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Apple v. Motorola: No compulsory licence defence

Eike Schaper · Friday, January 20th, 2012 · Landmark European Patent Cases

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Motorola obtained a first instance judgement against Apple, because iPhone and iPad infringe the European patent No. 1 010 336 declared essential to the GPRS standard by ETSI (European Telecommunications Standards Institute).

Apple’s defence of a compulsory licence under anti-trust law failed.

The German Federal Court of Justice recognised in principle that a defendant sued for patent infringement may put forward the defence that the patentee is abusing a dominant position on the market by refusing to conclude a FRAND (fair, reasonable and non-discriminatory) licence agreement (judgment of 6 May 2009, KZR 39/06 – Orange Book Standard). An abuse of the dominant position of the patentee only applies, however, if the party wishing to obtain a licence has made the patentee an unconditional offer to conclude a licence agreement, which the patentee for its part may not refuse without as a result unreasonably obstructing the party seeking a licence. Furthermore, the licence seeker who already begins using the invention protected by the patent before his offer is accepted must also anticipate his contractual obligations and behave as though the pat¬entee had already accepted his offer. This includes in particular his obligation to render account, and to pay – or at least deposit – the resulting royalties.

The District Court (Landgericht) Mannheim has now decided that the licence seeker is obliged to acknowledge his obligation to pay damages for use actions performed in the past, if he used the patent without making the patentee an offer satisfying the criteria laid down in the Orange Book Standard decision (judgement of 9 December 2011, court ref.: 7 O 122/11). Apple had not acknowledged its obligation to pay damages on the merits, but merely undertook to conclude a licence agreement, to make a “one-off payment” (the nature of which was not specified), together with interest, for producing, offering, distributing on the market, using and importing and possessing the licensed products. Motorola was merely supposed to be able to reserve the right to assert higher claims for damages for those actions which exceed the one-off payment. In that case, however, Apple would not abandon its attacks on the validity of the patent in suit. The court decided that the patentee is not obliged to accept such an offer, and is thus behaving in compliance with anti-trust law if he rejects the offer.

Apple’s appeal is pending with the Oberlandesgericht Karlsruhe (court ref.: 6 U 136/11). It will be interesting to see whether the decision will be confirmed on appeal.

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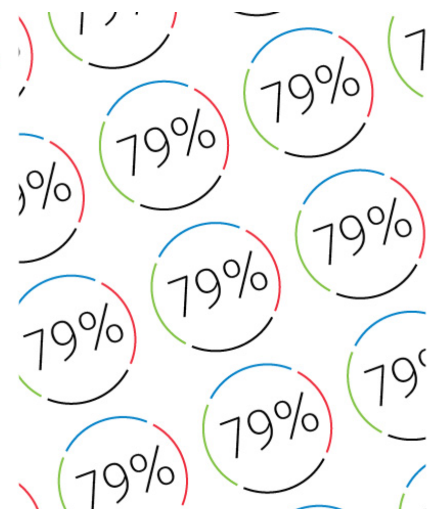

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