



## General Terms and Conditions, As Of: January 2016

### Chapter I - Initiation of Contract

#### Article 1 Initiation of Contract

<sup>1</sup>In the course of initiation of contract the law office reserves the right to peruse the potential mandate with respect

- a) conflict of interest according to § 5 Berufsordnung Patentanwälte (BOPA, Engl.: *German Patent Attorneys Code of Professional Conduct*),
- b) existence of the necessary expertise according to § 10 No. 1 BOPA, or
- c) the term utilization of the office according to § 10 No. 2 BOPA

<sup>2</sup>For perusing the mandate the law office reserves the right to review the credit worthiness of the principal.

#### Article 2 Initial Consultation

<sup>1</sup>For initial consultation principal and law office agree upon an initial consultation fee according to § 34 para1 Rechtsanwaltsvergütungsgesetz (RVG, Engl.: Law on Attorney's Remuneration). <sup>2</sup>The initial consultation fee will be deducted if a mandate is issued. <sup>3</sup>The initial consultation fee has to be paid at the consultation appointment by the principal.

#### Article 3 Inspection of Provided Documents and Information as well as Inspection of Third Party's Rights

- (1) <sup>1</sup>The principal indemnifies the law office from validating the facts and information provided by the principal for factual accuracy. <sup>2</sup>Insofar as the law office discovers any incorrectness among the facts and information provided by the principal, it will indicate this to the principal. <sup>3</sup>In particular the principal indemnifies the law office from
  - a) reviewing the factual correctness of inventions prior to request of protection for the inventions,
  - b) guaranteeing the feasibility of inventions or from substantiating incomplete inventions,
  - c) perusing relative grounds for refusal and third party rights during registration of intellectual property rights,  
unless the review of factual correctness of inventions or for relative grounds for refusal and third party rights is part of a separate mandate.
- (2) For research on prior art, on the existence of relative grounds for refusal or on the existence of third party rights a limitation of liability according to article 13 is agreed upon.

### Chapter II - Mandate and Power of Attorney

#### Article 4 Scope and Execution of Mandate

- (1) The principal determines the services to be provided by the law office with the mandate.
- (2) The law office carries out the mandate according to the principles of proper professionalism, especially in accordance with the Berufsordnung für Patentanwälte (BOPA) and the Patentanwaltsordnung (PatAnwO, Engl.: *German Patent Attorneys Bar Association Code of Conduct*).
- (3) The services offered by the law office include in particular:
  - a) compiling of registrations of intellectual property rights,
  - b) application of intellectual property rights inland and abroad including the prosecution of intellectual property rights before the relevant authorities, administrative offices and courts of law and lodging appeals with and appealing to courts with national, international and foreign authorities, administrative offices and courts of law to prosecute intellectual property rights,
  - c) administration of intellectual property rights including the monitoring of deadlines inland and abroad for the payment of official fees as well as the representation before German and European (including European Patent Organisation) authorities, administrative offices, courts of law and third parties for the duration of the intellectual property right,
  - d) attacking intellectual property rights of third parties by filing corresponding legal actions,
  - e) perusing the likelihood of success of legal actions and lawsuits in the area of intellectual property rights,
  - f) litigation of intellectual property rights with third parties,
  - g) research for prior art and relative grounds for refusal,
  - h) furnishing of expert opinions in the area of technical intellectual property rights and trade marks.

#### Article 5 Avoiding Conflicts of Interest

<sup>1</sup>To avoid a conflict of interest, the law office will refuse the mandate by the principal in accordance with § 5 BOPA in case there is by reasonable estimation a sufficient probability of a conflict of interest (conflicting interests) unless the principals concerned by conflicting interests agree with a representation despite the conflict of interest in written form according to § 5 para 2, 3<sup>rd</sup> sentence BOPA. <sup>2</sup>For protection of the person or persons concerned, the law office is not obliged to disclose the conflict of interest. <sup>3</sup>The law office may also refuse the mandate without providing any reason therefor.

#### Article 6 Management without Mandate

- (1) For adherence of time limits, the principal authorizes the law office to conduct timely activities even without an order according to § 677 BGB (GoA, Engl.: Agency Of Necessity), if due to an absence of the principal a coordination of timely
  - a) replies to office actions,
  - b) comments on court orders or written submissions within a legal time limit or a time limit set by a court of law or a public office,
  - c) appeals to court or demands for legal remedy,
  - d) translations,
  - e) nationalization of intellectual property rights  
is not possible.
- (2) <sup>1</sup>The principal indemnifies the law office for the adherence of actions subject to deadline, if the timely action is connected to a disbursement of non-petit charges or fees. <sup>2</sup>The limit of irrelevance is at 50 EUR.
- (3) The principal will compensate for the services performed by the law office in a timely manner to hold deadlines and for the administrative, official and court fees advanced by the law firm.
- (4) <sup>1</sup>The law office will not pay any annual or renewal fees without an advance mandate. <sup>2</sup>The principal mandates the law office to pay annual and renewal fees exclusively by advance payment of the fees to a bank account of the law firm. <sup>3</sup>The provisions of chapter VIII apply.

#### Article 7 Power of Attorney

- (1) The principal provides the law office with a general power of attorney for representation of the principal before the respective authorities, offices and law courts.
- (2) <sup>1</sup>A mandate is not an authorization for the representation before authorities, offices and law courts. <sup>2</sup>The authorization has to be issued separately by the principal and is issued by the principal only for a particular reason only concerning one individual intellectual property right or one individual legal act.
- (3) For representation before the Bundespatentgericht (BPatG, Engl.: German Federal Patent Court) and the Bundesgerichtshof (BGH, Engl.: Federal Court of Justice) and for participation before civil courts, the principal issues an additional individual power of attorney to the representing attorney.

### Chapter III - Participation of the Principal

#### Article 8 Participation of the Principal

- (1) <sup>1</sup>The principal will participate in the completion of the mandate as it is appropriate for the orderly completion of the mandate. <sup>2</sup>Especially he will
  - a) provide the law office with all documents needed for the completion of the mandate in such an complete and timely way and
  - b) transfer official fees in such a timely way,that the law office has an appropriate handling time at its disposal. <sup>3</sup>The same applies to information about all procedures and circumstances that might be relevant to carrying out the mandate. <sup>4</sup>The principal will take notice of all written or verbal messages by the law office and if in doubt he will confer with the office.

#### Article 9 Maintenance of Independence

The principal will refrain from anything that might impair the independence of the law office or its assistants according to § 1 BOPA.

## Article 10 Discretion by the Principal

The principal will pass the results of the law office's services only with the law office's written consent, insofar as the consent to pass to specific third parties does not result already from the mandate contents.

## Article 11 Deferred Participation and Delay of Acceptance by the Principal

- (1) The law office is authorized to refuse the continuation of the contract with an appropriate period, if
  - a) the principal refrains from complying with participations according to this chapter or otherwise,
  - b) the principal defaults with the timely transfer of official fees, or
  - c) the principal defaults with the acceptance of services provided by the law office, especially services demanding activities to meet a deadline.
- (2) The law office may terminate the mandate without further notice after an unsuccessful completion of an appropriate period or in case of a loss of mutual trust according § 10 para 4 BOPA.
- (3) According to article 23 of this agreement, the principal has to compensate for all services provided up to the moment of refusal of the continuation of the mandate and -if applicable- for advanced fees.
- (4) The law office is entitled for reimbursement of additional spending caused by default or deferred participation of the principal and for reimbursement of damages, even if the law office does not exercise the right of termination.

## Chapter IV - Discretion

### Article 12 Discretion of the Law Office

- (1) <sup>1</sup>The law office, including staff and auxiliary persons, maintains silence in accordance with § 4 BOPA about all facts that come to its knowledge in connection with handling the mandate, unless the principal releases the law office from this obligation in written form. <sup>2</sup>The law office maintains silence after termination of the contract as well.
- (2) <sup>1</sup>There is no obligation for discretion, as far as the disclosure is necessary for the maintenance of the law office's rightful interests in accordance with § 4 para 3 BOPA. <sup>2</sup>Also, the law office has been released from obligation for discretion towards its professional liability insurance, insofar it is obliged to cooperate and inform by the conditions of the professional liability insurance.
- (3) Lawful rights to withhold information and to refuse to testify according to § 102 para 1 No. 3 lit. b) Abgabenordnung, (AO, Engl.: General Tax Code), § 53 para 3, sent. 3 StPO (Strafprozessordnung, Engl.: Code of Criminal Procedure), § 383 Zivilprozessordnung (ZPO, Engl.: Code of Civil Procedure) remain untouched.
- (4) <sup>1</sup>The law office hands out reports, expertise and other written statements on the results of its activities to third parties only with the principal's consent. <sup>2</sup>Especially in case of access to records to the law firm's reference files by adversaries in accordance with foreign laws ("discovery"), the law office will not disclose information without the consent of the principal.

## Chapter V - Limitation of Liability

### Article 13 Limitation of Liability

- (1) The law office is liable for its own and its auxiliary persons' fault, however not if they act intentionally.
- (2) The principal's claim against the law office for replacement of negligently caused damages according to para 1 will be limited to 1 Mio EUR (in words: one million Euro).
- (3) Deviations in particular cases, especially the limitation of liabilities to amounts higher or lower as stipulated in para 2, demand a written agreement (requirement of written form), which has to be established separately and shall be handed to the principal together with these General Terms and Conditions at the conclusion of the contract.
- (4) Insofar as a claim for damages by the principal is not subject to a shorter limitation period by operation of law, it lapses three years after the moment when the claim arose.
- (5) The stipulations in para 1 to 4 are also valid as against other persons than the principal, if contractual or precontractual relations between the law office and these individuals are established in exceptional isolated cases or if these persons have been recognizably included into the protected area of the contractual relations.

## Chapter VI - Auxiliary Persons

### Article 14 Staff and Expert Third Parties

- (1) For handling the mandate, the law office is authorized to draw on staff, expert third parties and data processing providers.
- (2) Expert third parties are especially
  - a) external office services for patent attorneys,
  - b) patent draftsmen,
  - c) patent attorney candidates in training for patent attorney,
  - d) trainee lawyers,
  - e) freelance lawyers and patent attorneys working on individual assignment,
  - f) communicating lawyers.
- (3) Data processing providers are especially
  - a) data base-, network- and telecommunication service providers,
  - b) software engineers for compiling and maintaining intellectual property rights administration and bookkeeping software,
  - c) providers of data processing equipment (Hosting Service Provider)
- (4) When drawing on expert third parties and data processing providers the law office has to take care, that they pledge discretion in accordance with Art. 12 para 1.
- (5) The law office is authorized to provide general representatives (§ 46 PatAnwO, § 53 Bundesrechtsanwaltsordnung (BRAO, Engl.: Federal Attorney's Code of Professional Conduct) as well as practise trustees (§ 48 PatAnwO, § 55 BRAO) in case of their appointment with access to the reference files.

### Article 15 External Service Providers

- (1) To register and enforce intellectual property rights abroad, the law office is authorized to mandate communicating lawyers abroad on its own behalf.
- (2) For patent reporting and trademark monitoring the law office is authorized to mandate agents on its own behalf inland and abroad.
- (3) To pay official fees abroad and to provide Statements of Use the law office is authorized to mandate external agencies, patent attorneys or lawyers inland and abroad on its own behalf.
- (4) <sup>1</sup>The principal is not affected by the contractual relations between the law office and the external service provider. <sup>2</sup>The law office is not bound to disclose the transfer prices in use with the foreign communicating lawyer.
- (5) Apart from the documents forwarded by the law office to the principal in order to handle the mandate, all work results of the external service providers mandated by the law office remain property of the law office.

## Chapter VII - File Keeping and Communication

### Article 16 File Keeping and Electronic Data Processing

- (1) <sup>1</sup>For each mandate the law office will keep an electronic file, with the file containing the correspondence with the principal on the one hand as well as the correspondence with offices and authorities (reference file) on the other hand. <sup>2</sup>The electronic file will be structured according to the particular activities.
- (2) <sup>1</sup>The principal authorizes the law office to exclusively archive electronic copies (scan) of written submissions and original documents and to store the paperbound written submissions and original documents. <sup>2</sup>If the original documents are not legal instruments, the law office is authorized to destroy the written submissions and original documents as long as an electronic copy has been produced for file keeping.
- (3) The law office provides the principal with an electronic copy of each written submission exchanged with public offices and courts of justice immediately after receipt or exit via e-mail.
- (4) In case of mandating third parties, especially when calling in communicating lawyers for communication with foreign authorities and courts of law, the law office will immediately provide the principal with an electronic copy of every written submission exchanged with the foreign authority or court of law or forwarded by the communicating lawyer.
- (5) <sup>1</sup>To support the administration within the law office, it will create, maintain, store and process the necessary data of a mandate within electronic data processing, including the calculation of cutoff and the calculation of renewal and annual fees. <sup>2</sup>The principal will not acquire possession or claims for restitution, neither for these data nor for the electronically stored correspondence and especially not for the data on the renewal- and annual fees or formal and standard letter, no matter in which form.

- (6) The principal has a claim for restitution to the extent of the reference file (correspondence with offices, authorities and courts of law), as long as it has not been sent by the law office to the principal electronically or is available as an legal instrument at the law office's premises.

#### Article 17 Communication by e-mail

- (1) <sup>1</sup>The law office and the principal agree to the exchange of electronic mail (e-mail) to handle the communication related to business. <sup>2</sup>The principal provides a secure e-mail address for a secure exchange of the business related communication. <sup>3</sup>The principal guarantees to take notice of his electronic mail regularly and in appropriate intervals.
- (2) <sup>1</sup>The principal and the law office can agree to exchange exclusively encrypted electronic mail. <sup>2</sup>For this the principal and the law office agree upon an encryption system; as far as possible the PGP protocol shall be utilized for encryption.
- (3) The principal takes measures (e.g. keep a "white list") to ensure, that electronic mail sent by the law office to the principal will not be eliminated by algorithms (spam filters) for the elimination of unsolicited electronic mail (spam).

### Chapter VIII - Disbursement of Fees

#### Article 18 Disbursement of Fees

- (1) <sup>1</sup>The law office is not obligated to disburse official fees. <sup>2</sup>In particular the law office is not obligated to advance renewal and annual fees.
- (2) <sup>1</sup>For actions subject to deadline, the law office is not obligated to advance official fees or third party's fees, if the amount of the fees alone or in sum is more than an insignificant amount. <sup>2</sup>The limit of insignificance is agreed upon according to para 3 (2) sentence 2.
- (3) <sup>1</sup>In case of advancing fees, the law office is entitled to demand a surcharge of 20 % of the advanced fee. <sup>2</sup>The surcharge is subject to VAT.

#### Article 19 Payment of Official Fees

- (1) <sup>1</sup>To renew intellectual property rights, the law office issues an instructive invoice with an appropriate date of expiry in advance of the official fees' due date. <sup>2</sup>The principal is not obligated to pay instructive invoices.
- (2) <sup>1</sup>The payment of the instructive invoice is considered as a mandate to the law office for the payment of the official fees. <sup>2</sup>If the instructive invoice is not paid before the date of expiry, the law office is not obligated to maintain the intellectual property rights by advancing the fee.
- (3) <sup>1</sup>The payment of official fees for the renewal of intellectual property rights, for appeals to court and for applications to offices, authorities and courts of justice are in the name of and mandated by the principal. <sup>2</sup>Other official fees e.g. for the commission of priority documents, access to records and registers are paid in the name of and on authority of the law office. <sup>2</sup>The differentiation depends on who enters the initial contractual relation with the offices, authorities and courts of justice.

### Chapter IX - Compensation

#### Article 20 Compensation

- (1) <sup>1</sup>The compensation (fees and reimbursements) of the law office for its professional activities is measured according to the law office's schedule of fees. <sup>2</sup>In this connection basic fees, remunerations depending on expenditure and time as well as reimbursements and official fees accumulate.
- (2) For activities not regulated by the schedule of fees, the remuneration previously agreed upon is valid, alternatively the commonly accepted remuneration (§ 612 para 2 and § 632 para 2 Bürgerliches Gesetzbuch BGB, Engl.: Civil Code).
- (3) Offsetting against an entitlement to remuneration is only permissible with undisputed and bindingly recognized claims.

#### Article 21 Advance Payment

- (1) For fees and expenditures already accrued or expected to accrue the law office can demand advance payment according to § 14 para 1, sentence 1 BOPA.
- (2) <sup>1</sup>If the advance payment is not paid, the law office can cease its service according to § 14 para 1, sentence 3 BOPA with advance notice until the advance payment is made. <sup>2</sup>The law office will indicate its intention to cease work in due time to the principal, if the principal might suffer harm from the cessation of work.

#### Article 22 Remedy

- (1) <sup>1</sup>The principal is entitled to the correction of probable faults if the mandate covering the performance is a service contract to the law office. <sup>2</sup>In any case the principal first permits the opportunity for remedy to the law office.
- (2) In case the law office does not eliminate the deficits within an appropriate period of time or refuses the elimination of deficit, the principal is entitled to have a different patent attorney eliminate the deficits at the expense of the law office, or rather demand by its choice the reduction of remuneration or the rescission of contract.
- (3) <sup>1</sup>Obvious falseness (e.g. typing errors, miscalculations) can be corrected by the law office at any time also against third parties. <sup>2</sup>For other faults, the law office may correct against third parties with the consent of the principal. <sup>3</sup>The consent is not necessary if justified interests of the law office precede the principal's interests.

#### Article 23 Entitlement for Remuneration at Premature Termination of Mandate

<sup>1</sup>Is the mandate terminated before its total completion, the entitlement for remuneration by the law office adheres to the services provided. <sup>2</sup>If a particular case shall diverge from this, a written agreement is needed, which has to be compiled separately and has to be handed to the principal together with these General Terms and Conditions at the conclusion of contract.

#### Article 24 Invoicing; Signature

<sup>1</sup>The principal agrees that invoices are transferred exclusively by electronic means. <sup>2</sup>The law office is not subject to the obligations of an Attorney at Law according to § 10 RVG; therefore the invoices of the law office will not be signed in original by the patent attorney.

#### Article 25 Date of Required Payment

- (1) <sup>1</sup>The principal and the law office agree upon a date of required payment of 14 days (term of payment) after receipt of the invoice. <sup>2</sup>The later date of the invoice or of the electronic mail delivery (e-mail receipt date) commences the term; invoices with an indicated term of payment are exempt. <sup>3</sup>The receipt date is the receipt on the bank account of the law office indicated on the law office's invoice.
- (2) In case of default by the principal, the law office is entitled to demand default interest according to § 288 para 2 BGB and default charges according to § 288 para 4 BGB.

### Chapter X - Termination of Mandate

#### Article 26 Termination of Mandate

- (1) The mandate to the law office by the principal ends by
- completion of the services agreed upon,
  - by expiration of the agreed runtime of the mandate or the lapse of the intellectual property right, or
  - by termination.
- (2) <sup>1</sup>If and insofar as the mandate is a contract of service according to §§ 611, 675 BGB, the mandate can be terminated extraordinarily by both partners according to § 626 ff. BGB; the termination has to be in writing. <sup>2</sup>If a particular case should diverge from this, a written agreement is required, which has to be compiled separately and has to be handed to the principal together with these SGeneral Terms and Conditions at the conclusion of contract.
- (3) <sup>1</sup>In case of the termination of mandate by the law office and to avoid forfeiture of a right, the law office will take those actions in any case that are reasonable and tolerate no delay (e.g. request for extension of time in case of imminent expiry of time limit). <sup>2</sup>The principal has to remunerate the services provided by the law office after the termination of mandate and he has to reimburse the advanced fees if applicable.
- (4) <sup>1</sup>The law office will return everything it received for the execution of the mandate and what it obtained through business activities on the principal's behalf. <sup>2</sup>Besides the law office will inform the principal about the state of the matter.
- (5) <sup>1</sup>With the termination of the contract respectively the mandate, the law office will store the electronically kept data, no matter of which form, for five years in accordance with § 44 para 2 PatAnwO, and delete them afterwards. <sup>2</sup>There is no entitlement of the principal to receive the electronic data, no matter of which form, from the law office.
- (6) After termination of the mandate, all documents, models, templates, drawings, samples and prototypes have to be collected from the law office.

#### **Article 27 No Termination of Mandate**

- (1) The mandate does not end
  - a) by death of the principal,
  - b) by occurrence of incapacity to contract of the principal,
  - c) if the principal is a corporation, by its disbandment and liquidation,
  - d) for the case that the principal is a legal entity, by its deletion or liquidation.
- (2) In case of death, the occurrence of incapacity to contract, the disbandment and liquidation of the corporation or the deletion and liquidation of a legal entity, the mandate will be continued with the heirs or legal successors, insofar the intellectual property right or rights touched by the mandate devolve to the heirs by law or the proceedings are continued by law with the heir or heirs or the legal successor or successors.

#### **Article 28 Storage, Delivery and Right of Retention of Work Results and Documents**

- (1) The obligation of the law office to keep reference files according to § 44 para 2 PatAnwO expires before the termination of a period of five years, if the law firm asked the principal in writing (e-mail suffices) to receive the electronic reference files, and the principal did not comply with this request within six months after its receipt.
- (2) <sup>1</sup>Reference files in the sense of § 44 para 4 PatAnwO are all papers the law office received from the principal or on his behalf. <sup>2</sup>However, this does not apply to the material or electronic correspondence between the law office and its principal and to papers received by the principal already as original document or transcript (scan) as well as work papers compiled for internal purposes.
- (3) <sup>1</sup>On demand by the principal, after termination of the mandate at the latest, the law office will deliver the reference files to the principal within an appropriate time frame. <sup>2</sup>The law office is allowed to produce and keep transcripts or photocopies of the documents it returns to the principal.
- (4) <sup>1</sup>The law office is entitled to refuse the delivery of its work results and reference files until it is satisfied concerning its fees and disbursements. <sup>2</sup>This does not apply, if the retention due to circumstances, especially due to relative negligibility of the amount owed, would infringe good faith. <sup>3</sup>Until faults claimed by the principal in good time are eliminated, the principal is entitled to retain a reasonable part of the remuneration.

### **Chapter XI - General Stipulations**

#### **Article 29 Proper Law and Place of Fulfillment**

- (1) For the mandate, its execution and the resulting claims only German law applies.
- (2) Place of fulfillment is Berlin (location of professional establishment of the law office) if not agreed upon otherwise.

#### **Article 30 Validity in Case of Partial Invalidity**

<sup>1</sup>In case individual stipulations of these General Terms and Conditions should be or become invalid, the validity of the remaining stipulations remains untouched. <sup>2</sup>The invalid stipulation shall be replaced by a valid one, that gets as close as possible to the intended goal.

#### **Article 31 Changes and Amendments**

Changes and amendments of these General Terms and Conditions demand the written form.

#### **Article 32 Control of Contents**

<sup>1</sup>The preceding General Terms and Conditions are subject to control according to § 305 ff BGB. <sup>2</sup>They are based on statutory provisions and constitute no disproportionate disadvantage to the principal.