

Filing of a protective letter before German Courts and before the Unified Patent Court

An effective and established procedural tool in comparison

Introduction

Filing a protective letter can be a very effective strategic tool when anticipating a provisional injunction (PI) based on alleged patent infringement. In Germany, a protective letter (›Schutzschrift‹) is a precautionary measure that allows a would-be infringer to proactively present their non-infringement and/or invalidity arguments to the court in anticipation of an ex parte injunction being sought by the patent owner. This mechanism is also recognized in the framework of the Unified Patent Court (UPC), albeit with some procedural differences.

Germany

For Germany, a protective letter allowing the alleged infringer (defendant) to present detailed counter arguments against potential claims is regulated in Sec. 945a German Code of Civil Procedure. Filing a protective letter is typically more cost effective than challenging an injunction after it has been granted (the current filing fee is € 83, and the legal cost of drafting the letter depends on the complexity of the case, but typically amounts to a few thousand euros). Germany's centralized registry (›Schutzschriftenregister‹) ensures that the letter is accessible to

all relevant courts, which is particularly useful in patent disputes where multiple courts may have jurisdiction. A German protective letter is effective immediately; a receipt confirmation is usually issued within 20 to 30 minutes after filing, and the invoice for the filing fee is issued shortly afterwards.

German protective letters must be written in the German language, in accordance with the language requirements of the local courts. It is possible to withdraw the protective letter and to re-file an updated version of the protective letter, allowing for adjustments to reflect new developments. However, the validity of a protective letter is limited to six months, so it must be re-filed to extend its duration.

UPC

The UPC allows for the filing of protective letters designed to harmonize practices across member states (Rule 207 Rules of Procedures). A protective letter before the UPC provides broad jurisdictional coverage, making it a comprehensive defense strategy for pan-European disputes.

The language of the patent determines the language of the protective letter, ensuring its relevance in all jurisdictions. The filing costs are higher than in Germany (€ 200), but the protective letter covers a broader territory, making it a practical choice for cross-border disputes.

As protective letters are often prepared and filed under time-pressure, it should be noted that the effective date of the protective letter is confirmed only after a formal examination by the clerks of the UPC has been completed, which in the experience of the author may take a few days, and which also only starts once the UPC has received payment of the filing fees, which should therefore be transferred as soon as possible. This is different to the filing of a protective letter in Germany, as detailed above.

The validity of a protective letter before the UPC is also limited to six months, but it can also be extended by filing an extension request (€ 100). However, unlike in Germany, it is not possible to withdraw and re-file an updated version of the letter before the UPC. This means that the initial drafting must be particularly comprehensive and carefully considered. While it is possible to file another protective letter for the same patent, it is currently unclear how the UPC will deal with multiple parallel protective letters with different content.

Despite the benefits of filing a protective letter before the UPC, a few uncertainties remain. The UPC's procedural framework is still evolving, and parties may encounter difficulties in navigating its requirements. Moreover, as the UPC is a relatively new court, the long-term effectiveness of protective letters in influencing court decisions remains uncertain.



Strategic considerations

The decision to file a protective letter involves a nuanced balancing of advantages and potential disadvantages, alongside a careful evaluation of strategic and jurisdictional factors. On the one hand, a protective letter allows the defendant to proactively shape the legal and factual framework of the case, ensuring that the court does not rely solely on the patent owner's arguments. By framing the issues in a favorable manner, the defendant can reduce the risk of an ex parte injunction being granted. On the other hand, such submissions may inadvertently reveal defense strategies and provide an opportunity for the patent owner to refine their arguments or address potential weaknesses.

Timing is critical, and the letter should be filed as soon as the risk of a potential ex parte injunction request becomes apparent, such as upon receipt of a formal warning letter from the patent owner.

The content of the protective letter should comprehensively address the issues at stake: These may include the absence of infringement, procedural irregularities, and grounds for invalidity of the patent at issue. A thorough jurisdictional analysis is equally important, particularly in cases involving European bundle patents that may fall under the jurisdictions of both national courts and the UPC.

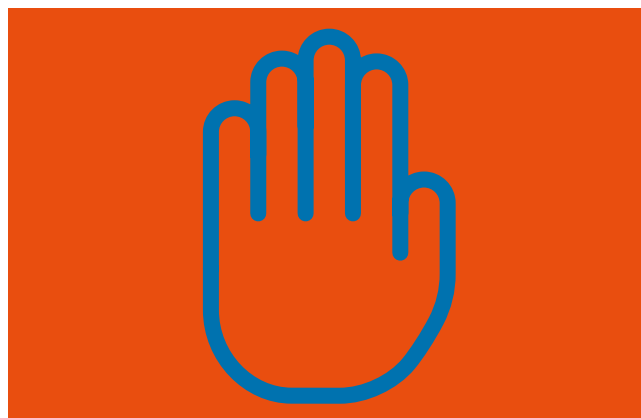
A key difference between filing a protective letter in Germany and before the UPC is the approach to examining attacks against the validity of the patent in dispute, due to the bifurcated system in Germany. In Germany, the requirements for assessing the validity of the patent vary from court to court. For example, the Higher Regional Courts in Düsseldorf, Karlsruhe and Munich usually require that the patent in question has already survived at least one validity proceeding, such as an opposition or nullity action. The Munich Regional Court, on the other hand, does not consider a prior validity assessment necessary and only seriously considers invalidity arguments in a protective letter if an invalidity action is already pending. While the ECJ's decision in Case C-44/21 of 28 April 2022 criticizes, in line with the view of the Munich Regional Court, the requirement in German case law that patents must have

survived first-instance validity proceeding for a preliminary injunction to be issued, this does not, in the author's view, require any changes to the established principles of the Higher Regional Courts. The ECJ's interpretation does not relieve German courts of the need to examine the prospects of success of invalidity attacks in each individual case, especially where the validity of the patent is not evident. In contrast to these different standards in Germany, the UPC does not impose a direct link between the initiation of invalidity proceedings and the assessment of invalidity attacks. Instead, it takes a holistic approach, weighing the likelihood of success of an opposition against both the interests of the patent owner and the potential risks of an unjustified preliminary injunction. As a result, protective letters filed before the UPC must not only address specific objections, but must also be strategically aligned with the UPC's uniform standards, which differ from the divergent approaches taken by German courts.

In cases the patent owner has opted out of the UPC framework, a dual approach may be advisable, meaning filing of protective letters before German courts and before the UPC. As long as no national infringement or invalidity proceedings are pending (and had been initiated after the start of the UPC, see the corresponding article in this issue), there remains the possibility that the patent owner may, for strategic reasons, declare a withdrawal of the opt-out (opt-in) and subsequently file an application for a PI before the UPC. Such a scenario underlines the importance of a coordinated defense strategy to mitigate procedural risks.

Confidentiality concerns are another significant factor. While filing of a protective letter may provide an early opportunity to present a substantive defense, sharing the defensive argument could be strategically disadvantageous. In fact, it is – at least theoretically – possible for a third party to request access to the case file, which means that statements made in a protective letter could come to the attention of third parties. While the UPC framework leaves room for such access, the situation in Germany is fundamentally different. In Germany, the protective letter is only made available to the patent owner, and only if the patent owner has actually filed an application for a PI. Access by third parties is therefore categorically excluded in German proceedings, providing an additional layer of confidentiality for the contents of the protective letter. Therefore, the decision to file protective letters, and in which jurisdictions, should be carefully considered in light of the specific circumstances of the case.

Lastly, the potential recovery of reasonable costs for the preparation and filing of a protective letter adds a practical incentive. Both German and UPC frameworks allow cost recovery if a PI application is ultimately rejected by the court.



Such cost recovery mechanisms may provide additional justification for filing a well-prepared protective letter, which can serve not only as a procedural safeguard but also as a cost-effective defense tool.

In summary, while protective letters offer significant strategic advantages, their use must be carefully tailored to the specific circumstances of each case. A well-calibrated approach, taking into account timing, content, jurisdiction, confidentiality and cost recovery, can maximize their benefits while mitigating the associated risks.

Conclusion

Filing a protective letter can be a powerful tool to protect a party's interests in would-be patent litigation, in Germany and before the UPC. However, it requires a sophisticated understanding of procedural nuances, strategic implications, and potential risks. When used effectively, a protective letter can significantly influence the outcome of PI proceedings and mitigate the risk of unfavorable preliminary rulings.

On the issue of ex parte PIs, the general takeaway is the need to file or at least to be prepared to swiftly file a detailed protective letter including the alleged infringer's best arguments on both validity and non-infringement. While the existence of such a protective letter may be crucial to the court's consideration of whether the defendant has been sufficiently heard, in most cases, however, parties are well advised to file a detailed protective letter including all aspects of their potential defense.



Dr. Christian Meyer

/ Partner
/ Attorney-at-Law
/ Certified IP Lawyer
/ UPC Representative