

PP 3/21

Court of Justice case C-44/21 (Phoenix Contact GmbH & Co. KG v HARTING Deutschland GmbH & Co. et al.)

The IP Federation represents the views of UK industry in intellectual property (IP) policy and practice matters in the UK, Europe and internationally. Its membership of influential IP-intensive companies has wide experience of how IP works in practice to support the growth of technology-driven industry and generate economic benefit. Details of the IP Federation membership are given at the end of this submission.

Case <u>C-44/21</u> at the Court of Justice of the European Union (CJEU) addresses the anomalous position of the German courts which, in most circumstances, require a patent to have been contested and found valid prior to the award of a preliminary injunction (PI). Clearly such a rule has no basis in the IP Rights Enforcement Directive, nor is there basis for it in German national law (and there is no parallel requirement under UK law). This rule is, as mentioned in the referring decision, a creation of judicial precedent.

This principle generates hardship for patent holders since only a few patents receive third party observations during prosecution, are ever opposed at the European Patent Office (EPO) or are the subject of revocation actions in Germany. The hardship is particularly acute if there is a need to seek preliminary enforcement soon after grant since there will not have been time for any validity action to have reached a conclusion.

The rule seems even more perverse in the light of the fact in that in German PI proceedings a mini-validity trial takes place. Why superadd a hurdle beyond this and require previous contested validity?

There are a number of exceptions to the requirement, which are set out in the judgment. The potential for irreversible price erosion in the life sciences area means preliminary injunctions are available in most disputes in that technical field. Nonetheless, the rule, as a principle, is considered *ultra vires* by the members of the IP Federation.

The case has been referred by the lower instance court in Munich, who are clearly unhappy with the cases from the higher Munich court. The reference sets out the issues around its existence, application and potential conflict with EU law. We would be grateful if Her Majesty's Government saw fit to file a short brief with the CJEU agreeing with the concerns of the referring court that this judicially created principle should be found incompatible with the IP Rights Enforcement Directive.

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IP Federation members 2021

The IP Federation membership comprises the companies listed below. The UK Confederation of British Industry (CBI), although not a member, is represented on the IP Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. The IP Federation is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

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