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The Federal Patent Court: Clarity is Not Grounds for Refusals in Patent-Review Procedures Before the DPMA

C 172/18 – The EJC Essentially Nixes the Decision Issued in the Parfummarken Case.

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The Federal Patent Court: Clarity is Not Grounds for Refusals in Patent-Review Procedures Before the DPMA

Abgassteuersystem (Exhaust-Gas Control System) case – already issued last December but only just now published on 1 October 2019 – the German Federal Patent Court held, in a clearly formulated ruling, that clarity does not constitute grounds for refusal in a patent-review procedure before the German Patent and Trademark Office (DPMA). The basis for the ruling was a patent application that had been refused by the DPMA exclusively on the grounds of insufficient clarity, whereupon the applicant had filed an appeal.

The Federal Patent Court first of all proceeded to determine that the application was both novel and inventive. Turning to the point of clarity, the Court reasoned that refusal on the grounds of a lack clarity regarding the intended object of protection did fall under the grounds for refusal that are specifically provided for by law, and that refusal on the grounds of insufficient disclosure pursuant to Section 34 of the *Patentgesetz* (PatG, Patent Act) also could not be deemed to fall within this scope.

Here, the Court reasoned as follows: Contrary to the EPO, which codifies a requirement for clarity in its Article 84, German law contains no such provision, and thus no such clarity requirement can be adduced: *"It [is] not permissible for either the German Patent and Trade Mark Office or the Federal Patent Court […] to think up new grounds for denial, under their own sole authority, that would go beyond the statutorily regulated, material preconditions for the issuance of a patent. Such an approach cannot be reconciled with the principle of the rule of law, respectively, with the principle of the separation of powers."*

The Court furthermore held that the right to the issuance of a patent vouchsafed under Section 6 of the Patent Act (PatG) gives rise to a legal position that falls under the scope of the protection afforded to private property under Article 14 of the Grundgesetz (GG, German Constitution), so that, for this reason as well, there was no need to formally codify a statutory clarity requirement. Since no appeal was possible, the ruling is now final and conclusive.

While this decision is not the first to adopt this tenor, it is unprecedented in terms of its categorical tone, the unambiguousness of the position taken, as well as the express reference made to Section 14 of the German Constitution (GG). It remains to be seen, however, whether this will indeed lead to a trend where grounds for refusal are increasingly"disguised"by claiming insufficient inventive step or insufficient executability in patent procedures before the DPMA – as has been suggested by analogy in Decision G3/14[1] .

[1] See Margin No. 26 of the Decision.

In Our Own Affairs

We would like to call your attention in advance to our 2020 Patent Seminar, which will be held on Thursday, 23 April 2020 at the Industrieclub. As in years past, our seminar will be free of charge. Invitations showing the exact program will be sent out at the appropriate time.

If you would like to be included in our invitation mailing list, or if you already know that you wish to attend the seminar, please send us a corresponding email, along with your postal address, at seminar@mhpatent.de

Our law firm is looking for patent attorneys (male/female/other), particularly in the field of information technology, as well as candidates (male/female/other) for all other areas of specialty. If interested, please contact Ms. Judith Felsner under bewerbung@mhpatent.de

On 16 October 2019, Dr. Ulrich Storz will speak at the C5 Life Sciences IP Summit in Munich on "Exploring Controversies Surrounding the Patentability of Gene-Editing Processes."

On 7 November 2019, Wasilis Koukounis will hold a talk on Patent Protection & Digitalization: How Enterprises Provide Smart Protection for AI" at the „Wolters Kluwer ExpertTalks" in Frankfurt am Main.

On 7 November 2019, Dr. Ulrich Storz will speak on"Patent Engineering in the Light of CRISPR"at the „Annual Conference on European Patent Law 2019" sponsored by the Academy of European Law in Brussels.

C 172/18 – The EJC Essentially Nixes the Decision Issued in the Parfummarken Case.

In its startling decision in the *Parfummarken* ("Perfume Brands") case,[2] the German Federal Court of Justice (BGH) had held that when it came to EU trademarks – unlike in the case of German national trademarks – German courts had no jurisdiction in principle if the infringement in question was perpetrated from within another Member State, e.g. via a sale or an offer. This decision had come in for intense criticism and had been seen by many as a weakening of EU trademarks in relation to national trademarks .

In Decision C 172/18, which dealt with a referral originating from Great Britain, the European Court of Justice (EJC) was now tasked with adjudicating a similar case, one in which an accused Spanish trademark infringer was being sued by the holder of a British trademark in Great Britain. In this case as well, the defendant argued that he was not active in Great Britain, and that British courts therefore lacked jurisdiction, whereupon the matter was referred to the Court of Appeal of the EJC with the request for a preliminary ruling on the following question: *"In circumstances where an undertaking is established and domiciled in Member State A and has taken steps in that territory to advertise and offer for sale goods under a sign identical to an EU trade mark on a website targeted at traders and consumers in Member State B,"* would the EU trademark courts in Country B then have jurisdiction, and if so, which conditions would apply?

The EJC proceeded to rule in favor of the plaintiff, namely by holding that a plaintiff *"may bring an infringement action against that third party before an EU trade mark court of the Member State within which the consumers or traders to whom that advertising and those offers for sale are directed are located, notwithstanding that that third party took decisions and steps in another Member State to bring about that electronic display."* In other words, a lawsuit was permissible in the Great Britain in the case at hand.

This ultimately means that the decision taken by the German Federal Court of Justice (BGH) in the *Parfummarken* can no longer be upheld in its present form; whether it is invalid in its entirety or only in large part remains to be seen. It should be noted, however, that, according to the EU Trademark Directive, when a defendant is domiciled in a non-EU country, a court can only adjudicate an infringement – and thus issue a cease-and-desist order – for a country for which it has jurisdiction. Only if the court is also competent for the country of the defendant can EU-wide legal instruments be issued.

[2] BGH I ZR 164/16, also see our Newsletter for June 2017

[3] Cf. Kur, "Journal of the German Association for the Protection of Interllectual Property" (GRUR), 2018 Edition, Page 358

[4] See for example, Jestaedt, Informational Bulletin for 2018, Page 325, or the discussion of the Hüttermann case, Informational Bulletin for 2018, Page 141

In Our Own Affairs

On 12 November, 2019, Dr. Ulrich Storz will speak on "Patent Pools from the Standpoint of Biotechnology" at the „Industrie 4.0 und Intellectual Property" workshop to be held in Darmstadt under the aegis of the German Chemical Society (GDch).

On 3 December 2019, Dr. Christoph Volpers will speak at the C5 Global Summit on Biosimilars in Munich on the topic „Biosimilars in Europe."

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