

Decisive, But Not Binding

Claim Interpretation in Patent Nullity Proceedings and the Independence of Infringement Courts – The German Federal Court of Justice in *Palette* (X ZR 59/25)

The decision of the German Federal Court of Justice (FCJ) in *Palette* (X ZR 59/25) addresses a procedurally unusual situation: a patent proprietor appealing a nullity decision not to challenge the partial invalidation of its patent, but solely to challenge the interpretation of a claim feature. The FCJ dismissed the appeal as inadmissible, holding that the appellant (proprietor) was not adversely affected by the contested decision. In its reasoning, the FCJ clarified fundamental principles regarding the **scope of the binding effect in patent nullity proceedings**. In doing so, the FCJ once again emphasized that **infringement courts are not bound by the claim interpretation adopted by the Federal Patent Court** or even by the FCJ itself – a principle central to the functioning of Germany's bifurcated patent litigation system.

I. Technical Subject Matter and the Feature in Dispute

The patent in suit (EP 3 403 942 B1) concerns a pallet. Display pallets are placed in sales areas to offer goods to customers, with cardboard structures (displays) attached for product presentation and load securing during transport. The patent addresses the technical problem of providing a pallet with receptacles for secure and rapid attachment of a display.

The solution proposed by claim 1 includes a pallet with a substantially rectangular base structure, four side surfaces, feet for support, and recesses for receiving display extensions. The central interpretive dispute concerned feature 1.6 requiring that the pallet has inwardly offset corners designed so that extensions at the corners of the display base can be slipped over them.

The Federal Patent Court held that this feature necessarily requires the inward offset of the corners to extend over the entire height of the base structure – a conclusion not derived from the wording of claim 1, but from the technical function of the feature.



Admissibility requires adverse effect

- a) In patent nullity proceedings, an appeal is only admissible if the appellant is adversely affected by the contested decision and seeks at least partial elimination of that adverse effect with the appeal.

(confirming FCJ, judgment of 27 October 1966 - Ia ZR 86/64, GRUR 1967, 194; judgment of 30 November 1978 - X ZR 32/76, GRUR 1979, 222)

Only operative part of the decision has binding effect

- b) In patent nullity proceedings, only the decision on whether the patent in suit is invalid for the reasons asserted by the plaintiff acquires binding effect. The considerations on which this decision is based are, however, not covered by the decision's binding effect.

(confirming FCJ, judgment of 17 February 1983 - III ZR 184/81, NJW 1983, 2032; judgment of 14 February 2008 - I ZR 135/05, GRUR 2008, 933 - *Schmiermittel*)

Description replacement only if obsolete due to partial invalidation

- c) Replacement or supplementation of the patent description by the grounds of a decision issued in nullity proceedings is only possible insofar as the description has become obsolete due to the partial invalidation.

(confirming FCJ *Abtastnadel II*, GRUR 1964, 669; *Stoßwellen-Lithotripter*, GRUR 1999, 145; *Ziehmaschinenzugeinheit I*, GRUR 2007, 778)

Claim interpretation has no binding effect

- d) If a patent is partially declared invalid, statements regarding the interpretation of a feature that was already provided in the granted version cannot acquire binding effect, even if they were decisive for the dismissal of the broader nullity action.

(confirming FCJ *Elektrolackieren*, GRUR 1968, 33; *Kreuzgestänge*, GRUR 2015, 972; *Ziehmaschinenzugeinheit I*, GRUR 2007, 778)

Headnotes of the decision *Palette* (X ZR 59/25)

This interpretation was decisive for the outcome: the prior art anticipated the granted claims, but the subject matter defended with auxiliary request 3 was patentable because the prior art did not disclose inwardly offset corners according to the Federal Patent Court's claim interpretation.

The patent proprietor did not challenge the partial invalidation itself but requested that the decision be amended to apply a broader interpretation of feature 1.6. This unusual request formed the basis for the FCJ's analysis of whether such an appeal is admissible and whether claim interpretation in nullity proceedings can have a binding effect.

II. The Court's Reasoning

1. Scope of the Binding Effect in Nullity Proceedings

The FCJ reaffirmed the established principle that in patent nullity proceedings, only the decision on whether the patent in suit is invalid has binding effect. By contrast, the reasoning underlying this decision does not. According to the FCJ this follows from the general principles of civil procedure: only the decision on the subject matter of the dispute becomes final and binding. Individual elements of the decision, factual findings, and legal conclusions on which the decision is based are not covered by the decision's binding effect (see *margin no. 31–32*).

Applied to the present case, this meant that the Federal Patent Court's interpretation of feature 1.6 did not have binding effect, even though this interpretation was decisive for upholding the patent in amended form.

In this connection, the FCJ addressed the limited circumstances in which the grounds of a nullity decision may replace or supplement the patent specification and thereby affect the interpretation of the claim. It made clear that this is possible only to the extent that the patent specification has become obsolete as a result of partial invalidation. That was not the case here. Although the interpretation of feature 1.6 formed part of the reasoning underlying the partial dismissal of the nullity action and was challenged on appeal as unduly narrow, the decision did not lead to any amendment of the claim wording in that respect. Accordingly, that interpretation remained part of the reasoning only and did not acquire binding effect.

This strict delineation of a decision's binding effect serves an important function in the bi-furcated system: it preserves the independence of infringement courts to interpret patent claims without being bound by conclusions reached in parallel or prior nullity proceedings, even where those conclusions were essential to the outcome of the nullity case.

2. Admissibility of Appeals and the Requirement of Adverse Effect

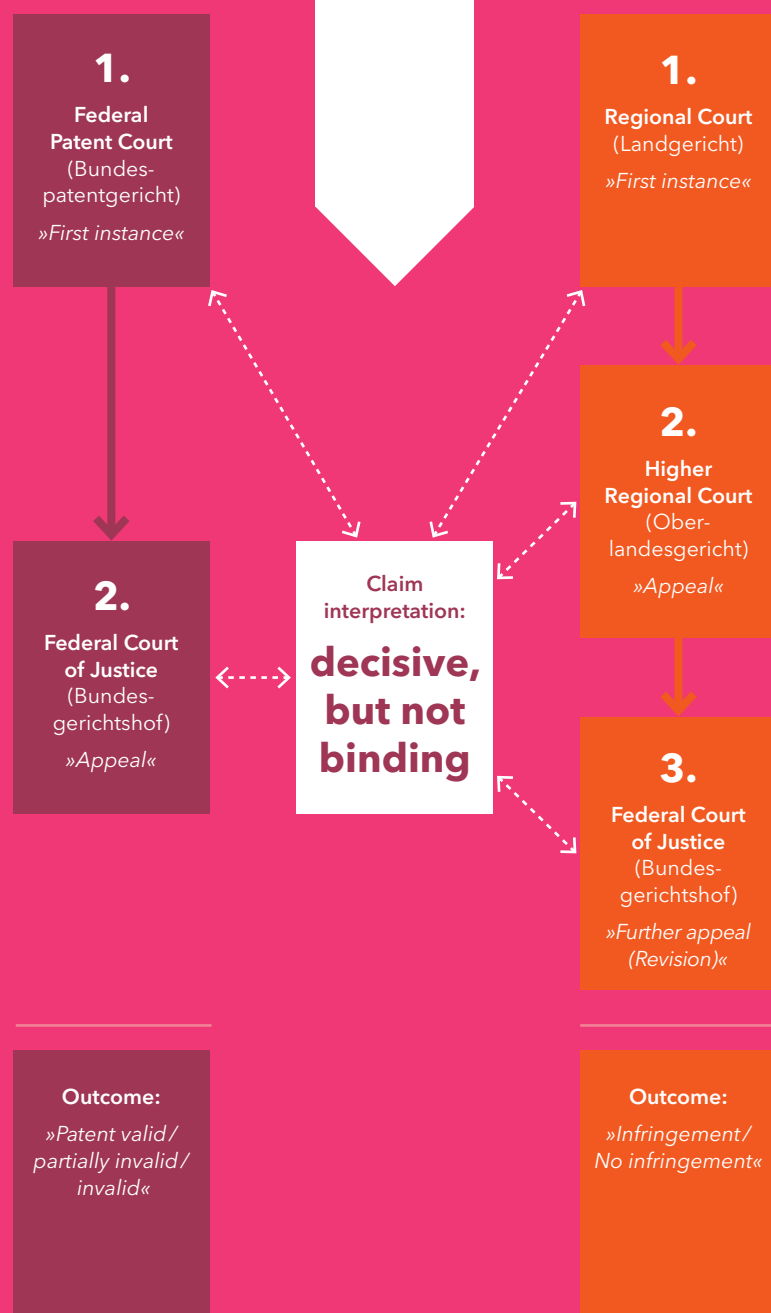
Under the general principles of civil procedure, an appeal is only admissible if the appellant is adversely affected by the contested decision and seeks at least partial elimination of that adverse effect with the appeal. These principles also apply in patent nullity proceedings.

In the present case, the defendant was adversely affected by the contested decision insofar as the patent was declared partially invalid. However, the appeal did not challenge this. The defendant was not adversely affected by the Federal Patent Court's statements on the interpretation of feature 1.6 because the interpretation of said feature has no binding effect. The appeal was therefore dismissed as inadmissible because it was not directed at eliminating an adverse effect caused by the contested decision to the detriment of the defendant.



Nullity Proceedings

Infringement Proceedings



Each court interprets claim scope independently – FCJ *Palette* (X ZR 59/25)

3. Factual Prejudicial Effect?

The appellant in the present case argued that even without a formal binding effect, the Federal Patent Court's interpretation would have »factual prejudicial effect« on infringement proceedings. The FCJ rejected this argument (*margin no. 47-50*), while notably acknowledging (*margin no. 49*) that infringement courts typically take into account an interpretation from nullity proceedings.

However, this practical reality does not alter the legal position.

Indeed, the FCJ had already held in *Kreuzgestänge* (X ZR 103/13) that an infringement court must interpret the patent in suit independently and is bound neither in law nor in fact by the FCJ's interpretation in patent nullity proceedings concerning that patent. The FCJ concluded that the appellate court was wrong to consider itself prevented from correctly determining the meaning and scope of claim 1 on the ground that it regarded itself bound by the FCJ's findings in the nullity proceedings. No such binding effect exists, neither in law nor in fact.

The determination of the meaning and scope of a patent claim is a question of law and must be carried out by the infringement court on its own responsibility, as by any other court dealing with the matter. This includes the possibility that the infringement court may arrive at an interpretation differing from that adopted by the FCJ in patent nullity proceedings concerning the same patent. Such a divergence may justify allowing an appeal to the FCJ in the infringement proceedings on points of law if it is material to the decision.

With the *Palette* decision, the FCJ confirmed its previous finding and draws an important distinction between influence and binding effect in its reasoning. Infringement courts are expected to consider – and engage with – interpretations from nullity proceedings, just as they would consider any reasoned judicial analysis of the same legal question (*margin no. 50*). But consideration is not deference, and engagement is not submission. The infringement court retains full authority to reach a different conclusion.

The FCJ concluded that the infringement courts will have to assess in their own responsibility and without being bound by the contested decision whether the reasons given by the Federal Patent Court justify a narrower understanding of a claim feature than the wording suggests (*margin no. 51*)

III. Practical Implications for Patent Litigation Strategy

The FCJ's reasoning implicitly acknowledges that nullity decisions do have practical influence on infringement proceedings – infringement courts »typically take into account« such interpretations (*margin no. 49*). However, the FCJ draws a clear line: practical influence does not mean the appellant is adversely affected in a legally relevant sense. This approach places responsibility on infringement courts to exercise genuine independent judgment and on parties to make their best arguments in each forum.

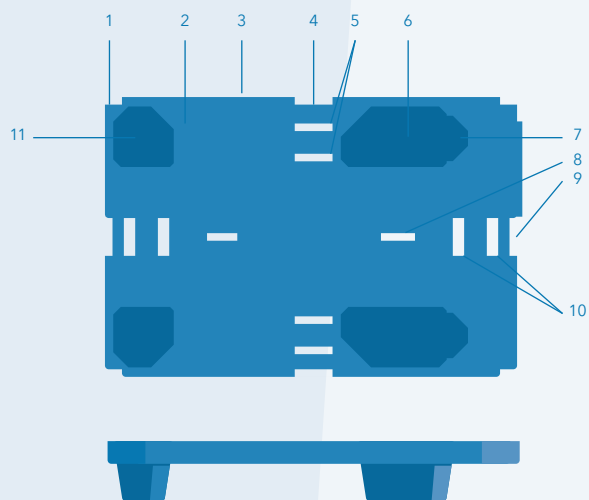
For patent proprietors, this means focusing their nullity defence on the outcome – maintaining the broadest possible claim scope – rather than on securing favourable interpretive statements in the reasoning. If a patent survives nullity proceedings only with a reasoning that adopts a narrow interpretation, the proprietor's recourse lies in presenting arguments for a broader interpretation directly to the infringement court, not in appealing the nullity decision.

Where a patent proprietor defends the patent in amended form, the reasoning explaining the amendments may have greater practical significance, as that reasoning may be consulted to understand the scope of the amended claims, including in an infringement context. However, even here,

the FCJ's strict approach suggests that only reasoning directly necessitated by the amendment – where the original description has become »obsolete« – will have any supplementary effect.

Conversely, alleged infringers should not assume that a favourable interpretation in nullity proceedings will automatically carry over to infringement litigation. While infringement courts will typically consider the reasoning of the Federal Patent Court or the FCJ in nullity proceedings, they are not bound by it and must undertake their own independent analysis.

This creates both risk and opportunity: an alleged infringer who succeeds in obtaining a narrow interpretation in nullity proceedings may still face a broader interpretation in infringement proceedings. Equally, an alleged infringer facing an adverse interpretation in nullity proceedings can still argue for a different interpretation before the infringement court.



IV. Conclusion

The *Palette* decision provides important clarification on the limits of a decision's binding effect in German patent nullity proceedings. The key principles can be summarised as follows:

1. An appeal seeking only a different claim interpretation – without challenging the decision – is inadmissible because the appellant is not adversely affected in this regard.
2. Only the decision on validity acquires binding effect; the underlying reasoning does not.
3. Nullity reasoning can replace or supplement the patent description only where the description has become obsolete due to partial invalidation – not merely because the reasoning was decisive for the outcome.
4. Claim interpretation in nullity proceedings is not binding on infringement courts, which must undertake their own independent analysis.

Taken together, these principles preserve the independence of infringement courts in Germany's bifurcated system while making clear what a nullity decision determines – and what it does not.¹ At the same time, the FCJ's acknowledgment that infringement courts typically take into account claim interpretations from nullity proceedings confirms the practical reality: while not legally binding, well-reasoned nullity decisions carry persuasive weight. Parties must therefore present their strongest claim construction arguments in both forums, recognising that the claim interpretation adopted in one forum may affect the other – even if it is not binding.

¹ The *Palette* decision confirms established FCJ case law on each of these principles:

- **Admissibility/Adverse effect:**

FCJ, 1966 - Ia ZR 86/64, GRUR 1967, 194; 1978 - X ZR 32/76, GRUR 1979, 222.

- **Scope of the binding effect:**

FCJ, 17 February 1983 - III ZR 184/81, NJW 1983, 2032; 14 February 2008 - I ZR 135/05, GRUR 2008, 933 - *Schmiermittel*.

- **Replacement or supplementation of the patent description:**

FCJ, 1955 - I ZR 141/53, GRUR 1955, 573; 1963 - Ia ZR 8/63, GRUR 1964, 196 - *Mischer II*; 1964 - Ia ZR 10/63, GRUR 1964, 669 - *Abtastnadel II*; 1998 - X ZR 115/96, GRUR 1999, 145 - *Stoßwellen-Lithotripter*; 2007 - X ZR 72/05, GRUR 2007, 778 - *Ziehmaschinenzugeinheit I*.

- **Non-binding effect of claim interpretation on infringement courts:**

FCJ 1967 - Ia ZR 59/65, GRUR 1968, 33 - *Elektrolackieren*; 2015 - X ZR 103/13, GRUR 2015, 972 - *Kreuzgestänge*; Urteil vom 17. April 2007 - X ZR 72/05, GRUR 2007, 778 - *Ziehmaschinenzugeinheit I*.



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