

APPENDIX

CITED LEGAL PROVISIONS

I. JAPANESE LEGAL PROVISIONS

1. Patent Act (*Tokkyo-hō*)

Section 102 PA (Presumption of Amount of Damages, etc.)

(1) Where a patentee or an exclusive licensee claims from the intentional or negligent infringer of his patent right or exclusive license compensation for the damages he has sustained as a result of infringement, and the infringer has assigned objects composing the act of infringement, the amount of damages sustained by the patentee or the exclusive licensee may be presumed to be the amount of profit per unit of objects which would have been sold by the patentee or the exclusive licensee if there had been no such act of infringement, multiplied by the quantity (hereinafter: the “assigned quantity”) of objects assigned by the infringer, the maximum of which shall be the amount attainable by the patentee or the exclusive licensee in light of the capability of the patentee or the exclusive licensee to work [the patented invention]; provided, however, that if any circumstances exist under which the patentee or the exclusive licensee would have been unable to sell the assigned quantity in whole or in part, the amount calculated as the quantity not able to be sold due to such circumstances shall be deducted.

(2) Where a patentee or an exclusive licensee claims from an intentional or negligent infringer of his patent right or exclusive right compensation for the damages he has sustained as a result of the infringement, and the infringer has earned a profit from his act of infringement, this amount of profit shall be presumed to be the amount of damages sustained by the patentee or exclusive licensee.

(3) A patentee or exclusive licensee may claim from the intentional or negligent infringer of his patent right or exclusive right the amount of money corresponding to the amount of money he should have received for the working of the patented invention, as compensation for the amount of damages he has sustained.

(4) The preceding paragraphs shall not prevent a claim for compensation of damages exceeding the amounts provided therein. In such case where the infringer of the patent or exclusive license was not guilty of intent or gross negligence, the court may take this into consideration when determining the amount of compensation of damages.

Section 104-2 PA (Obligation to Clarify the Concrete Embodiment)

In a lawsuit concerning the infringement of a patent right or an exclusive license, when denying the concrete embodiment of the object or process claimed by the patentee or exclusive licensee to compose the act of infringement, the adverse party must clarify the concrete embodiment [being the subject matter] of his own acts. However, this shall not apply if the adverse party has adequate reason preventing him from so doing.

Section 104-3 PA (Restriction of the Exercise of the Rights of the Patentee, etc.)

(1) Where, in a lawsuit concerning the infringement of a patent right or an exclusive license, the said patent is recognized as one that should be invalidated in a patent invalidation trial, the patentee or exclusive licensee cannot exercise their rights against the adverse party.

(2) Where the court recognises that means for attack or defense under the preceding paragraph are submitted for the purpose of unreasonably delaying the proceedings, the court may, upon request or *by its own authority*, render a ruling rejecting their submission.

Section 105 PA (Production of Documents, etc.)

(1) In the lawsuit concerning the infringement of a patent right or exclusive license, the court may, upon request of a party, order the other party to produce the documents necessary to prove the said act of infringement or to calculate the damages arising from the said act of infringement; provided, however, that this shall not apply where the person holding the documents has reasonable grounds to refuse production of the said documents.

(2) When the court finds it necessary for determining whether or not there are reasonable grounds as provided in the proviso to the preceding paragraph, the court may have the person holding the documents present them. In such a case, no person may request the disclosure of the documents presented.

(3) In the case of the preceding paragraph, where documents are disclosed as provided in the latter sentence of the preceding paragraph to make a decision concerning the existence of reasonable grounds as provided in the proviso to paragraph (1) and the court finds it necessary to hear their opinions, the court may disclose the documents to the parties, etc. (the parties [or, in the case of juridical persons, their representatives], or the parties' representatives [excluding process attorneys and their assistants], employees and other workers, hereinafter referred to as "the party, etc."), process attorneys or assistants.

(4) The provisions of the preceding three paragraphs shall apply *mutatis mutandis* to the presentation of the subject matter of the inspection necessary to prove the act of infringement in the lawsuit concerning the infringement of a patent right or exclusive license.

Section 105-2 PA (Expert Opinion for Calculation of Damages)

In a lawsuit concerning the infringement of a patent right or exclusive license, where, upon the request of a party, the court orders that an expert opinion be obtained for the calculation of damages arising from the act of infringement, the other party shall explain to the expert witness the matters necessary for the expert witness's expert opinion.

Section 105-3 PA (Determination of Reasonable Damages)

In a lawsuit concerning the infringement of a patent right or exclusive license, where the court has determined that damages arose and where it is extremely difficult, due to the nature of the facts, to prove the facts necessary to determine the amount of damages, the court may determine a reasonable amount of damages based on the entire purport of the oral proceedings and the result of the examination of evidence.

Section 105-4 PA (Protective Order)

(1) In a lawsuit concerning the infringement of a patent right or exclusive license, where there is *prima facie* evidence of the fact that trade secrets (refers to trade secrets as provided in Section 2(6) of the Unfair Competition Prevention Act [Act No. 47 of 1993]; the same shall apply

hereinafter) possessed by a party satisfy all of the following paragraphs, the court may, upon request of a party, order by a ruling that the parties, etc., process attorneys or assistants shall neither use the trade secrets for any purpose other than those for the proceedings of the lawsuit nor disclose the trade secrets to any person other than those who receive the order regarding the trade secrets under this provision; provided, however, that this shall not apply where the parties, etc., process attorneys or assistants have, prior to the filing of the request, already obtained or been in the possession of the trade secrets by a method other than by reading of the preparatory briefs under item (i) or through the examination or disclosure of evidence under the said item:

(i) where the trade secrets possessed by the party were or are contained in the preparatory briefs already submitted or to be submitted or such trade secrets were or are contained in the evidence already examined or to be examined (including documents disclosed under Section 105(3) and under Section 105-7(4)); and

(ii) where it is necessary to restrict the use or the disclosure of the trade secrets under the preceding paragraph where there is a risk of interference with the party's business activities based on the trade secrets, if the trade secrets are used for any purpose other than those for the proceedings of the lawsuit or if the said trade secrets are disclosed.

(2) A request of an order under the preceding paragraph (hereinafter referred to as a "protective order") shall be made in writing specifying the following matters:

(i) the person who is to receive the protective order;

(ii) the facts sufficient to specify the trade secrets to be the subject matter of the protective order; and

(iii) the facts corresponding to the reasons stated in each of the items in the preceding paragraph.

(3) If the protective order is issued, a written ruling thereof shall be served on the person receiving the protective order.

(4) The protective order shall take effect as of the time the written ruling is served on the person receiving the protective order.

(5) An immediate appeal can be filed against the court decision dismissing a request of protective order.

Section 123 PA (Trial for Patent Invalidation)

(1) Where a patent falls under any of the following, a request for a trial for patent invalidation may be filed. In the event of two or more claims, a request for a trial for patent invalidation may be filed for each claim.

(i) Where the patent has been granted on a patent application (excluding a foreign language written application) with an amendment that does not comply with the requirements as provided in Section 17-2(3);

(ii) Where the patent has been granted in violation of Sections 25, 29, 29-2, 32, 38 or 39(1) to 39(4);

(iii) Where the patent has been granted in violation of a treaty;

(iv) Where the patent has been granted on a patent application not complying with the requirements as provided in Sections 36(4)(i) or 36(6) (excluding 36(6)(iv));

(v) Where matters stated in the description, scope of claims or drawings attached to the foreign language written application are not within the scope of matters stated in foreign language documents;

(vi) Where the patent has been granted on a patent application filed by a person who is not the inventor and has not succeeded to the right to obtain a patent for the said invention;

- (vii) Where, after the grant of a patent, the patentee has become unable to hold a patent right under Section 25, or the patent has become in violation of a treaty; and
 - (viii) Where the correction of the description, scope of claims or drawings attached to the application for the patent has been obtained in violation of the proviso to Section 126(1), Section 126(3) to (5) (including its application *mutatis mutandis* under Section 134-2(5)) or the proviso to Section 134-2(1).
- (2) Any person may file a request for a trial for patent invalidation; provided, however, that where a request for a trial for patent invalidation is filed on the ground that the patent falls under item (ii) of the preceding paragraph (limited to cases where the patent is obtained in violation of Section 38) or item (vi) of the preceding paragraph, only an interested person may file a request for a trial for patent invalidation.
- (3) A request for a trial for patent invalidation may be filed even after the lapse of the patent right.
- (4) Where a request for a trial for patent invalidation has been filed, the chief trial examiner shall notify the exclusive licensee of the patent right and other persons who have any registered rights relating to the patent.

Section 125 PA

Where a trial decision to the effect that a patent is to be invalidated has become final and binding, the patent right shall be deemed not to have existed from the beginning; provided, however, that where a patent falls under Section 123(1)(vii) and where a trial decision to the effect that the patent is to be invalidated has become final and binding, the patent shall be deemed not to have existed from the time the said item became applicable to the patent.

Section 126 PA

- (1) The patentee may file a request for a trial for correction with regard to the correction of the description, scope of claims or drawings attached to the application; provided, however, that such correction shall be limited to the following:
- (i) restriction of the scope of claims;
 - (ii) correction of errors or incorrect translations; and
 - (iii) clarification of an ambiguous statement.
- (2) A request for a trial for correction may not be filed from the time the relevant trial for patent invalidation has become pending before the Patent Office to the time the trial decision has become final and binding; provided, however, that this shall not apply to a request for a trial for correction filed within 90 days from the day an action against the trial decision in the trial for patent invalidation is instituted (in the case of the judgment rescinding the trial decision under Section 181(1) or a ruling rescinding the trial decision under Article 181(2) concerning the case, the period after the judgment or the ruling has become final and binding shall be excluded).
- (3) The correction of the description, scope of claims or drawings under paragraph (1) above shall remain within the scope of the matters disclosed in the description, scope of claims, or drawings attached to the application (in the case of correction for the purposes provided in item (ii) of the proviso to paragraph (1), the description, scope of claims and drawings originally attached to the application [in the case of a patent with regard to a foreign language written application, foreign language documents]).
- (4) The correction of the description, scope of claims or drawings under paragraph (1) shall not substantially enlarge or alter the scope of claims.

(5) In the case of correction for any of the purposes as provided in item (i) or (ii) of the proviso to paragraph (1), an invention constituted by the matters described in the corrected scope of claims must be one which could have been patented independently at the time of filing of the patent application.

(6) A request for a trial for correction may be filed even after the lapse of the patent right; however, this shall not apply after the patent has been invalidated in a trial for patent invalidation.

2. Code of Civil Procedure *(Minji Soshō-hō)*

Section 6 CCP (Jurisdiction for Actions Relating to Patents, etc.)

In case the following courts have jurisdiction pursuant to the preceding two sections over an action with respect to patent, utility model, right to utilize circuit arrangement or copyright on computer program (hereafter “actions relating to patents, etc.”), the action belongs to the jurisdiction of the court designated in the respective clause below:

- (1) any district court within the district of the Tokyo High Court, Nagoya High Court, Sendai High Court or Sapporo High Court: the Tokyo District Court,
- (2) any district court within the district of the Osaka High Court, Hiroshima High Court, Fukuoka High Court or Takamatsu High Court: the Osaka District Court.

Section 92-2 CCP (Involvement of Expert Commissioner)

(1) When the court, in the process of organizing the issues or evidence or deliberating necessary matters concerning the progress of the court proceedings, finds it necessary for the clarification of matters relating to the lawsuit or to ensure the smooth progress of the court proceedings, it may, upon hearing the opinions of the parties, involve by a ruling an expert commissioner in the proceedings so as to hear his explanations based on his expert knowledge. In such case, the presiding judge shall have the expert commissioner give his explanations in writing or orally on the date of the hearing or the preparatory proceedings.

(2) When the court, in the process of taking evidence, finds it necessary for the clarification of matters related to the lawsuit or the gist of the result of the taking of evidence, it may, upon hearing the opinions of the parties, involve by a ruling an expert commissioner in the proceedings so as to hear his explanations based on his expert knowledge on the date for the taking of evidence. In such case, the presiding judge may, when having the expert commissioner give his explanations on the date of examination of a witness or a party in person or questioning of an expert witness, upon consent of the party, permit the expert commissioner to ask questions directly of the witness, the party in person or the expert witness with regard to items necessary for the clarification of matters related to the lawsuit or the gist of the result of the taking of evidence.

(3) When the court finds it necessary in the process of attempting to achieve a settlement, it may, upon consent of the parties, involve by a ruling an expert commissioner in the proceedings so as to hear his explanations based on his expert knowledge on the date for attempting to achieve a settlement on which both parties are able to attend.

*Article 92-8 CCP**(Clerical work of Court Research Official in cases relating to intellectual property)*

The court, when it finds it necessary, may have a court research official, who conducts research necessary for proceedings and deciding cases on a case relating to intellectual property at a High Court or District Court, conduct the following clerk work in the said case. In such case, the court research official shall, upon order of the presiding judge, conduct the following clerical work:

- (i) Asking questions of the parties or urging them to offer proof with regard to factual or legal matters, on the following date or in the following proceedings, in order to clarify the matters related to the suit:
 - (a) the date for oral argument or interrogation
 - (b) the proceedings for organizing issues or evidence
 - (c) the proceedings for determining the existence or non-existence of an obligation to submit a document or obligation to present the subject matter of an observation
 - (d) the proceedings for deliberating matters pertaining to the arrangement of issues or evidence or any other necessary matters concerning the progress of court proceedings.
- (ii) Asking questions directly of a witness, a party in person or expert witness on the date for taking of evidence.
- (iii) Giving an explanation based on expert knowledge on the date for attempting a settlement.
- (iv) Stating opinions on the case to the judge.

Section 147-2 CCP (Planned Progress of Lawsuit Proceedings)

The court and the parties shall make efforts toward a planned progress of the lawsuit proceedings in order to achieve a fair and swift trial.

Section 147-3 CCP (Planning of the Trial)

- (1) The court, when finding it necessary in order to achieve a fair and swift trial in light of the complexity of a case due to numerous or complex items to be examined or because of other circumstances, shall consult with both parties and prescribe a plan for the trial based on the outcome of the consultation.
- (2) The plan for the trial set forth in the preceding paragraph shall prescribe the following items:
 - (i) a period for organizing the issues and evidence,
 - (ii) a period for examining witnesses and the parties themselves,
 - (iii) a schedule for the concluding hearing and pronouncement of the judgment.
- (3) The plan for the trial set forth in paragraph (1) may prescribe, in addition to the items set forth in the preceding paragraph, a time period for submitting the means of attack or defence and other items necessary for the planned progress of the lawsuit proceedings.
- (4) The court, when finding it necessary, taking into consideration the present status of a trial and the situation of the parties' conduct of the lawsuit and other circumstances, may consult with both parties and modify the plan for the trial set forth in paragraph (1) based on the outcome of the consultation.

Section 157 CCP (Rejection etc. of Late Means of Attack or Defence)

- (1) With regard to means of attack or defence that a party has brought forward belatedly by intent or gross negligence, the court, when it finds that the conclusion of the lawsuit will be delayed thereby, may order their rejection upon request or *by its own authority*.

(2) The provision of the preceding paragraph shall also apply when a party does not give the necessary explanation with regard to its means of attack or defence, the purport of which is unclear, or does not appear on the date for giving the explanation.

Section 168 CCP (Beginning of the Proceedings to Prepare the Hearing)

The court, when finding it necessary for organizing issues and evidence, may, after listening to the opinions of the parties, refer the case to proceedings for preparing the hearing.

Section 212 CCP (Obligation to Give Expert Testimony)

(1) A person who has the learning and experience necessary to give expert testimony shall have the obligation to give expert testimony.

(2) A person who has the same status as a person who may refuse to testify or be sworn in under oath pursuant to the provisions of Section 196 or Section 201(4), or a person prescribed in Section 201(2), may not serve as an expert witness.

Section 220 CCP (Obligation to Submit Documents)

In the following cases, the holder of the document may not refuse its submission:

- (i) Where a party personally holds the document it has cited in the lawsuit.
- (ii) Where the party offering evidence may request from the holder of the document the delivery or inspection of the document.
- (iii) Where the document has been prepared in the interest of the party offering evidence or regarding the legal relationship between the party offering evidence and the holder of the document.
- (iv) Other than the cases listed in the preceding three items, in cases where the document does not fall under any of the following:
 - (a) A document stating the matters prescribed in Section 196 with regard to the possessor of the document or a person who has any of the relationships listed in the items of the provisions of said section with the possessor of the documents;
 - (b) A document concerning a secret belonging to a public officer's duties, which, if submitted, bears the risk of harming the public interest or significantly hindering the performance of his public duties;
 - (c) A document stating the fact prescribed in Section 197(1)(ii) or the matter prescribed in Article 197(1)(iii), neither of which is released from the duty of secrecy;
 - (d) A document prepared exclusively for use by the holder thereof (excluding documents held by the State or a local public entity, which is used by a public officer for an organizational purpose);
 - (e) A document concerning a lawsuit pertaining to a criminal case or a record of a juvenile case, or a document seized in these cases.

Section 234 CCP (Preservation of Evidence)

The court, upon determination that circumstances exist which make the availability of evidence difficult unless taking of evidence is made beforehand, may, upon request, conduct such taking of evidence according to the provisions in this chapter.

Section 248 (Determination of Amount of Damage)

Where it is found that any damage has occurred and if it is extremely difficult, from the nature of the damage, to prove the amount thereof, the court, based on the entire purport of the oral proceedings and the result of the examination of evidence, may determine a reasonable amount of damage.

Section 281 CCP (Judgment Appealable to Court of Second Instance, etc.)

(1) An appeal to the court of second instance may be filed against a final judgment made by a district court as the court of first instance or a final judgment made by a summary court; however, this shall not apply where, after a final judgment is made, both parties have made an agreement not to file an appeal to the court of second instance while reserving the right to file a final appeal.

Section 311 CCP (Final Appellate Court)

(1) A final appeal may be filed with the Supreme Court against a final judgment made by a high court as the court of second instance or the court of first instance, and may be filed with a high court against a final judgment made by a district court as the court of second instance.

3. Others

Civil Code (*Minpō*)

Section 1 CC (Basic Principles)

- (1) The private rights must conform to public welfare.
- (2) The exercise of rights and performance of duties must be done in good faith.
- (3) The abuse of rights is not permitted.

Section 417 CC (Method of Compensation for Damages)

If there is no particular declaration of intention, the amount of the compensation for damages shall be determined in money.

Section 709 CC (Damages Due to Unlawful Act)

A person who has intentionally or negligently infringed the right or legally protected interest of another person shall be liable to compensate the damage resulted in consequence.

Court Act
(Saiban-sho-hō)

Section 57 CA (Court Research Officials)

(1) In the Supreme Court, each high court and each district court, court research officials shall be placed.

(2) Court research officials shall, upon order of the judges, conduct research necessary for proceedings and deciding cases (at district courts limited to intellectual property or tax cases) and other clerical work provided in other laws.

Patent Attorney Act
(Benri-shi-hō)

Section 2 PAA (Definitions)

(5) The term “Specific Infringement Lawsuit” as used in this Act means lawsuits related to infringement of a right concerning a patent, utility model, design, trademark or circuit layout, or infringement of a business interest by specific unfair competition.

Section 6-2 PAA

(1) When a patent attorney has passed the specific infringement lawsuit attorney examination as provided in Section 15-2 (1) and has been granted the supplementary note registration (*fuki*) of the fact pursuant to Section 27-3 (1), said patent attorney may act as process attorney limited to cases in which an attorney-at-law has been entrusted by one and the same client.

(2) When a patent attorney acting as process attorney pursuant to the provision of the preceding paragraph appears in court, he must appear together with an attorney-at-law.

(3) Notwithstanding the provision of the preceding paragraph, a patent attorney may appear in court alone when the court finds this appropriate.

Section 15-2 PAA (Specific Infringement Process Representative Services Examination)

(1) The examination for specific infringement process representation services shall be conducted for patent attorneys who have completed a training relating to the necessary knowledge and practical ability to become a process representative concerning specific infringement lawsuits as prescribed by Ordinance of the Ministry of Economy, Trade and Industry, in order to judge whether or not they have the relevant knowledge and practical ability by the method of writing in thesis style.

II. GERMAN LEGAL PROVISIONS

1. Patent Act (*Patentgesetz*)

Section 1 PA (The Patent – Requirements)

(1) Patents shall be granted for inventions in any technical field if they are novel, involve an inventive step and are susceptible of industrial application.

(2) Patents shall be granted for inventions within the terms of subsection (1) even if the subject matter concerns a product consisting of or containing biological material or a process by means of which biological material is produced, processed or used. Biological material that has been isolated from its natural environment or produced by means of a technical process may be the subject matter of an invention even if it had previously occurred in nature.

(3) In particular, the following shall not be regarded as inventions within the terms of subsection (1):

1. discoveries, scientific theories and mathematical methods;
2. aesthetic creations;
3. schemes, rules and methods for performing mental acts, playing games or doing business as well as programs for computers;
4. presentations of information.

(4) The provisions of subsection (3) shall constitute a bar to patentability only when protection is sought for said subject matters or activities as such.

Section 1a PA (Patentability Regarding Human Body)

(1) The human body at its various stages of formation and development, including germ cells, and the simple discovery of one of its elements, including the sequence or partial sequence of a gene, cannot constitute a patentable invention.

(2) An element isolated from the human body or otherwise produced by means of a technical process, including the sequence or partial sequence of a gene, may constitute a patentable invention even if the structure of that element is identical to that of a natural element.

(3) The industrial application of a sequence or a partial sequence of a gene shall have to be specifically disclosed in the application by indicating the function fulfilled by the sequence or partial sequence.

(4) Where the subject matter of an invention is a sequence or a partial sequence of a gene, the structure of which is identical to the structure of a natural sequence or partial sequence of a human gene, the use thereof, for which industrial application is specifically described in subsection (3), shall have to be included in the patent claim.

Section 2 PA (No Patentability)

(1) Patents shall not be granted for inventions if their commercial exploitation is contrary to public order or morality; however, such a contravention may not be deduced simply from the fact that the exploitation is prohibited by law or administrative regulation.

(2) Patents shall especially not be granted for

1. processes for cloning human beings;

2. processes for modifying the genetic identity of the germ line of human beings;
3. uses of human embryos for industrial or commercial purposes;
4. processes for modifying the genetic identity of animals, which are likely to cause said animals suffering without any substantial medical benefit to man or said animal, nor shall patents be granted for animals resulting from such processes.

When applying nos. 1 through 3, the corresponding provisions of the Embryo Protection Act (*Embryonenschutzgesetz*) shall be decisive.

Section 2a PA (Patentability)

(1) Patents shall not be granted for

1. plant or animal varieties or for essentially biological processes for breeding plants or animals;
2. methods for the surgical or therapeutic treatment of the human or animal body or for diagnostic methods used on the human or animal body. This shall not apply to products, in particular substances or substance mixtures, for use in one of the above-mentioned methods.

(2) Patents can be granted for inventions

1. having as subject matter plants or animals if the technical realization of the invention is not restricted to a particular plant or animal variety;
2. having as subject matter a microbiological or other technical process or a product obtained by means of such a process, unless a plant or animal variety is concerned.

Section 1a(3) shall apply *mutatis mutandis*.

(3) In accordance with this Act:

1. “biological material” shall denote any material containing genetic information and capable of reproducing itself or being reproducible in a biological system;
2. “microbiological process” shall denote any process involving the use of or intervention in microbiological material or by which microbiological material results;
3. “an essentially biological process” shall denote any process for breeding plants or animals based entirely on natural phenomena such as crossing or selection;
4. “plant variety” shall denote a variety in accordance with the definition of Regulation (EC) No. 2100/94 of the Council of July 27, 1994 on Community Plant Variety Types (OJ EC No. L 227, p. 1) in the valid version.

Section 3 PA (Definition of Novelty)

(1) An invention shall be considered to be novel if it does not form part of the state of the art. The state of the art includes all knowledge made available to the public by written or oral description, by use or by any other manner before the date relevant for the priority of the application.

(2) Additionally, state of the art shall also be deemed to be the content of the following patent applications with earlier relevant filing dates which have been made available to the public only on or after the date relevant for the priority of the later application:

1. national applications as originally filed with the Patent Office;
2. European applications as originally filed with the competent authority where protection is sought for the Federal Republic of Germany and if the designation fee for the Federal Republic of Germany has been paid in accordance with Article 79(2) of the European Patent Convention, and if it is an application for a regular European patent based on an international application (Article 153(2) EPC) that fulfils the conditions set out in Article 153(5) of the European Patent Convention;

3. international applications under the Patent Cooperation Treaty as originally filed with the receiving office when the Patent Office has been designated for the application.

When the earlier date relevant for priority of an application is based on a claim to priority of a prior application, the first sentence of subsection (2) shall be applicable only to the extent that the content of the application to be considered in accordance therewith does not go beyond the content of the prior application. Patent applications under no. 1 of the first sentence of subsection (2), which are the subject of an order under Section 50(1) or (4) of this Act, shall be considered to have been made available to the public upon expiry of the eighteenth month following their filing.

(3) The provisions of subsections (1) and (2) shall not exclude from patentability any substance or substance mixture included in the state of the art when such is intended for use in a process cited in Section 2a(1), no. 2, and its use for such a process is not included in the state of the art.

(4) Where this use is not part of the state of the art, such substances and substance mixtures as cited in subsection (3) for a specific use in one of the processes cited in Section 2a(1), no. 2, shall not be excluded from protection by subsections (1) and (2) either.

(5) With regard to the application of subsections (1) and (2), disclosure of the invention shall not be considered if this occurred no earlier than six months preceding the filing of the application and if this was directly or indirectly

1. due to an evident abuse to the detriment of applicant or his legal predecessor, or
2. in consequence of the fact that the applicant or his legal predecessor had displayed the invention at official or officially recognized exhibitions falling within the terms of the Convention on International Exhibitions signed in Paris on November 22, 1928.

Sentence 1, no. 2, shall apply only if the applicant states, when filing the application, that the invention has actually been displayed and if applicant files certification of this within four months following the filing. Notification of the exhibitions referred to in sentence 1, no. 2, shall be published by the Federal Minister of Justice in the Federal Law Gazette [*Bundesgesetzblatt*].

Section 4 PA (Invention Based on Inventive Step)

An invention shall be deemed to involve an inventive step if it is not obvious to a person skilled in the art from the state of the art. Should the state of the art also include documents within the terms of Section 3(2), these documents shall not be considered when assessing the inventive step.

Section 5 PA (Industrially Applicable Invention)

An invention shall be deemed to be susceptible of industrial application if its subject matter can be produced or used in any industrial field, including agriculture.

Section 9 PA (Effect of the Patent)

A patent shall have the effect that the patentee alone shall be authorized to use the patented invention within the applicable laws. A third party not having the consent of the patentee shall be prohibited

1. from making, offering, putting on the market or using a product which is the subject matter of the patent, or from importing or possessing said product for such purposes;
2. from using a process which is the subject matter of the patent, or, when said third party knows or it is obvious from the circumstances that use of the process without the consent of the patentee is prohibited, from offering the process for use within the territory to which this Act applies;

3. from offering, putting on the market or using or importing or possessing for such purposes the product produced directly by a process which is the subject matter of the patent.

Section 14 PA (Scope of Protection)

The scope of protection conferred by a patent or a patent application shall be determined by the patent claims. Nevertheless, the description and drawings shall have to be consulted when interpreting the claims.

Section 66 PA (Appeal Panels, Invalidation Panels)

- (1) There shall be established in the Patent Court
 1. panels for hearing appeals (*Beschwerden*) (Appeal Panels);
 2. panels for deciding actions for declaration of invalidity of patents and compulsory license proceedings (Invalidation Panels).
- (2) The number of panels shall be determined by the Federal Minister of Justice.

Section 67 PA (Composition of Panels)

- (2) An invalidation panel shall render decisions in cases pursuant to Sections 84 and 85(3), in the composition of one legal member as presiding judge, one additional legal member and three technical members and in other cases with a composition of three judges, of whom one must be a legal member.

Section 81 PA (Legal Action)

- (1) Proceedings regarding a declaration of invalidity of a patent or a supplementary protection certificate or regarding the grant or withdrawal of a compulsory license or regarding the adaptation of the remuneration determined by a judgment for a compulsory license shall be instituted by bringing legal action. The action shall be directed against the person recorded in the Register as patentee or against the holder of the compulsory license. An action against a supplementary protection certificate may be joined with an action against the underlying patent and may also be based on the fact that there is a nullity ground with respect to the underlying patent (Section 22).
- (2) An action for declaration of invalidity of a patent may not be brought as long as opposition may still be filed or opposition proceedings are pending.
- (3) In the case of usurpation, only the injured party shall be entitled to bring an action.
- (4) The action shall be filed with the Patent Court in writing. Copies of the action and of all briefs shall be attached for the adversary. The action and all briefs shall be served on the adversary *ex officio*.
- (5) An action shall designate the plaintiff, the defendant and the matter at issue and shall contain a specific request. The facts and evidence used as grounds are to be stated. If the action does not fully comply with these requirements, the presiding judge shall invite the plaintiff to file the necessary supplements within a specified period.
- (6) Plaintiffs who do not have their usual place of residence in a Member State of the European Union or in a Contracting State to the Agreement on the European Economic Area shall provide security, at the demand of the defendant, with respect to the costs of the proceedings; Section 110(2), nos. 1 to 3, of the Code of Civil Procedure shall apply *mutatis mutandis*. The Patent Court shall determine, at its equitable discretion, the amount of the security and shall determine a time limit within which said amount shall have to be furnished. If the time limit is not observed, the action shall be deemed to have been withdrawn.

Section 99 PA

(Application of the Court Constitution Act and Code of Civil Procedure mutatis mutandis)

(1) In the absence of provisions in this Act concerning proceedings before the Patent Court, the Court Constitution Act [*Gerichtsverfassungsgesetz*] and the Code of Civil Procedure [*Zivilprozessordnung*] shall apply *mutatis mutandis* unless the special nature of the proceedings before the Patent Court does not so permit.

*Section 139 PA (Claim for Injunctive Relief, Compensation of Damages)*¹

(1) Any person who uses a patented invention in contravention of Sections 9 through 13 may, if there is danger of repetition, be sued by the injured party for injunctive relief. This claim shall also apply if there is a danger of first perpetration.

(2) Any person who intentionally or negligently undertakes such an act shall be liable to the injured party for compensation of the damages incurred thereby. When assessing the damages, the profit which the infringer has made by infringing the right may also be taken into account. The claim for compensation of damages may also be calculated on the basis of the amount the infringer would have had to pay as an adequate remuneration had he obtained the authorization to use the invention.

(3) Where the subject matter of a patent is a process for obtaining a new product, the same product made by another shall, in the absence of proof to the contrary, be deemed to have been made using the patented process. When taking contrary evidence, the legitimate interests of the defendant in protecting his manufacturing and business secrets are to be taken into account.

Section 143 PA (Courts for Patent Dispute Cases)

(1) For all legal actions whereby a claim arising from one of the legal relationships regulated by this Act is asserted (patent dispute case), the civil chambers of the Regional Courts shall have exclusive jurisdiction without regard to the value in dispute.

(2) The governments of the federal states (*Länderregierungen*) shall have power to assign by statutory order the patent dispute cases in the districts of several Regional Courts to one such Regional Court. The governments of the federal states may transfer these powers to the state administrations of justice (*Landesjustizverwaltungen*). The federal states can moreover transfer, by agreement, the functions of the courts of one federal state in their entirety or in part to the competent court of another federal state.

Section 145 PA (Further Actions Based on Another Patent)

Any person who has brought a legal action pursuant to Section 139 may bring a further action against the defendant on account of the same or a similar act on the basis of another patent only if, through no fault of his own, said person was not able to assert also said patent in the earlier lawsuit.

¹ *Section 139(2) PA*, previous version:

Any person who intentionally or negligently undertakes such an act shall be liable to the injured party for compensation of the damages incurred thereby. If the infringer is guilty only of slight negligence, the court may order payment of compensation instead of damages remaining within the limits of the damages incurred by the injured party and the profit which the infringer has gained.

2. Code of Civil Procedure (*Zivilprozessordnung*)

Section 139 CCP (Substantive Conduct of the Lawsuit)

(1) The court shall, to the extent necessary, discuss with the parties the factual and legal aspects of the facts and dispute and ask questions. It shall strive to cause the parties to declare themselves in a timely manner and thoroughly regarding all relevant facts, in particular to supplement insufficient information concerning the asserted facts, designating the means of evidence and making appropriate requests.

(2) The court may only base its decision on an aspect that the party has clearly overlooked or thought to be irrelevant if it has indicated this and afforded the opportunity to comment. The same applies to an aspect which the court assesses differently than both parties.

(3) The court shall draw the attention to concerns which exist in regard to matters to be taken into consideration *ex officio*.

(4) Instructions according to this provision shall be given as early as possible and recorded in the court file. That instructions have been given can only be proven by the contents of the file. The contents of the file can be disproved only by proof of falsification.

(5) If a party cannot declare itself immediately with regard to court instructions, the court shall, on the party's request, set a time limit within which the party can declare itself in a brief later.

Section 145 CCP (Separations of Lawsuits)

(1) The court may order that several claims raised in one action shall be tried in separate lawsuits.

Section 148 CCP (Stay in Case of Prejudicial Effect)

If the decision in the legal dispute depends wholly or in part on the existence or nonexistence of a legal relationship that is the subject matter of another pending lawsuit or is to be determined by an administrative authority, the court may order to stay the trial until the conclusion of the other lawsuit or until the decision of the administrative authority.

Section 156 CCP (Reopening of the Trial)

(1) The court may order the reopening of a trial that was closed.

(2) The court shall order the reopening in particular if

1. the court finds a procedural error relevant to its decision against which an objection may be lodged (Section 259), in particular a violation of the duty to instruct and clarify (Section 139) or a violation of the right to be heard,
2. subsequently facts are asserted and made credible which constitute a ground for retrial (Sections 579, 580) or
3. a judge has left the panel between the end of the hearing and the end of deliberation and voting (Sections 192 to 197 of the Court Constitution Act).

Section 168 CCP (Functions of the Registry Office)

(1) The registry office executes service pursuant to Sections 173 to 175. It may commission an enterprise vested with administrative powers pursuant to Section 33(1) of the Postal Services Act (postal service) or a judicial staff with the execution of the service. The registry office shall commission the postal service with the form provided for this purpose.

(2) The presiding judge of the trial court or a member designated by him may commission a court bailiff or other authority to execute service, if service according to paragraph 1 has little prospect of success.

Section 178 CCP (Substitute Service at Domicile, Business Location and Facilities)

(1) If the person on which service is to be made is not located in his/her domicile, in the business location or in a community facility where he/she lives, the document may be served

1. at the domicile of an adult family member, a person employed in the family or an adult constant cohabitant,
2. in business locations on a person employed there,
3. in community facilities on the manager of the facility or a competent representative.

(2) Service on one of the persons designated in paragraph 1 is invalid if this person is involved in the legal dispute as an adversary of the person in which service is to be made.

Section 275 CCP (Early First Hearing)

(1) In preparation of the early first date of a hearing, the presiding judge or a member of the trial court designated by him may set a time limit for the defendant for its written response to the complaint. Otherwise the defendant shall be invited to disclose to the court without delay by brief of an attorney-at-law to be appointed the means of defence that it may intend to put forward; Section 277(1)2 shall apply *mutatis mutandis*.

(2) If the proceedings are not concluded in the early first hearing, the court shall issue all orders still necessary in preparation of the date of the main hearing.

(3) At this date, the court sets a time limit for the written response to the complaint, if the defendant has not yet responded or not yet responded sufficiently to the complaint and a time limit pursuant to paragraph 1 sentence 1 had not yet been set for him.

(4) At this date or after submission of the response to the complaint, the court may set a time limit for the plaintiff to submit a written counterstatement to the response to the complaint. Outside the hearing, the presiding judge may set the time limit.

Section 276 CCP (Preparatory Proceedings in Writing)

(1) If the presiding judge does not set an early first date for a hearing, he shall invite the defendant together with the service of the complaint, to notify the court in writing within a peremptory time limit of two weeks after service of the complaint should it intend to defend itself against the action; the plaintiff shall be informed of this invitation. At the same time, a time limit of at least two further weeks shall be set for the defendant to respond to the complaint in writing. If service is to be carried out abroad, the presiding judge shall determine the time limit pursuant to sentence 1.

(2) Together with the above invitation, the defendant shall be instructed about the consequences of a failure to observe the time limit set for it pursuant to paragraph 1 sentence 1 as well as that it can make the declaration to defend itself against the action only through the attorney-at-law to be appointed.

(3) The presiding judge may set a time limit for the plaintiff to submit a written counterstatement to the response to the complaint.

Section 278 CCP (Amicable Resolution of Dispute, Conciliation Hearing, Settlement)

(1) The court shall, at every stage of the proceedings, be intent on an amicable resolution of the legal dispute or of individual issues.

(2) For the purpose of an amicable resolution of the legal dispute, the hearing is preceded by a conciliation hearing, unless an attempt at reconciliation has already taken place before an out-of-court conciliation authority or a conciliation hearing seems apparently to be without chance of success. In the conciliation hearing, the court shall discuss the status of the facts and dispute with the parties while freely evaluating all circumstances, and, as far as necessary, ask questions. The parties present should be heard personally.

(3) The parties should be ordered to appear personally for the conciliation hearing and for further attempts at conciliation.

(4) If both parties do not appear for the conciliation hearing, the proceedings shall be suspended.

(5) The court may refer the parties to a commissioned or requested judge for the conciliation hearing. In appropriate cases, the court may propose to the parties an out-of-court mediation of the dispute. If the parties accept, Section 251 shall apply *mutatis mutandis*.

(6) A court settlement may also be concluded by the parties' submitting a written settlement proposal to the court or by accepting by brief to the court a written settlement proposal of the court. The court shall confirm the conclusion and contents of a settlement entered into pursuant to sentence 1 by court order. Section 164 shall apply *mutatis mutandis*.

Section 287 CCP (Determination of Damages)

(1) If a dispute exists between the parties over whether damages have been incurred and their amount or the amount of damages to be compensated, the court shall decide based on its own discretion by assessing all circumstances. Whether and to what extent a requested taking of evidence or assessment by an expert is to be ordered is left to the discretion of the court. The court may hear the party putting forward evidence regarding the damages or the amount of damages to be compensated; the provisions of Sections 452(1) 1, (2)-(4) shall apply *mutatis mutandis*.

Section 296 CCP (Rejection of Delayed Submission)

(1) Means of attack or defence that are submitted only after a time limit set for this purpose (Section 273(2) No. 1 and, so far as the time limit is set for a party, 5, Section 275(1)1, (3), (4), Section 276(2)2, (3), Section 277), shall be admitted only if according to the court's own conviction admitting them would not delay the conclusion of the legal dispute or if the party provides an adequate excuse for the delay.

(2) Means of attack or defence that are not submitted in time contrary to Section 282(1) or not communicated in time contrary to Section 282(2), may be rejected if admitting them would delay the conclusion of the legal dispute according to the court's own conviction and the delay is due to gross negligence.

(3) Late objections relating to the admissibility of the action and which the defendant can renounce shall be admitted only if the defendant offers a sufficient excuse for the delay.

(4) In the cases of paragraphs (1) and (3), the grounds for the excuse must be shown to be credible on request of the court.

Section 511 CCP (Availability of Appeal)

(1) An appeal is available against final judgments delivered in the first instance.

Section 542 CCP (Availability of Appeal on Point of Law)

(1) An appeal on point of law is available in accordance with the following provisions against final judgments delivered in the appellate instance.

Section 543 CCP (Leave to Appeal on Points of Law)

- (1) An appeal on points of law is available only if
 1. the second-instance appeal court in its judgment or
 2. the third-instance appeal court upon appeal against the denial of leave to appeal has granted leave to appeal.
- (2) Appeal on points of law shall be allowed if
 1. the legal matter has basic significance or
 2. the development of law or securing a uniform case law requires a decision by the third-instance appeal court.

The third-instance appeal court is bound by the second-instance appeal court's grant of leave to appeal.

Section 718 CCP (Preliminary Ruling on Provisional Execution)

- (1) In the appellate instance, the provisional execution shall be examined and decided on in advance on request.
- (2) The decision on the provisional execution rendered in the appellate instance is not contestable.

3. Others

Civil Code (*Bürgerliches Gesetzbuch*)

Section 249 CC (Type and Extent of Compensation of Damages)

- (1) A person who is liable in damages must restore the condition that would exist if the circumstance obligating him to pay damages had not occurred.
- (2) Where damages are payable for injury to a person or damage to a thing, the obligee may demand the required monetary amount in lieu of restoration. When a thing is damaged, the monetary amount required under sentence 1 only includes value-added tax if and to the extent that it is actually incurred.

Section 252 CC (Lost Profit)

The damage to be compensated also comprises the lost profit. The profit is considered lost that in the normal course of events or in the special circumstances, particularly due to the measures and precautions taken, it was probable to expect.

Section 254 CC (Contributory Negligence)

- (1) Where fault on the part of the injured person contributes to the occurrence of the damage, liability in damages as well as the extent of compensation to be paid depend on the circumstances, in particular to what extent the damage is caused mainly by one or the other party.
- (2) This also applies if the fault of the injured person is limited to failing to draw the attention of the obligor to the danger of unusually extensive damage, where the obligor neither was nor ought to have been aware of the danger, or to failing to avert or reduce the damage. The provision of section 278 applies with the necessary modifications.

Section 667 CC (Obligation to Surrender)

The mandatary is obligated to surrender to the mandator everything he receives to perform the mandate and what he obtains from carrying out the business conducted on instruction.

Section 687 CC (False Agency)

(2) If a person treats the business of another person as his own although he knows that he is not entitled to do so, then the principal can assert claims resulting from Sections 677, 678, 681 and 682. If he asserts them, then he has the obligation to the agent pursuant to Section 684(1).

Utility Model Act (Gebrauchsmustergesetz)

Section 13 (Establishment of Utility Model Protection)

1) Utility model protection is not established by registration where a claim for cancellation of the utility model (Sections 15(1) and (3)), assertable by any person, exists against the person registered as the proprietor.

(2) If the essential content of the registration has been taken from the description, drawings, models, appliances or equipment of another person without that person's consent, protection under this Act may not be invoked against the injured party.

(3) The provisions of the Patent Act concerning the right to protection (Section 6), the right to the grant of protection (Section 7(1)), the right to assignment (Section 8), the right deriving from prior use (Section 12) and the official order of exploitation (Section 13) shall be applicable *mutatis mutandis*.

Section 15 (Claim for Cancellation)

(1) Any person may assert a claim against the person registered as proprietor for cancellation of the utility model, if

1. the subject matter of the utility model is not registrable pursuant to Sections 1 to 3;
2. the subject matter of the utility model is already protected on the basis of an earlier patent or utility model application; or
3. the subject matter of the utility model extends beyond the content of the application as originally filed.

(2) In the case of Section 13(2), only the injured party may assert a claim for cancellation.

(3) Where the grounds for cancellation relate to a part only of the utility model, only that part shall be cancelled. The limitation may be made in the form of an amendment to the claims.

Court Constitution Act (Gerichtsverfassungsgesetz)

Section 75 CCA (Composition of Civil Divisions)

The civil divisions shall, insofar as the provisions of procedural law do not provide for a decision to be given by a judge sitting alone in the place of a full bench, be composed of three members including the presiding judge.

III. INTERNATIONAL LAW

European Patent Convention

Article 56 EPC (Inventive Step)

An invention shall be considered to involve an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art. If the state of the art also includes documents within the meaning of Article 54, paragraph 3, these documents shall not be considered in deciding whether there has been an inventive step.²

Article 69 EPC (Extent of Protection)

(1) The extent of the protection conferred by a European patent or a European patent application shall be determined by the claims. Nevertheless, the description and drawings shall be used to interpret the claims.

The Hague Service Convention

Article 10

Provided the State of destination does not object, the present Convention shall not interfere with

- a) the freedom to send judicial documents, by postal channels, directly to persons abroad,
- b) the freedom of judicial officers, officials or other competent persons of the State of origin to effect service of judicial documents directly through the judicial officers, officials or other competent persons of the State of destination,
- c) the freedom of any person interested in a judicial proceeding to effect service of judicial documents directly through the judicial officers, officials or other competent persons of the State of destination.

Article 15

Where a writ of summons or an equivalent document had to be transmitted abroad for the purpose of service, under the provisions of the present Convention, and the defendant has not appeared, judgment shall not be given until it is established that

- a) the document was served by a method prescribed by the internal law of the State addressed for the service of documents in domestic actions upon persons who are within its territory, or
- b) the document was actually delivered to the defendant or to his residence by another method provided for by this Convention,

and that in either of these cases the service or the delivery was effected in sufficient time to enable the defendant to defend.

Each Contracting State shall be free to declare that the judge, notwithstanding the provisions of the first paragraph of this Article, may give judgment even if no certificate of service or delivery has been received, if all the following conditions are fulfilled

- a) the document was transmitted by one of the methods provided for in this Convention,

2 Cf. Section 4 German Patent Act *supra*.

b) a period of time of not less than six months, considered adequate by the judge in the particular case, has elapsed since the date of the transmission of the document,

c) no certificate of any kind has been received, even though every reasonable effort has been made to obtain it through the competent authorities of the State addressed.

Notwithstanding the provisions of the preceding paragraphs the judge may order, in case of urgency, any provisional or protective measures.