The opinion of the European Commission does not justify a different assessment.

63 (1) As mentioned above, the question of whether conduct qualifies as an abuse of a dominant market position is determined on the basis of a comprehensive assessment and weighing of the interests concerned, which can only be carried out on a case-by-case basis. In line with this, the European Court of Justice also emphasised in its Huawei v ZTE decision that, when assessing whether the assertion of claims for injunctive relief or recall in court based on a standard-essential patent infringes Article 102 TFEU, due account must be taken of the particular legal and factual circumstances of the specific case (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2016, 763 margin no. 56 - Huawei v ZTE). At the same time, the European Court of Justice has made it clear that it is for the national court to examine whether the criteria it has set out are relevant and fulfilled in the circumstances of the specific case (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2016, 763 margin no. 70 - Huawei v ZTE). The national court must carry out this examination in accordance with its national procedural law, taking into account the principles of effectiveness and equivalence under EU law. This is contrary to the understanding of the decision of the European Court of Justice, according to which it can be inferred from Article 102 TFEU that, when asserting the compulsory licence defence under antitrust law, the national court must always follow a specific order of examination, regardless of the specific circumstances of the individual case.

64 (2) The Panel does not fail to recognise that the court of last instance of a Member State may only assume that there

is no reasonable doubt as to the correct interpretation of EU law if it is convinced that the courts of the other Member States and the Court of Justice would have the same certainty (ECJ, judgment dated 6 October 2021 - C-561/19, NJW 2021, 3303 margin no. 40 - Consorzio Italian Management et al v Rete Ferroviaria Italiana SpA).

65 This requirement is met here. The second appeal does not indicate that the courts of other Member States have arrived at a different interpretation of Article 102 TFEU with regard to the matters in question here or that they interpret the decision of the European Court of Justice in the Huawei v ZTE case differently from the German Federal Court of Justice. There is no other evidence to suggest this either. There are also no indications of this to be found in the European Commission's opinion.

66 (a) The Court of Justice of The Hague already stated in 2019 that the decision of the European Court of Justice should not to be understood to mean that the compulsory licence defence under antitrust law always applies if the patent proprietor does not fully comply with one of the aforementioned steps, but that the circumstances of the individual case must always be taken into account (Court of Justice of The Hague, GRUR Int. 2020,174, under 4.12 to 4.19; see also Court of Justice of The Hague, ECLI:NL:GHDHA:2019:3537 under 4.167 ff, available at https://uitspraken.rechtspraak.nl).

67 In the opinion of the Court of Justice of The Hague, it was not the intention of the European Court of Justice to establish strict requirements that must be observed in all cases by the proprietor of a standard-essential patent. Rather, the steps listed there should be understood as guidelines for negotiations between the parties involved in accordance with the principle of good faith. The Supreme Court of the Netherlands followed suit and dismissed the first appeal (see Supreme Court of the Netherlands, decision dated 25 February 2022, ECLI:NL:HR:2022:296; and opinion of the Prosecutor General of the Netherlands dated 2 July 2021, ECLI:NL:PHR:2021:670 under 3.11 ff.; in particular 3.46 to 3.50, 3.54; both available at https://uitspraken.rechtspraak.nl).

68 In the specific case, the Court of Justice of The Hague considered the Defendant in that case to be unwilling to take a licence because it did not respond to the patent proprietor's offer to conclude a licence agreement at the conditions it would normally demand. In addition, it noted – without this being a decisive factor – that the patent proprietor was not required to explain in detail that the offer it had made complied with FRAND terms, but that it was sufficient for it to explain what licence fees it was demanding and how it had calculated them, and to show itself willing in principle to enter into negotiations with the user.

69 (b) According to Local Division Mannheim of the Unified Patent Court (decision dated 22 November 2024 - UPC CFI 210/2023, GRUR-RS 2024, 32250 margin no. 188 ff. - Panasonic v Oppo), the user is always obliged to respond to an offer to conclude a licence agreement by the proprietor of a standard-essential patent and, at the very least, to raise any objections against it and request improvements.

70 In its reasoning, Local Division Mannheim pointed out that a decision as to whether an offer by the patent proprietor complies with FRAND terms can only be assessed on the basis of the specific negotiations and the conduct of the parties. Local Division Mannheim referred to the aforementioned decision of the Court of Justice of The Hague and the case law of the German Federal Court of Justice. In the opinion of Local Division Mannheim, the decision of the European Court of Justice must not be understood to mean that a licence agreement offer should be examined without taking into account the further conduct of the parties (UPC [Local Division Mannheim] dated 22 November 2024 – UPC CFI 210/2023, GRUR-RS 2024,32250 margin nos. 201-203 and margin nos. 212 f. - Panasonic v Oppo).

71 (c) Local Division Munich of the Unified Patent Court took a decision to the same effect (decision dated 18 December 2024 - UPC CFI 9/2023, GRUR-RS 2024, 35919 margin nos. 299 ff. - Huawei v Netgear).

72 In the opinion of the Local Division, whether a licence agreement offer complies with FRAND terms is not to be assessed "independently", but on the basis of the specific negotiations and the conduct of the parties. Providing an initial offer that does not comply with FRAND terms is not to be regarded as an abuse of the dominant market position, but as the starting point of the negotiations in the course of which a FRAND-compliant offer should be developed (UPC [Local Division Munich] GRUR-RS 2024, 35919 margin nos. 307 to 312 - Huawei v Netgear, with reference to the case law of the adjudicating Panel and the above-mentioned decisions of the Court of Justice of The

Hague and Local Division Mannheim of the UPC).

73 (d) The High Court of England and Wales has also taken the view that the ECJ's decision does not impose an obligation on national courts to examine an offer for actual compliance with FRAND terms. The decisive factor is whether the patent proprietor and user are willing to take a licence, but not whether an individual offer is FRAND or not (High Court of England and Wales [J. Birss], [2017] EWHC 711 (pat) margin no. 738,744 - Unwired Planet v Huawei). This view has been confirmed by the Court of Appeal (Court of Appeal [Lords Kitchin, Floyd, Lady Asplin], [2018] EWCA Civ 2344 margin no. 230 ff.) and the Supreme Court (UK Supreme Court [Lords Reed, Hodge, Lady Black, Lords Briggs, Sales], [2020] UKSC 37 margin nos. 146 ff.). The English Court of Appeal correctly stated in its decision that the European Court of Justice had not ruled that any deviation from the sequence of steps indicated in its decision would automatically lead to the assumption of an abuse of a dominant position. Rather, it had ruled that an abuse could be ruled out by filing an action for an injunction, provided that these steps were observed ([2018] EWCA Civ 2344 margin no. 254).

74 (e) The decision of Düsseldorf Higher Regional Court cited in the second appeal does not contradict this. The question as to whether the patent proprietor's licence agreement offer complied with FRAND terms was not relevant to the decision to be made there, because Düsseldorf Higher Regional Court came to the conclusion that the Defendant had not even made a basic statement that it was willing to take a licence (Düsseldorf Higher Regional Court GRUR 2022,1136 margin no. 181 f. - Signal Synthesis II).

75 (3) The European Commission's observation that the parties to the present legal dispute are involved in other patent infringement disputes which differ only in that they are based on different patents held by the Claimant and that Mannheim and Munich I Regional Courts, with which the claims were filed, had arrived at different legal assessments with regard to certain aspects of the mutual obligations of the patent proprietor and the patent user does not justify a different assessment.

76 As the Panel is aware from the proceedings KZR 25/24, KZR 26/24 and KZR 27/24, which are also pending before it, both Mannheim Regional Court and Karlsruhe Higher Regional Court as the court of appeal - as well as Munich Regional Court I and the Court of Appeal in the present legal dispute - came to the conclusion that the compulsory licence defence under antitrust law does not apply due to the Defendant's unwillingness to take a licence. Possible differences in the interpretation of the decision of the European Court of Justice are therefore not relevant to the decision and therefore do not require another referral.

77 gg) The assumption of the Court of Appeal that the Defendant was not willing to take a licence, contrary to its statements claiming otherwise, is supported by the factual findings.

78 (1) The Claimant's initial offer to conclude a licence agreement was dated 25 October 2019. The Defendant did not reject this offer until almost five months later in a letter dated 17 March 2020 and thus, as the Regional Court correctly stated, did not respond within a reasonable period of time.

79 (2) The Defendant also did not respond to the two licence agreement offers submitted by the Claimant on 6 May 2020, one of which provided for an ongoing licence fee and the other for a lump-sum licence, until 17 August 2020, i.e. more than three months later.

80 (3) Together with its first licence agreement offer, the Claimant sent the Defendant a proposal to conclude a non-disclosure agreement. The Defendant only responded to this on 26 June 2020 and requested an amendment to the draft.

81 Such a non-disclosure agreement is usually a prerequisite for the patent proprietor to be authorised to provide the user with information on licence agreements already concluded with third-party companies. This information can help the user to assess whether the conditions offered to it by the patent proprietor comply with FRAND terms. A user seeking to conclude a licence agreement on FRAND terms can therefore be expected to have an interest in the swift conclusion of a non-disclosure agreement and to respond promptly to a corresponding offer. The fact that the Defendant only responded to a corresponding proposal from the Claimant after around eight months was already correctly regarded by the Regional Court as an indication that the Defendant was not seriously interested in the swift progress of the negotiations.

82 (4) The Defendant's changing statements on the form of the licence payment are also indicative of this.

83 The Claimant's first offer provided for an ongoing licence fee. On 6 May 2020, the Claimant submitted two further agreement offers to the Defendant, one of which provided for an ongoing licence fee and the other for a lump-sum payment. After the Defendant expressed interest in an agreement providing for a lump-sum licence in a meeting with the Claimant in October 2020, the Claimant submitted a further offer on 3 November 2020, which provided for a significantly lower lump-sum payment compared to the previous offer. In an email from its director dated 11 November 2020, the Defendant rejected this offer, stating, among other things, that it was interested in a licence with ongoing licence payments. In contrast, the offers it made in the further course of the negotiations again provided for lump-sum payments. As the Regional Court correctly assumed, this conduct on the part of the Defendant also indicates that it was pursuing a delaying tactic.

84 (5) The Defendant's unwillingness to take a licence is further demonstrated by the fact that it did not provide appropriate security.

85 (a) If a party who has started using a standard-essential patent without first obtaining the patent proprietor's permission does not accept the offer to conclude a licence agreement made to it by the patent proprietor, it may, according to the case law of the European Court of Justice, rely on the abusive nature of an action for an injunction or for the recall or destruction of products only if it has submitted to the patent proprietor a specific counter-offer promptly and in writing. If its counter-offer is rejected, it must also provide appropriate security from this point in time. The calculation of the security must then include, among other things, the number of acts of use carried out in the past in relation to the patent at issue (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015,764 margin no. 66 f. - Huawei v ZTE; German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021,585 margin no. 77 - FRAND Objection II).

86 Since October 2019, the Claimant has submitted several offers to the Defendant to conclude a licence agreement for its portfolio of patents relating to the EVS standard. These differed mainly in terms of the type of licence fee - payment of a certain amount for each device sold or lump-sum licence - and the amount of the licence fee.

87 (b) The view taken in the second appeal that the user is only required to provide security if the court has previously determined that the patent proprietor's licence agreement offer complies with FRAND terms in every respect is not correct for the reasons already outlined above. The provision of such security is an appropriate way for the user to demonstrate that it is seriously interested in concluding a licence agreement on FRAND terms and is not merely seeking to delay payment for the use already made of the technical teaching of the patent for as long as possible.

88 (c) Contrary to the view taken in the second appeal, the obligation to provide security does not place unreasonable pressure on the patent user. Rather, it ensures that a company that uses the technical teaching of the patent at issue without first obtaining the consent of the patent proprietor does not gain an unfair advantage over those market participants who have decided to take a licence from the patent proprietor. The latter are usually contractually required to report on their use of the patent on a quarterly basis and to pay the agreed licence fees on this basis. If the authorisation to use the property rights is to be compensated by a lump sum, the licence agreement usually stipulates the obligation to pay at least a substantial part of the agreed sum immediately after conclusion of the agreement.

89 As long as it remains unclear whether and under what conditions a licence agreement will be concluded, the user cannot be required to make payments to the patent proprietor. However, it is appropriate that, in view of the fact that it is already using the protected technical teaching, it indicates its willingness to take a licence in the sense explained above by providing security that guarantees the feasibility of the patent proprietor's claims under the licence agreement to be concluded. At the same time, this ensures that the patent proprietor does not bear the risk of the user becoming illiquid during the negotiations.

90 (d) It is not at the discretion of the user to decide when to provide such security. Rather, the requirement of the European Court of Justice that no delaying tactics may be pursued means that the user is obliged to provide the security immediately after the rejection of its counter-offer (see Düsseldorf Regional Court, NZKart 2015,545,548; Düsseldorf Regional Court - 4a 0 73/14, juris margin no. 302).

91 Which specific requirements must be taken from the European Court of Justice's decision regarding the amount of security to be provided by the user do not need to be conclusively determined here.

92 Whether the view expressed by the Court of Appeal that the amount of the security should be based on the (last) offer made by the patent proprietor is correct can also be left open. Irrespective of this, the Defendant did not provide appropriate security.

93 According to the findings of the court of first instance, the Defendant responded to an initial offer to conclude a licence agreement made by the Claimant on 25 October 2019 with a counter-offer on 17 March 2020. After the Claimant rejected this counter-offer on 6 May 2020, the Defendant provided information on the mobile phones sold in Germany in the period from 1 July 2018 to February 2020 on 8 May 2020 and deposited an amount of EUR 10,000 with Mannheim Local Court. At the hearing in parallel proceedings before Mannheim Regional Court on 26 March 2021, it submitted a further counter-offer, which provided for a lump-sum licence payment of USD 500,000. Around three months later, on 24 June 2021, the Defendant offered a lump-sum licence payment of USD 1 million at the hearing in another set of parallel proceedings before Munich Regional Court I. The Claimant also rejected this offer.

94 Despite these counter-offers, the Defendant refrained from increasing the security deposit for several years, even though it amounted to only slightly more than one per cent of the lump-sum licence fee, which the Defendant itself most recently regarded as corresponding to FRAND terms. In view of the described development of the negotiations between the parties, it should have increased the security to an appropriate amount by 2021 at the latest. However, the Defendant left the security deposit unchanged until the hearing in the first appeal proceedings on 31 October 2024. Only after the conclusion of the hearing, in December 2024, did the Defendant increase the security by means of a bank surety of USD 1 million. This conduct supports the conclusion drawn by the Court of Appeal that the Defendant's appeal on the grounds of the compulsory licence defence under antitrust law must fail because its conduct does not indicate a serious willingness to take a licence.

95 (e) A referral to the European Court of Justice is also not required in this respect.

96 The requirements arising from previous case law for determining the amount of an appropriate security deposit may not yet have been conclusively clarified in one respect or another. However, this is irrelevant to the decision in the present case because the security provided by the Defendant did not even come close to an amount that would have been appropriate according to the content of its own counter-offer.

97 3. The Court of Appeal correctly ruled that the claim for injunctive relief is not excluded due to disproportionality.

98 a) Pursuant to section 139 (1) sentence 3 German Patent Act (*PatG*), a claim for injunctive relief due to patent infringement is excluded if, due to the special circumstances of the individual case and the requirements of good faith, the claim would lead to disproportionate hardship for the infringer or third parties that is not justified by the exclusive right. The provision serves to implement Article 3 (2) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ L 157 dated 30 April 2004), according to which measures to enforce intellectual property rights must, among other things, be proportionate (BT-Drucks. 19/25821 p. 52 f.).

99 b) In the explanatory memorandum to the Second Act to Simplify and Modernise Patent Law (dated 10 August 2021, BGBL I 3490), the legislature made it clear that a claim for injunctive relief is the standard sanction under the legal system in the event of patent infringement and that a restriction of the claim for injunctive relief against the infringer can only be considered in exceptional cases (BT-Drucks. 19/25821 p. 53). This is in line with the case law of the European Court of Justice, according to which exclusion due to disproportionality is subject to stricter conditions vis-à-vis the infringer than vis-à-vis an intermediary whose services are used in connection with the infringement (ECJ, judgment dated 27 March 2014 - C-314/12, GRUR 2014,468 margin no. 53 - UPC Telekabel Wien v Constantin Film Verleih et al, on copyright).

100 c) When assessing all the circumstances of the individual case, it may be relevant, among other things, whether the patent proprietor itself manufactures or distributes products that make use of the technical teaching of the patent and compete with the contested products, or whether its primary concern is to monetise its rights. For example, clearly

excessive licence demands may be an argument against granting the claim for injunctive relief. On the other hand, the mere fact that the injured party does not use the patent itself through its own or licensed production is not sufficient to justify the exclusion of the claim for injunctive relief (BT-Drucks. 19/25821 p. 53). It may also be taken into account whether immediate compliance with the injunctive relief would have a particularly severe impact on the infringer and put it at a particular disadvantage due to special circumstances. This may be the case, for example, if the teaching of the patent relates only to a minor, non-essential component of a complex overall product and redesigning the product without using this teaching would involve a great deal of effort. In addition, subjective elements may have to be taken into account, such as the nature and extent of fault. In this context, the question of whether the infringer has made sufficient efforts to obtain a licence agreement may also become relevant (BT-Drucks. 19/25821 p. 54).

101 d) When applying these standards, the objection of disproportionality does not preclude the Claimant's claim for injunctive relief. Neither the findings nor the arguments put forward in the second appeal reveal any special circumstances that could justify denying the Claimant the claim for injunctive relief based on the Defendant's infringing acts.

102 aa) Whether the argument that the Claimant is purely a patent exploiter and is only pursuing monetary interests is correct is irrelevant. As already explained, the fact that the injured party does not use the technical teaching of the patent itself does not in itself justify the exclusion of the claim for injunctive relief.

103 bb) When weighing up all the circumstances, the delaying tactics pursued by the Defendant are of considerable importance. Anyone who makes use of the teaching of a standard-essential patent but at the same time indicates through their conduct towards the patent proprietor that they are not willing to take a licence cannot normally invoke the fact that the injunctive relief would cause them unjustified hardship.

104 As explained above, the user of a standard-essential patent is entitled to be authorised by the patent proprietor to use the protected technical teaching on FRAND terms. This gives the user the opportunity to obtain permission to use the patent, although the parties can only work out FRAND terms together through swift and trusting negotiations. Conversely, the patent proprietor has no entitlement to conclude such an agreement with the user. If the user's conduct indicates that it is not willing to take a licence, the patent proprietor cannot be expected to settle for compensation claims. As the European Court of Justice has stated, the holder of an intellectual property right must not, in principle, be deprived of the possibility of taking legal action to ensure that its exclusive right is actually observed and that the user of these rights must, in principle, obtain a licence before each use (ECJ, judgment dated 16 July 2015 - C-170/13, GRUR 2015, 764 margin no. 57 f. - Huawei v ZTE).

105 cc) In the past, the Defendant has made use of the teaching of the patent at issue, which is essential for the EVS standard. The fact that a licence agreement that could justify this conduct has not yet been concluded is largely due to the fact that, as explained above, the Defendant has pursued delaying tactics for years. The economic disadvantages associated with injunctive relief cited in the second appeal and the question of whether the Claimant's licence demands are excessive, as asserted in the second appeal, are of no great importance in these circumstances.

106 According to its own submission, the Defendant has succeeded in developing a workaround solution, as a result of which it has been able to sell mobile devices that do not make use of the teaching of the patent at issue since February 2022. Accordingly, the enforcement of the injunctive relief does not prevent the Defendant from marketing its products. Insofar as the claim for injunctive relief is nevertheless associated with economic disadvantages, as the Defendant pleads, in particular because some network operators are only willing to sell mobile devices if the EVS standard is implemented, this does not weigh decisively in its favour in view of the Defendant's unwillingness to take a licence.

107 (e) A referral to the European Court of Justice is also not appropriate in this respect.

108 The explanatory memorandum to the new version of section 139 (1) German Patent Act (*PatG*) addresses several aspects that may be relevant when examining the question of whether the claim for injunctive relief is exceptionally excluded due to disproportionality. The second appeal does not provide any indications that the application of the

provision is not in line with Article 3 (2) of Directive 2004/48/EC when taking these circumstances into account, nor are any indications otherwise apparent. The overall assessment of the individual case is a matter for the national court.

109 4. Without error of law and unchallenged by the second appeal, the Court of Appeal confirmed the finding that the Defendant has an obligation to pay compensation.

110 5. The Defendant's second appeal is also unsuccessful insofar as it challenges the scope of the claim for information and rendering of accounts awarded to the Claimant. The compensation to be paid by the Defendant is not limited to what would result if the licence analogy calculation method were applied.

111 As already mentioned above, asserting a claim for compensation for patent infringement does not, in principle, constitute an abuse of the patent proprietor's dominant market position, even in the case of a standard-essential patent. The infringer can therefore only counter the patent proprietor's claim for compensation with a claim of its own for compensation based on the non-fulfilment of its claim to conclude a licence agreement on FRAND terms, by virtue of which it can demand to be placed in the position it would have been in if the patent proprietor had fulfilled this claim without undue delay (German Federal Court of Justice, judgment dated 5 May 2020 - KZR 35/17 - BGHZ 225 = GRUR 2020,961 margin no. 111 - FRAND Objection I; German Federal Court of Justice, judgment dated 24 November 2020 - KZR 35/17, BGHZ 227, 305 = GRUR 2021, 585 margin no. 137 - FRAND Objection II).

112 Since, as explained above, the Defendant did not make a serious effort to conclude a licence agreement with the Claimant, a limitation of the claim for compensation in the present case is ruled out. The contested decision is therefore also not objectionable insofar as it confirms the Defendant's obligation to provide information on costs and profits.

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