
Kluwer Patent Blog

Royalty-free exclusive licences – can patent holders claim damages?

Stephan von Petersdorff-Campen · Thursday, December 22nd, 2011 · Landmark European Patent Cases

by Stephan von Petersdorff-Campen – rospatt osten pross

Where a patent has been exclusively licensed to a third party, it is this licensee who is directly prejudiced by an infringement of said patent. But a 2008 verdict by the German Federal Supreme Court (BGH) also allows the patent holder as licensor to bring his own claim for damages insofar as said holder financially participates in the exercise of the licence. This is clearly the case with royalties-based licenses, where the amount of the licensing fee generally depends on the licensee's revenues (decision of 20 May 2004 – X ZR 180/05; see BGH GRUR 2008, 896 – ink cartridges).

But what about licences without royalties? The BGH recently ruled in a legal dispute where the patent holder had granted a royalty-free licence to a third party and where the patent holder and licensor was the licensee's sole shareholder. Even in this constellation the BGH allowed the patent holder to bring his own claim for damages (decision of 5 April 2011 – X ZR 86/10; see BGH GRUR 2011, 711 – cinch Stecker). The Court took the view that the patent holder shared at least indirectly in the profit earned by the licensee and that here, too, said holder therefore personally participated in the exercise of the license. The verdict makes clear that the BGH will on principle recognise a patent holder's right to pursue his own claim for damages and will reject an application only under exceptional circumstances.

Conclusion: As regards damages for patent infringement, where the licence is exclusive, the sense is not elusive. Both licensee and patent holder can claim for damages, whether or not royalties are paid. An example of a rare exception, given obiter dictum in the recent BGH verdict, would be where the patent holder is not the licensee's sole shareholder and where his share is so small that he is not reasonably likely to incur any loss.

To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please [subscribe here](#).

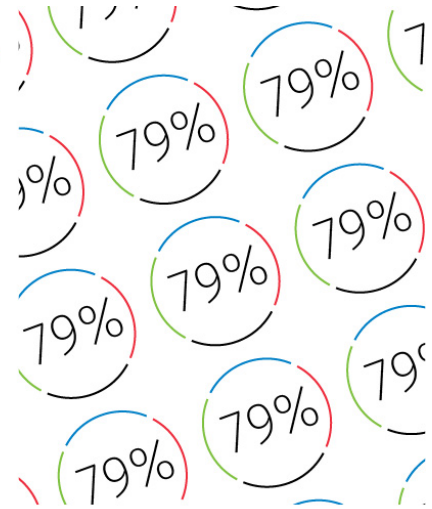
Kluwer IP Law

The **2022 Future Ready Lawyer survey** showed that 79% of lawyers think that the importance of legal technology will increase for next year. With Kluwer IP Law you can navigate the increasingly global practice of IP law with specialized, local and cross-border information and tools from every preferred location. Are you, as an IP professional, ready for the future?

Learn how **Kluwer IP Law** can support you.

79% of the lawyers think that the importance of legal technology will increase for next year.

Drive change with Kluwer IP Law.
The master resource for Intellectual Property rights and registration.



2022 SURVEY REPORT
The Wolters Kluwer Future Ready Lawyer
Leading change

This entry was posted on Thursday, December 22nd, 2011 at 2:20 pm and is filed under ([Compulsory license](#), [Enforcement](#), [Germany](#))

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. Both comments and pings are currently closed.