

Kluwer Patent Blog

The Loser Pays It All: Reimbursement of Lawyers' Fees in Nullity Actions

Thomas Musmann (Rospatt Osten Pross) · Thursday, March 14th, 2013

by Henrik Timmann

There is a saying in Germany: Two lawyers add up to three different opinions. Well, for a long time the Federal Patent Court seemed to have been inspired by this saying when deciding on the reimbursement of lawyers' fees in nullity actions.

Background

Most of you will know about the **bifurcated system** in Germany. While only civil courts (e.g. the District Court Düsseldorf) are competent to decide on the infringement of a patent, they are not allowed to nullify a granted patent. The latter must be done in nullity proceedings (for reasons of simplification I omit the possibility of an opposition). The Federal Patent Court in Munich is the exclusive venue for such nullity actions. In at least 90 % of all infringement cases, the defendant will attack the validity of the patent with a parallel nullity action in Munich.

As a consequence, you are usually looking at two separate actions when dealing with patent infringement cases: The infringement trial at the civil court, and the **nullity action at the Federal Patent Court**.

At the same time, the German legal system provides for **cost reimbursement** in all these kinds of actions. The general principle says: The loser pays it all. He has to bear the court fees and his own attorneys' fees, as well as reimburse his opponent for his attorneys' fees on the basis of so-called statutory fees, a predetermined amount of fees calculated on the basis of the value that is associated to the case. Based on these principles, the winner is entitled to claim all **fees that necessarily accrued** in the context of the proceedings (Sec. 91 ZPO).

Due to the two-sided nature of patent disputes (technical and legal), the cases are usually handled by a **team of a patent attorney and a lawyer**. The law explicitly states that, in patent infringement proceedings the engagement of both a lawyer and a patent attorney is deemed necessary for the litigation (Sec. 143 PatG), so that both attorneys' fees are reimbursable as a matter of law. However, a corresponding provision is missing for the parallel nullity proceedings. This led to a vastly confusing situation, as the different senates of the Federal Patent Court had completely **different opinions on when the engagement of a lawyer in addition to a patent attorney** (and vice versa) **was actually necessary for the purpose of a nullity action**. As a

consequence, the Federal Patent Court frequently acknowledged reimbursement of only one attorney's fees (either the lawyer or the patent attorney) instead of the fees of both the patent attorney and the lawyer, although both had pleaded the case. On this point, one could not even determine a clear line of jurisdiction within each of the individual senates of the Federal Patent Court. Due to this situation, it was impossible to advise the client in advance on the cost risk of patent litigation.

Decisions of the Federal Supreme Court

It seems that the Federal Supreme Court has now put an end to these inconsistencies, at least in cases where the nullity action was filed in response to an infringement action. According to two recent decisions (citation below) the **engagement of both a patent attorney and a lawyer in nullity actions is typically necessary** for the respective party when the nullity action and the infringement action are pending in parallel and when the parties of both actions are either identical or economically bound to each other. As a consequence, all statutory fees have to be reimbursed by the losing party in these constellations.

This is in line with the approach that some of the senates of the Federal Patent Court had taken previously.

Dr. Henrik Timmann

rosstatt ostent pross – Intellectual Property Rechtsanwälte

BGH, decision of 18 Dec. 2012, X ZB 11/12 – Doppelvertretung in Nichtigkeitsverfahren

BGH, decision of 21 Jan 2013, X ZB 12/12

click [here](#) and [here](#) for the full German text of the decisions.

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