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International Patent Litigation Guide

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Contents

Introduction

The CMS Patent Litigation Guide provides an overview of litigation procedures across key jurisdictions in Europe, and both Russia and China. In particular, the Guide provides information on the courts, the trial format and timing, appeals, remedies (including injunctions) and alternative dispute resolution mechanisms. As you will see, the Guide is divided into chapters: one chapter for each country so as to make it a readily accessible resource to navigate and use.

As you will see from the Guide, there are certain elements of patent litigation procedure that are unsurprisingly fairly harmonious across Europe. However, there are other key areas where many countries show significant differences in procedure: for example, in the format of trials, the appointment of experts (by the court or by the parties), and in the availability of specific remedies.

We hope that the Guide is a useful resource for anyone who is involved in patent infringement proceedings in any of these countries or contemplating such proceedings. Whilst this Guide is no substitute for detailed local advice that can be tailored to a particular case, we hope that it is a useful starting point to assist clients in gaining a broad understanding of the general litigation procedure and any procedural peculiarities of these countries.

The CMS Intellectual Property group of approximately 150 lawyers includes more than 50 experienced patent litigation lawyers and patent attorneys located across Western, Central and Eastern Europe, Russia and China. Each chapter includes contact details for the Key Contact in each jurisdiction who has contributed to the Guide. If you have any questions in relation to the content of the guide or any other questions in relation to your enforcement of patent rights generally, please feel welcome to contact any of these individuals.

We do not comment on the proposed Unitary Patent or the Unified Patent Court in this Guide. For participating Member States, current national procedures will remain relevant for a considerable period of time as we transition to the new regime. We have assembled a specialist cross-border patents team at CMS, who are fully immersed in these developments in order to assist our clients to prepare for the new system. If you would like more information on the Unitary Patent and Unified Patent Court, please visit www.cmslegal.com/patentswithoutborders

Nick Beckett and Jeremy Morton

Austria

Patent Litigation in Austria

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Standing

Who is entitled to sue for patent infringement?

The owner of the patent may bring proceedings against the infringer.[i] If the patent is owned by more than one party, any one of those parties may initiate infringement proceedings without the consent of the other co-owners.[ii]

Exclusive licensees have the right to bring proceedings for patent infringement in respect of any infringements of the patent committed after the date of the licence. A non-exclusive licensee has the right to bring proceedings if the licensor has given the licensee express authorisation to do so in the licence.

Is it possible to join more than one party as a defendant?

In invalidity proceedings at the ÖPA ("Österreichisches Patentamt" - Austrian Patent Office), it is possible to join an additional party as defendant.[iii] Any number of parties may join.

In patent infringement proceedings at the Handelsgericht Wien (Commercial Court Vienna), any number of parties may be added.[iv] Only the claimant may require that a defendant be joined to the proceedings. The court cannot order this ex officio.

Is there any time limit in which claims for patent infringement must be brought?

All claims will be time-barred after three years from the date the rights holder obtains knowledge of both the infringement and the identity of the infringer.[v]

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Civil actions in patent infringement proceedings are brought exclusively before the Handelsgericht Wien[vi].

The Austrian Patent Office- Nichtigkeitsabteilung (ÖPA-cancellation division) is the competent body for invalidity and declaratory proceedings.[vii]

Infringement and validity issues are not decided in the same proceedings.

Are declaratory proceedings available?

The owner of a patent may apply for the declaration that a third party's product is covered by his patent and is infringing.[viii] Furthermore, the manufacturer or supplier of a product, as well as the commercial user of a procedure, may apply for a declaration that the product or procedure is not covered by a specific patent and is not infringing.[ix]

What is the format of the trial?

At the ÖPA the claimant files his claim which contains a brief statement of the dispute, a request for relief and information on the evidence available. There is then a pre-trial hearing where the parties are heard to see where there is agreement between the parties (if any). The next stage is the main hearing on the merits in which the parties make oral submissions to outline their case. Witnesses may be called.

At Handelsgericht Wien the claimant files his claim which contains the allegations, the facts, the nature of any evidence and the value of the litigation. Several months later will be the trial itself. Note that the hearing may be in private if sensitive know-how is involved. At the trial the parties make oral submissions to the courts. Witnesses may then be called to give oral evidence. If there have been any procedural violations these will be raised at the trial.

How long does it take for a claim to reach a first hearing?

If no proceedings for preliminary injunctions have been initiated, the first oral hearing in infringement proceedings is held on average three months after the action is initiated.

Usually, the proceedings on the merits are connected with proceedings for a preliminary injunction. In such circumstances, the main proceedings remain pending until the preliminary proceedings are settled, either by judgment or settlement. Preliminary orders may be appealed by both parties to the Oberlandesgericht Wien (OLG). Under certain circumstances, preliminary proceedings may be brought before the Austrian Supreme Court (OGH). Consequently, it may take several months (or even a year) for a claim to reach a trial in the main proceedings.

How long do trials last in patent cases?

In both infringement and invalidity cases, trials can last between a few hours and a whole day. They may also be extended to an additional day's hearing.

Do the judges have technical expertise?

At both the Handelsgericht Wien and the relevant departments of the ÖPA, there are both technical and legal members. The appeal board in cancellation actions (the Supreme Board on Patents and Trademarks (OPMS)) is partially made up of members with technical expertise. The same applies in infringement proceedings at the Handelsgericht Wien and the relevant Appeals court, the OLG Wien. However, the technical experts in the courts sometimes lack the necessary expertise as they may be experts in another technical field than that which the case actually refers to.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

If there is a related opposition at the EPO, the court must stay infringement proceedings if (i) the defendant claims the invalidity of the patent expressly or by implication; (ii) the court considers that there is a likelihood that the patent is invalid; and (iii) the claim of invalidity by the defendant is considered relevant to the infringement proceedings.[x]

Evidence

Are expert witnesses used by parties to a patent infringement case?

Expert witness evidence is allowed. However, in some proceedings, such as those before the ÖPA, this form of evidence is not admissible, as some of the members of the chamber are themselves technical experts.[xi]

Experts can also be nominated by the court. If this occurs, the experts act as court staff.[xii] They prepare reports to be submitted in oral or in written form.[xiii] If experts are nominated by the parties, they have the same status as regular witnesses.[xiv] In other words their expertise is not binding on the court; it merely represents the opinion of the respective party.

During interim injunction proceedings, an expert opinion submitted by either of the parties is a valid piece of evidence, because the court will not appoint an expert (as it may do in the main proceedings).

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no general obligation of disclosure in patent litigation in Austria.

Are preliminary discovery or seizure of evidence/documents available?

There is a specific form of preliminary injunction which enables the claimant to seize evidence relating to a patent infringement, if named evidence is in danger of being destroyed by the suspected infringer.[xv] The court appoints a technical expert who hands over the confiscated documents to the court. Preliminary injunctions can be issued by the court without consulting the other party if the danger of irreparable damage or of the destruction of evidence requires such proceedings. Even an anonymous letter could be considered a sufficient certification of such danger.[xvi]

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

There are no specific regulations on experiments. Nevertheless, the results of experiments can be submitted as evidence in written or recorded form to court.

Appeals

What are the possible routes for appeal in your jurisdiction?

Appeals from the Handelsgericht Wien and the Landesgericht für Strafsachen lie in Oberlandesgericht Wien (Higher Regional Court Vienna). A final appeal

can then be made to the OGH ("Oberster Gerichtshof" - Supreme Court).

Appeals from the Nullity Department are to the Appeal Department (both divisions of the ÖPA). A final appeal can then be made to the OPMS ("Oberster Patent- und Markensenat" - Supreme Patents and Trademark Board), a chamber composed of at least one judge from the Supreme Court, two judges and two technical experts.

On what grounds can an appeal be brought?

An appeal may be brought if the decision of the lower court was legally wrong or if there was a procedural irregularity. The appeal courts will not rehear the case. Generally factual issues are not considered in the appeal and further evidence is not permitted on appeal.

An appeal to the OGH is only permitted if there is (i) a major point of law or policy that needs to be decided; and (ii) if the litigation value is higher than € 5,000.

What is an approximate timescale for the first/second appeal?

In infringement proceedings it takes, on average, around 12 months for the first appeal, and another six months for a second appeal to the Supreme Court. In cancellation proceedings, there is only one appeal. Proceedings at the cancellation division may take longer, so that an average of two years for both instances is common.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Infringement proceedings incur on average, costs between € 70,000 and € 80,000, but costs may be substantially higher if the proceedings relate to complex technologies.

Invalidity proceedings are not as expensive, as the invalidity department is comprised of technical members. The average cost of such proceedings, where no external experts are consulted, ranges between €10,000 and € 20,000.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

Appeal proceedings are far less comprehensive and therefore less costly. Infringement appeal proceedings range between € 20,000 and € 30,000, while invalidity appeal proceedings between €5,000 and € 10,000.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The options for alternative dispute resolution are settlement, mediation and arbitration.

Does the court require that parties consider these options at any stage in proceedings?

The court cannot order the parties to consider these options, but it often encourages the parties to settle. To refuse a settlement without giving serious reasons could have a negative impact on the court's approach to a party.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) appropriate remuneration; (ii) damages, including loss of profits; (iii) a recovery of the profits derived from the infringement; (iv) double appropriate remuneration; (v) rendering of accounts; (vi) a declaration that the patent is valid; (vii) information about the origin and marketing route of the infringing objects; (viii) an order for delivery up or destruction of the infringing product; (ix) publication of the judgement; and/ or (x) an injunction.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

The claimant may choose between (i) appropriate remuneration; (ii) compensation for damages, including loss of profits; (iii) a recovery of the profits derived from the infringement; (iv) double appropriate remuneration; and (v) compensation for ideal damages.

It may be possible to claim for more than one remedy.

Appropriate remuneration can be claimed without having to prove negligence on the part of the infringer. The amount is based on the principles relevant to calculating equivalent contractual licence fees/royalties.[xvii]

To claim compensation for damages or recovery of the profits derived from the infringement, the claimant must prove that there has been some negligence on the part of the infringer.

To claim double appropriate remuneration, the claimant must prove gross negligence or intent. However, for double appropriate remuneration the claimant does not have to prove its loss or the infringer's profits.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

Anyone who has a justified interest in the enquiry into the infringer's financial circumstances can claim an enquiry into damages.[xviii] The court may not order this enquiry ex officio.

Is it possible to obtain additional remedies if the infringement was deliberate?

Intentional infringement is a criminal offence.[xix] However, it is an offence with private prosecution and is therefore only prosecuted upon the request of the injured party. To claim additional remedies (double remuneration), the claimant must prove gross negligence or intent.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Preliminary injunctions are available.[xx]

If yes, what are the main grounds for which a preliminary injunction can be granted?

A preliminary injunction will only be granted if there is a danger of repetition of the infringing act.

If the preliminary injunction is meant to safeguard a monetary claim, the court must consider that without the injunction there is a threat to the fulfilment of such claim.

Is it possible to obtain a without notice injunction?

Preliminary injunctions can be issued by court without consulting the other party if there is a danger of irreparable damage or of the destruction of evidence. However, this is quite unusual in Austria. In order to avoid duplicating procedures, the court prefers to hear the defendant before ordering preliminary injunctive relief.

How quickly can injunctions be obtained?

At Handelsgericht Wien proceedings for preliminary injunctions (except for those where a party is requesting the seizure of evidence) are usually held inter partes, with both parties participating in the proceedings. In such circumstances, preliminary injunctions usually take between 2 – 4 weeks. Expert reports will not usually be required. Evidence is normally presented by private expert opinions and/or the participation of patent attorneys.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There are no specific measures to protect against a preliminary injunction. However, the manufacturer or supplier of a product, and the commercial user of a procedure, may pre-empt such proceedings by applying for a declaration of non-infringement.[xxi]

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

It is possible to appeal against an injunction. The appeal does not automatically suspend the injunction. However, a suspension may be granted by the court of first instance in an appeal against an injunction.[xxii]

If a party is awarded an injunction are they liable to provide security?

The court may, at its discretion, impose a security obligation on the party requesting a preliminary injunction.[xxiii]

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes.

Is a cross-border injunction available and in what circumstances?

A cross-border injunction may be available under EU law. An Austrian infringer can be sued in Austria for any infringement of a European Patent, regardless of the country where the infringement took place.[xxiv] For invalidity claims, the exclusive jurisdiction lies within the courts of the State where the patent has been granted.

Under Austrian law, the impact of a patent infringement on the Austrian market is sufficient for national competence. In such cases, a cross-border injunction can be obtained at Handelsgericht Wien.

A “torpedo” in another jurisdiction may be effective to delay a cross-border injunction.[xxv] The most common example for a “torpedo” is a negative declaratory claim.

Notes

[i] s.147, Patentgesetz - the Austrian Patent Act (“PatG”)
[ii] s.27 Para 3 PatG
[iii] s.114a PatG
[iv] s.11 ZPO
[v] s.154 PatG, s.1489 ABGB
[vi] s.161 Para 1 PatG
[vii] s.57 Para 1 PatG
[viii] s.163 Para 2 PatG
[ix] s.163 Para 1 PatG
[x] s.156 Para 3 PatG
[xi] BA 1993 12 16, PBl 1994
[xii] s.351 ZPO
[xiii] s.357 ZPO
[xiv] s.350 ZPO
[xv] s.151b PatG
[xvi] OLG Wien 25.01.1999, 4 R 6/99b
[xvii] (OGH 23.09.1997, 4 Ob 246/97y).
[xviii] Art XLII EGZPO („*Einführungsgesetz zur Zivilprozessordnung*“ – Introductory Act to the Code of Civil Procedure
[xix] s.159 PatG
[xx] s.151b Para 1 PatG
[xxi] s.163 Para 1 PatG
[xxii] s.524 para 2 civil procedural code
[xxiii] s.390 EO (“*Exekutionsordnung*” – Act on the Enforcement of Judgments)
[xxiv] Art 2 EuGVVO
[xxv] ECJ 09.12.2003, C-116/02, “Gasser/Misat”

Belgium


DIT MONUMENT IS IN 1905
OPGERICHT TER VERHEERLIJKING
VAN BELGIE'S ONAFHANKELIJKHEID

Patent Litigation in Belgium

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Standing

Who is entitled to sue for patent infringement?

The owner or usufruct (i.e. a party who has a right of enjoyment of the patent for a limited period of time) of a patent may bring proceedings for patent infringement[i]. If the patent is owned by two more parties, any one of those parties may initiate infringement proceedings but only with the consent of the other co-owner or, or failing that, with the authorisation of the court.[ii]

Exclusive licensees, except as otherwise provided, and beneficiaries of compulsory licenses may also bring proceedings for patent infringement if, after having sent a notice letter, the owner or usufruct of the patent doesn't bring such proceedings. Licences need to be registered.[iii]

All the (registered) licensees are entitled to join the proceedings brought by the owner or usufruct of the patent in order to obtain compensation for their own loss.[iv]

Is it possible to join more than one party as a defendant?

It is possible to join any number of parties as a defendant in the same proceedings.

Is there any time limit in which claims for patent infringement must be brought?

The patent infringement action must be brought within 5 years from the date the infringing act occurs.[v] An action can only be brought once the patent has been granted.[vi]

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

All patent litigation proceedings (infringement and invalidity) are brought before one of the commercial courts (Brussels, Liège, Ghent, Mons and Antwerp).

The court which will have jurisdiction for claims regarding patent infringement is the court sitting at the headquarters of the Court of Appeal under whose jurisdiction the infringement has taken place or, at the choice of the claimant, the court sitting at the headquarters of the Court of Appeal within those jurisdiction the defendant or one of the defendants has his domicile or his residence.[vii]

The court sitting at the headquarters of the Court of Appeal in whose jurisdiction the domicile or residence of the defendant or of one of the defendants is located shall have jurisdiction for invalidity claims.[viii]

When the defendant has no domicile or residence in Belgium, proceedings may be brought before the court sitting at the headquarters of the Court of Appeal within whose jurisdiction the claimant has his domicile or residence.[ix]

Infringement and validity are often dealt with together by the same court.

Invalidity of a patent can be raised as a counterclaim in infringement proceedings.

Are declaratory proceedings available?

Declaratory proceedings are available under Belgian law[x] provided that following conditions are met: (a) the claimant can demonstrate that his right is subject to a serious threat[xi] and (b) the declaration of non-infringement would be able to put an end to this threat.[xii] The court will not allow a claim that is essentially seeking a mere consultation.[xiii]

What is the format of the trial?

At the trial, each party will make oral submissions to the court to explain their case. Witnesses can be called to provide oral evidence.

How long does it take for a claim to reach a first hearing?

The claim to be filed contains a summary of the facts, the claimant's arguments and a request for specific relief.

At the introductory hearing, the parties usually agree a procedural timetable for the exchange of the written briefs. If they cannot reach an agreement, the timetable is determined by the court who will also determine the trial date.

It usually takes between eight months to one year or more for a claim to reach a trial, depending on the workload of the court, the procedural timetable and the number of briefs to be exchanged.

How long do trials last in patent cases?

The duration of trials depends on the complexity of the case, the number of parties, the number of written briefs, etc.

A hearing usually takes a couple of hours, or more if needed. For complex cases, two or more hearings may take place.

The court will deliver its judgment with one to three months.

Do the judges have technical expertise?

Judges have no technical expertise in Belgium. However, the purpose of centralising intellectual property infringement proceedings with the commercial courts was to achieve an improved level of specialisation of the judges.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Belgium courts will sometimes stay proceedings pending the outcome of the EPO opposition.

Evidence

Are expert witnesses used by parties to a patent infringement case?

In order to investigate and advise the court on technical issues, an expert may be appointed by the court, at the request of one of the parties or at the court's own initiative.[xiv]

The expert will submit a written report containing his observations.[xv] The judge may hear the expert at the trial.[xvi]

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no disclosure/discovery procedure in Belgium. Parties are free to produce evidence supporting their arguments.

Are preliminary discovery or seizure of evidence/documents available?

The president of the commercial court may, upon unilateral request by the patent owner and provided certain conditions are met, order a search order (called 'Anton Piller Order') appointing an expert to investigate the (origin, destination and extent of the) alleged patent infringement. The judge may also order the seizure of infringing products. The investigation and seizure will take place at the premises of the alleged infringer and the expert will submit a written report to the court. Subsequently, the patent owner has a limited time (determined by the court/ law being either 20 working days or 31 days, whichever is longest, from receiving the report) to file a main action. If the patent owner fails to do so, he is not able to use the report in any future litigation.[xvii]

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

There are no specific rules regarding experiments. However, because the court may appoint an expert to advise the court on technical issues, the expert may undertake experiments to assist in the report.

Appeals

What are the possible routes for appeal in your jurisdiction?

A first instance decision can be appealed by either party to the relevant court of appeal. The appeal has to be filed within one month from the notification of the first instance decision.[xviii]

A court of appeal's decision can subsequently be appealed to the supreme court, within three months from the notification of the court of appeal's decision.[xix]

On what grounds can an appeal be brought?

All aspects of the first instance judgement may be subject to an appeal before the court of appeal.[xx]

Only the legal aspects of the previous instance judgement may be appealed before the supreme court.

What is an approximate timescale for the first/second appeal?

It may take around two years for a decision to be issued by the court of appeal and around one year for the supreme court to issue a decision.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs of patent litigation proceedings will depend on various factors (such as legal fees, the complexity of the case, the number of briefs to be filed, the involvement of technical experts, the need to translate documents, etc.). In simple patent litigation proceedings, estimated costs are around €30,000.

The court may order the losing party to pay "a procedural indemnity" to cover the costs of legal fees. The amount of this indemnity is determined by the court and depends on the amount of damages claimed and other criteria (such as the complexity of the case). The winning party cannot claim its actual legal costs above this amount.[xxi]

What would be the estimated legal costs of patent litigation proceedings for an appeal?

Costs of patent litigation proceedings for an appeal will depend on various factors (such as the complexity of the case, the nature/ number of arguments in the appeal, legal fees etc.). In simple patent litigation proceedings, estimated costs for an appeal are around €30,000.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The options for alternative dispute resolution available in Belgium are negotiation, mediation and arbitration.

Infringement and validity proceedings may also be brought in front of arbitral courts.[xxii] Arbitration procedures are faster and more specialised but are also more expensive.

Mediation and arbitration are not commonly used in Belgium.

Does the court require that parties consider these options at any stage in proceedings?

The court can ask the parties to consider these options at any stage of the proceedings.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) an injunction;[xxiii] (ii) damages;[xxiv] (iii) publication or display of the judgement;[xxv] (iv) the delivery up or destruction of the infringing product and of the tools and means specifically used in their manufacture;[xxvi] (iv) the recall and/or confiscation of the infringing products and the tools and means specifically intended for their manufacture, at the expense of the infringer;[xxvii] and/or (v) the provision of information regarding the origin and distribution networks of the infringing products.[xxviii]

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages must cover the entire actual prejudice suffered by the patent owner due to the infringement.[xxix]

The patent owner must prove the extent of damage suffered, based on the lost profits that the patent owner would have made if the infringement had not occurred and on actual losses caused by the infringement.

Lost profit is calculated by reference to the royalty rate either applied by the patent owner if sales of the patented product are licensed to third parties, or by reference to a reasonable royalty rate that would have

been agreed between a willing licensor and a willing licensee if sales are made by the patent owner himself.

The court may also grant damages as a lump sum when they cannot be determined in any other way.[xxx]

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

An enquiry into damages is not provided for by Belgian law. However, within the framework of the Anton Piller order, experts may obtain evidence regarding profits and sales made by the infringing party.

The claimant may also request, within the framework of the proceedings on the merits, that the defendant be ordered to produce specific information.

Is it possible to obtain additional remedies if the infringement was deliberate?

If the infringement is committed in bad faith, the court may order the confiscation of the infringing products and of the means intended for their manufacture or an amount equal to the price obtained for the infringing products and means if the infringer has transferred these. The court may also order the transfer of all or part of the profits made by the infringer as compensation for the damage suffered by the patent holder.[xxxi]

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes. The patent owner can obtain provisional measures (a preliminary injunction) by initiating summary proceedings before the president of the commercial court.[xxxii] These measures cease to have effect once a decision is rendered on the merits.

The judge can also order provisional measures at any stage of the proceedings in order to provisionally settle the situation of the parties, if waiting for a final decision on the merits would take too long.[xxxiii]

If yes, what are the main grounds for which a preliminary injunction can be granted?

In summary proceedings, the patent owner must prove: (a) the urgency, i.e. the need to obtain a quick decision in order to avoid certain damage; and (b) a prima facie valid right, i.e. the existence of a patent in force in Belgium.

The party requesting the preliminary injunction must prove that: (a) this measure is needed and justified based on the parties' situation, and (b) the parties' interests would otherwise be affected given the likely length of the proceedings.

Is it possible to obtain a without notice injunction?

It is possible to obtain a without notice injunction in case of absolute necessity.[xxxiv] Such measures are not frequently granted. Usually, these injunctions need to be followed by proceedings on the merits in order to have them confirmed.

How quickly can injunctions be obtained?

Injunctions can be obtained within one to six months.

It is also possible to obtain an injunction quite quickly through accelerated proceedings on the merits. According to these proceedings, the president of the commercial court may grant a final injunction, without the need to prove urgency.[xxxv]

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There are no particular measures that can be used to protect against the granting of a preliminary injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

It is possible to appeal against an injunction.

Appeal against an injunction granted through summary proceedings, through accelerated proceedings on the merits or against without notice injunctions does not suspend the effect of the injunction.[xxxvi]

Appeal against an injunction granted based on article 19, part 2 of the Judicial code and against an injunction granted through regular proceedings on the merits does suspend the effect of the injunction, unless if decided otherwise by the judge.[xxxvii]

If a party is awarded an injunction are they liable to provide security?

A party who is awarded an injunction is not liable to provide security. However, if the decision to grant an injunction is reversed at a later stage, the party who was previously granted an injunction will be held liable to pay damages.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Further proceedings on the merits are not necessarily required in order for the court to grant a final injunction. Indeed, injunctions obtained through summary proceedings can be final if no proceedings on the merits are subsequently introduced.

Is a cross-border injunction available and in what circumstances?

There is no specific Belgian position regarding cross-border injunction.

Notes

[i] Art. 52, §2 Belgian Patents Act 1984.
[ii] Art. 43, §2 Belgian Patents Act 1984.
[iii] Art. 45, §2 Belgian Patents Act 1984.
[iv] Art. 52, §2 Belgian Patents Act 1984.
[v] Art. 54 Belgian Patents Act 1984.
[vi] Art. 52, §3 Belgian Patents Act 1984.
[vii] Art. 73, §2 Belgian Patents Act 1984.
[viii] Art. 73, §4 Belgian Patents Act 1984.
[ix] Art. 73, §5 Belgian Patents Act 1984.
[x] Art. 18 Judicial Code
[xi] Brussels, 17 November 1988, *Pas*., 1989, II, 116.
[xii] FETTWEIS, *Manuel de procedure civile,* Liège, 1987, n°33.
[xiii] Trib.Trav. Anvers, 11 May 1971, *R.D.S.,* 1972, 28; Cour Trav. Brussels, 26 May 1971, *R.D.S.,* 1971, 213
[xiv] Art. 962 Judicial Code.
[xv] Art. 978 Judicial Code.
[xvi] Art. 985 Judicial Code.
[xvii] Art. 1369bis/1-10 Judicial Code.
[xviii] Art. 1051 Judicial Code.
[xix] Art. 1073 Judicial Code.
[xx] Art. 1050 Judicial Code.
[xxi] Art. 1022 Judicial Code.
[xxii] Art. 73 §6 Belgian Patents Act 1984.
[xxiii] Art. 53 §1 Belgian Patents Act 1984.
[xxiv] Art. 53 §2 Belgian Patents Act 1984.
[xxv] Art. 53 §4 Belgian Patents Act 1984.
[xxvi] Art. 53 §2 Belgian Patents Act 1984.
[xxvii] Art. 53 §4 Belgian Patents Act 1984.
[xxviii] Art. 53 §3 Belgian Patents Act 1984.
[xxix] Art. 52 §4 Belgian Patents Act 1984.
[xxx] Art. 52 §5 Belgian Patents Act 1984.
[xxxi] Art. 52 §5 and 6 Belgian Patents Act 1984.
[xxxii] Art. 584 Judicial Code.
[xxxiii] Art. 19, part 2 Judicial Code.
[xxxiv] Art. 584, part 3 Judicial Code.
[xxxv] Art. 3 of the act of 6 April 2010 on the regulation of certain proceedings in the context of the market practices and consumer protection Act of 6 April 2010.
[xxxvi] Art. 1039; 1029, part 2 Judicial Code.
[xxxvii] Art. 1397; 1938 Judicial Code.

Bulgaria

Patent Litigation in Bulgaria

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Standing

Who is entitled to sue for patent infringement?

Both the patent owner and the holder of an exclusive licence[i] are entitled to file a claim against a patent infringer (unless otherwise agreed).

When the patent is owned by multiple parties, each co-owner is entitled to commence patent infringement proceedings independently.

The applicant for a patent is also entitled to file a claim following publication of the application in the Official Journal of the Bulgarian BPO (the **"BPO"**); however, the case will be reviewed only after and if the patent is granted.

Both the holders of a licence granted by operation of law and the holders of a compulsory licence are entitled to bring patent infringement proceedings if the patent owner fails to submit a patent infringement claim within six months from the date that the patent owner was requested in writing to do so by the licensee.

Each licensee (exclusive or non-exclusive) is entitled to join the patent infringement proceedings when the claim has been brought by the patent owner. Likewise, the patent owner is entitled to join the proceedings initiated by a licensee.

Is it possible to join more than one party as a defendant?

Yes. The claimant may file a combined claim against several defendants, if the claim is based on the same grounds.

Is there any time limit in which claims for patent infringement must be brought?

Yes. Patent infringements, must be brought within five years from the date of the infringement or from the date the patent owner/ licensee became aware of the infringer's identity. If the infringement is ongoing, the limitation period starts from the date the infringing activity ceases.

Timing and forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Disputes regarding the creation, protection and use of patents are resolved in either an administrative or court procedure.

Administrative procedure. The Disputes Resolution Department[ii] within the BPO resolves disputes regarding the validity of patents, including declaratory invalidity proceedings, as well as challenging a refusal to grant a patent.

Within the Dispute Resolution Department, disputes are heard by a specialised panel of judges/experts[iii] ("juries"), appointed by the chairman of the BPO. Disputes regarding the declaration of invalidity of a patent are heard by a five-member panel which includes two legal experts.

Civil Court Procedure. The Sofia City Court hears disputes on infringement (and other matters such as ownership[iv] including in an employment relationship[v] and disputes over royalties for a compulsory licence[vi]). Disputes based on the introduction of a patented invention[vii] are reviewed before the competent court under the general civil court procedure.

As noted above, infringement and validity disputes are not decided in the same proceedings. Validity disputes are reviewed under an administrative procedure at the Dispute Resolution Department within the BPO; while infringement disputes are heard, at first instance, by the Sofia City Court.

Are declaratory proceedings available?

Declaratory proceedings are available for: infringement, disputes in determining the genuine inventor; disputes concerning the right to apply for a patent; and disputes regarding prior use or post patent termination use of an invention. Note that a claim for a declaration of non-infringement, although admissible, is very hard to obtain in practice as the party seeking the declaration must prove they have a legal interest in bringing the action, which can be difficult.

What is the format of the trial?

Before the first open hearing, the parties submit written statements, evidence, objections and requests for collecting further evidence. It also is possible to make the requests for collecting evidence during the first open hearing or at a later stage. The experts and witnesses are questioned in an open hearing. After the collection of evidence is completed, the parties make their closing statements orally (or in writing if permitted by the court).

How long does it take for a claim to reach a first hearing?

In general, it takes between two to six months from filing the claim/appeal until the first court hearing.

Infringement proceedings under the PUMRA are generally heard in court under the "accelerated procedure"[viii]. This procedure provides for shorter terms and simplified rules as compared to the general proceedings. However, the court often switches from accelerated proceedings to a general trial if the case is particularly complex.

How long do trials last in patent cases?

In general, the trial can last six months or more depending on the complexity of the case. Within the specified timeframe, the case is reviewed in several open hearings, each lasting up to several hours.

Do the judges have technical expertise?

Judges are not required to have technical expertise. If necessary, experts in the area are appointed to prepare a report on specific matters concerning the case.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Although not explicitly provided for under the PUMRA, the Bulgarian courts may order the stay of national proceedings until the parallel ongoing proceedings at the EPO are complete and a final decision on the validity of the patent has been rendered.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Experts may be appointed by the court or upon a request from either party when special technical, accounting or other knowledge is required for establishing certain facts.

The experts are obliged to produce a written report and must also present their observations and conclusions orally in an open court hearing. The court and the parties may question the experts for the purpose of clarifying their report.

Do the courts allow disclosure/ discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

In general, Bulgarian law does not provide for special disclosure proceedings. However, in the process of collecting evidence during a trial, the court may: (i) oblige the party to appear in court and to answer certain questions (of which the party will be informed in advance); or (ii) upon the request of the party, oblige the other party or a third person to provide a document which is in their possession[ix].

In a patent infringement claim[x], upon a request by the claimant, the court may order the defendant and/or a third person, involved in trading, producing or distributing the (allegedly) infringing products, to disclose certain information about the origin and distribution network of the products.

Are preliminary discovery or seizure of evidence/documents available?

Bulgarian law does not provide for preliminary discovery but does provide means for securing evidence.[xi]

When there is a risk that certain evidence will be lost or its collection at a future trial may be impeded, the interested party may request that the relevant evidence be seized by the court in advance of proceedings.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments are not admissible evidence in patent litigation in court.

Appeals

What are the possible routes for appeal in your jurisdiction?

The routes of appeal are as follows:

Administrative procedure. The decisions of the Disputes Resolution Department within the BPO may be appealed before the Administrative Court of Sofia City and the proceedings are held under the Bulgarian Administrative Procedure Code[xii]. This decision may be further appealed to the Supreme Administrative Court.

Civil Court Procedure. First instance decisions of the Sofia City Court in patent infringement cases may be appealed to the Sofia Appellate Court. In a limited number of cases, the decision of the appellate court may be admitted for review before the Supreme Court of Cassation.

On what grounds can an appeal be brought?

Administrative procedure. The grounds for appealing the decisions of the BPO generally include non-compliance with procedural and/or substantive law. All types of evidence may be admitted (i.e. evidence collected at the proceedings before the BPO, as well as new evidence, at the request of a party and ex officio). An appeal to the Supreme Administrative Court may be filed when the decision of the lower court is claimed to be invalid, inadmissible or erroneous due to procedural omissions or non-compliance with substantive law. Only written evidence is allowed in the cassation appeal.

Civil Court Procedure. Grounds for filing an appeal include where the decision of the first instance court is claimed to be invalid, inadmissible or erroneous due to procedural omissions or non-compliance with substantive law. Reference to new facts and the collection of new evidence is strictly limited in the appellate review of the case. A cassation appeal is only admissible if the appellate court has ruled on a question of law where there is an apparent conflict in case law/ court decisions or where the application of law is unclear.

What is an approximate timescale for the first/ second appeal?

On average, appellate proceedings before one court take up to 12 months.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The costs in patent litigation vary depending on the type of litigation (i.e. administrative or civil court procedure) and on the type of claim filed. It is very difficult to estimate the likely total cost of patent proceedings and no overall estimate is provided.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The costs of appeal proceedings are usually lower than the costs incurred at first instance but it is very difficult to estimate the likely total costs.

Alternative Dispute Resolution ('ADR')

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR are mediation and arbitration. Decisions issued through the mediation procedure are not binding and mediation is not very popular in Bulgaria. Arbitration awards are binding on the parties; however, arbitration is only admissible for claims concerning the right to apply for a patent, and the right of prior / post-patent termination use.

Does the court require that parties consider these options at any stage in proceedings?

The courts are required to encourage parties to settle the dispute by agreement. However, the courts cannot compel parties to use ADR.

Remedies

What remedies are available for patent infringement?

The remedies[xiii] available in patent infringement cases are: (i) a declaration of infringement; (ii) compensation for actual loss incurred and for loss of profit; (iii) an injunction to prevent the infringing activity; (iv) the

publication of the court decision in two daily newspapers at the expense of the infringer; (v) the reprocessing or destruction of the infringing items and, if the infringement was deliberate, the destruction/reprocessing of the means through which the infringement was carried out.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

The claimant is entitled to seek compensation for actual loss incurred and/or for loss of profit. The damages must have occurred as a direct and immediate result of the patent infringement in order to be awarded by the court. It is usually difficult to prove damages as the court requires a very clear causal link between the use of the patent and the damages, and not a mere indication or suspicion.

There are no specific rules on how the amount of the loss of profit should be determined. The case law is fragmented and inconsistent in this regard. Most courts take the view that compensation should be determined based on a reasonable royalty i.e. based on the consideration that a licensor under a licence agreement between a willing licensee and a willing licensor would normally receive. Generally, the royalty is calculated as a percentage of the turnover of sales from the infringing goods. The court would consider the specifics of each particular case, including: the business of the parties; their allegations; the opinion of the expert; and all other evidence collected during the court proceedings.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

No. In cases where a claim for compensation is brought to court the claimant is obliged to prove the amount of damages as part of the same proceedings. Bulgarian law does not provide for a special procedure (i.e. an additional hearing) in this respect.

Is it possible to obtain additional remedies if the infringement was deliberate?

No. Compensation would depend on the damages that have been proven by the claimant.

Injunctions

Is it possible to obtain a preliminary/interim injunction in your jurisdiction?

A party may request a preliminary / interim injunction from the competent court, in accordance with the general rules of the Civil Procedural Code. The measures available to the claimant are generally any measures that the court may find suitable in each particular case (including: seizing goods suspected to be produced in breach of the patent; sealing production facilities; and prohibiting performance of the suspected infringing activity). The PUMRA permits injunctions in patent proceedings. If an injunction is granted, it will be registered with the State register of patents.

The injunction may be obtained before filing the claim or in the course of the pending trial. For the former, the claim must be filed within a term ordered by the court which cannot exceed one month.[xiv]

If yes, what are the main grounds for which a preliminary injunction can be granted?

The competent court will approve and order the injunction[xv] only if: (i) without the injunction it would be impossible or difficult for the claimant to enforce its rights against the infringer if the claim is successful; and (ii) there is solid written evidence that the claim is sustainable, or the claimant provides a guarantee which is approved by the court. The court may request a guarantee even if the claimant has provided sufficient written evidence.

Is it possible to obtain a without notice injunction?

The injunctions under the Civil Procedural Code are imposed without notice to the other party. However, that other party is entitled to appeal within one week from the date it is notified (usually by a bailiff) of the injunction.[xvi]

How quickly can injunctions be obtained?

The court endeavours to make a decision on the application for an injunction on the same day that it is submitted[xvii] (but it can sometimes take several days).

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

The aggrieved party may appeal against the injunction or make a request to the court to change the terms of the injunction[xviii].

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

As noted above, the interested party may appeal against an injunction, but the appeal does not suspend the effect of the injunction.[xix]

If a party is awarded an injunction are they liable to provide security?

Yes, if required by the court.

Are further proceedings on the merits required in order for the court to grant a final injunction?

The interim injunction will remain in effect until the court has rendered a final decision on the merits of the case. If the claimant is successful, the injunction will retain its effect and will facilitate the claimant in enforcing the decision.

Is a cross-border injunction available and in what circumstances?

Bulgarian law does not provide for cross-border injunctions.

Notes

[i] Art. 27, para. 3 of the Patents and Utility Models Registration Act, State Gazette Issue 27 / 2 April 1993, as amended (the "**PUMRA**").
[ii] Art. 55 of the PUMRA.
[iii] Art. 57 of the PUMRA.
[iv] Art. 60 of the PUMRA.
[v] Art. 61 of the PUMRA.
[vi] Art. 66 of the PUMRA.
[vii] Art. 65 of the PUMRA.
[viii] Art. 310, item 3 of the Civil Procedure Code, promulgated in the State Gazette Issue 59 / 20 July 2007, as amended.
[ix] Art. 176, 190 and 192 of the Civil Procedure Code.
[x] Art. 28a of the PUMRA.
[xi] Art. 207 and the following of the Civil Procedure Code.
[xii] Promulgated in the State Gazette Issue 30 / 11 April 2006, as amended.
[xiii] Art. 28 of the PUMRA.
[xiv] Art. 390, para. 3 of the Civil Procedure Code.
[xv] Art. 391 of the Civil Procedure Code.
[xvi] Art. 396, para. 1 of the Civil Procedure Code.
[xvii] Art. 395, para. 2 of the Civil Procedure Code.
[xviii] Art. 396 of the Civil Procedure Code.
[xix] Art. 396, para. 3 of the Civil Procedure Code.

China

Patent Litigation in China

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Standing

Who is entitled to sue for patent infringement?

The patentee or a materially interested party is allowed to bring proceedings for patent infringement.[i] A materially interested party includes the licensees and the successors of the patentee. Exclusive licensees have the right to bring proceedings for patent infringement without the consent of the patentee. However, sole licensees may initiate infringement proceedings only after the patentee has expressly confirmed that he will not do so.

If the patent is owned by two or more parties, any one of those parties may initiate infringement proceedings without the consent of the other co-owners. The court will join the other co-owners to the court proceedings unless they expressly waive their claims.

Is it possible to join more than one party as a defendant?

It is possible to join more than one party as defendant in China. The court has discretion to add a party as defendant, if the court holds that the party must participate in the action as a joint defendant.[ii] A party to the lawsuit may also request the court to join a third party as a defendant.

Is there any time limit in which claims for patent infringement must be brought?

The limitation period for patent infringement is two years from the date on which the claimant knows or should have known of the patent infringement.[iii]

Forum and Timing

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings

Infringement and the validity of a patent are not decided in the same proceedings in China (i) The first instance courts for patent infringement cases are the intermediate courts located at the capital cities of the provinces, and other intermediate courts which have been specially designated by the Supreme People's Court. In exceptional cases the first instance proceedings may take place at a high court. The decision of a first instance court is appealable. The appellate court's decision is final. In exceptional cases the final decision may be reviewed by the Supreme People's Court; (ii) Invalidity proceedings must be initiated before the Patent Re-examination Board affiliated with the PRC State Intellectual Property Office ("PRB"). If a party is not satisfied with the decision of the PRB, the party may institute an administrative lawsuit against PRB before the Beijing No. 1 Intermediate People's Court. The administrative decision of the Beijing No. 1 Intermediate People's Court can be appealed to the Beijing High People's Court. Again, the appellate court's decision is final. In exceptional cases the final decision may be reviewed by the Supreme People's Court.

Are declaratory proceedings available?

A party may apply to the court for a binding declaration of non-infringement in China if the following pre-conditions are met:[iv] (i) A right holder issues a patent infringement warning to the party; (ii) The party that is warned or a materially interested party urges the right

holder to exercise its right to sue by giving a written notice; and (iii) The right holder neither withdraws its warning nor institutes a civil lawsuit within one month from the date of receipt of the written notice or within two months of the date of issuance of the written notice.

What is the format of the trial?

The basic trial format in China will be as follows: (i) Pre-trial preparations; (ii) investigation of evidence; (iii) court arguments; (iv) closing arguments; and (v) judgment.

How long does it take for a claim to reach a first hearing?

On average, cases in the Chinese courts take approximately two to four months to reach trial.

How long do trials last in patent cases?

In practice, an oral hearing at court usually lasts half a day or one day. If the court thinks that one oral hearing is not sufficient to ascertain the facts and merits of the case, the court will arrange another oral hearing.

Do the judges have technical expertise?

Patent judges in China usually do not have any scientific background. If the case involves complex technical issues, the judges may, at their discretion, appoint a qualified forensic analyst to issue a forensic opinion in order to ascertain relevant technical issues.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Not applicable.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Parties may apply to the court for a forensic analysis on specific technical issues. The parties can jointly select a qualified forensic analyst between themselves. If the parties cannot reach an agreement, the court will appoint a qualified forensic analyst on behalf of the Parties. If none of the parties applies for forensic analysis, the court may appoint a qualified forensic analyst when it considers necessary.[v]

Any party may apply to the court to nominate an expert to participate in the oral hearing and to give his/her expert opinion on the forensic opinion rendered by a forensic analyst or on a specific issue.[vi]

Do the courts allow disclosure/ discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

China does not have a discovery procedure. The parties are required to provide evidence in support of their allegations.[vii] However, in any of the following circumstances, the court may investigate and collect evidence on its own:[viii] (i) a party and his/her/its attorney are not able to collect evidence on their own for reasons beyond their control; and/or (ii) the court deems it necessary for the trial of the case.

Are preliminary discovery or seizure of evidence/documents available?

It is possible to make an application to court for preservation of evidence before proceedings have commenced. The order is at the discretion of the judge and is only available where: (i) evidence could be destroyed or lost; or (ii) evidence could be difficult to secure in the future.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Parties are not allowed to use experiments as evidence to substantiate their case.

Appeals

What are the possible routes for appeal in your jurisdiction?

For the appeal routes available see response to question on the forum for patent litigation proceedings.

If a party is not satisfied with the judgment of the first instance court, the party has the right to lodge an appeal with an appeals court within the designated period ("Appealing Period"). If the party is domiciled in China, the Appealing Period is 15 days from the date on which the judgment was served. If the party is not domiciled in China, the Appealing Period is 30 days from the date on which the judgment was served. A party wishing to appeal must submit the appeal petition to the first instance court that originally tried the case. The first instance court will hand over the appeal

petition and other litigation documents to the appellate court.

On what grounds can an appeal be brought?

An appeal may be brought if the judgment of the lower court was wrong or if there was a procedural irregularity. The appellate courts may at their discretion determine whether an oral hearing is necessary. Both factual issues and the application of law will be reviewed by the appellate court during the second instance proceedings.[ix]

What is an approximate timescale for the first/ second appeal?

If the parties are Chinese individuals or legal entities, the appellate court is required to decide the case within three months from when the appeal petition is accepted. The above time period can be extended by the approval of the president of the appellate court. However, if any of the parties is a foreign company or individual, no specific time limit for conclusion of the case is stipulated by law. On average, it might take 3 to 12 months.

The judgment of the appellate court is final and no second appeal is allowed in China. However, if a party is of the opinion that the final judgment is incorrect, the party may apply for a retrial with the court at the next higher level. In such case, enforcement of the final judgment will not be suspended

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The estimated legal costs of less complex patent litigation may be in the range of €12,500 to € 25,000. In more complex litigation, average costs are in the region of €40,000 to €150,000.

The court can order the infringer to pay the reasonable costs, such as attorney fees, incurred by the claimant.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The estimated legal costs of patent litigation proceedings for an appeal may be in the range of €20,000 to €40,000.

Alternative Dispute Resolution ('ADR')

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR in China are negotiation, mediation and arbitration. (i) In patent infringement cases, the concerned parties may solve the dispute by negotiation.[x] If a party refuses to negotiate or the negotiation is not successful, the claimant may either file a complaint against the infringer with a local intellectual property office ("IPO") or institute a civil lawsuit against the infringer before a competent court.

During the court proceedings, the parties are allowed to continue negotiations. If the parties reach a settlement agreement through negotiation, the parties may request the court to issue a mediation statement instead of a civil judgment. The mediation statement is legally binding once it has been signed by the parties.

The Chinese Courts encourage the parties to settle the case amicably. If the parties would like to settle the case through mediation, the judge will organise mediation during the court proceedings. If either party does not want to use mediation to settle the case, the court will not organise mediation. The court cannot compel the parties to take part in mediation and either party can refuse to settle the case through mediation. If the parties reach an agreement in mediation, the parties may request the court to issue a mediation statement instead of a civil judgment. The mediation statement is legally binding once it has been signed by the parties.

If instead of court proceedings the claimant files a complaint against the infringer with the IPO, the IPO is entitled to determine whether a patent infringement is established. The IPO cannot award damages, but may, at the request of the parties, organise a mediation in respect of the compensation of damages. If no mediation agreement can be reached, the claimant will have to institute a civil lawsuit against the infringer and request the court to award damages; (ii) Arbitration is not often used to solve disputes in respect of patent infringement in China. Parties will usually use arbitration if required by contract. Only institutional arbitration is allowed in China.[xi]

Does the court require that parties consider these options at any stage in proceedings?

Chinese courts will seek to encourage parties to settle disputes by negotiation or mediation at any stage of the proceedings. However, the courts cannot compel the parties to reach a settlement agreement.[xii] If the parties cannot solve the dispute by negotiation or mediation, the court is obliged to make a civil judgment in a timely manner.[xiii]

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) a cease and desist order; (ii) removal of bad effects; and (iii) damages.[xiv] The so-called "removal of bad effects" is where the court orders the patent infringer to eliminate the negative effects caused by the patent infringement and restore the reputation of the patented products or processes.

In respect of a preliminary injunction, please refer to our comments below.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

The Claimants may seek damages on the basis of one of the following alternative options: (i) to compensate them for the actual losses incurred by the claimant as a result of the infringement. The actual losses can be calculated on the basis of the amount by which sales of the claimant's patented products had decreased, multiplied by a reasonable profit of a patented product. If it is difficult to verify the amount by which sales have decreased, the actual losses may be calculated on the basis of the total number of the infringing products on the market multiplied by reasonable profit of a patented product; (ii) to compensate them for the benefits derived by the infringer from the infringement. Such benefits can be calculated on the basis of the total number of the infringing products on the market multiplied by the reasonable profit of an infringing product.

If both the actual losses of the claimant and the benefits derived by the infringer from the infringement are difficult to determine, the court may award damages in the amount of up to three times a reasonable royalty. It is at the sole discretion of the court to determine the scope of "a reasonable royalty". Normally, when the courts are assessing a reasonable royalty, the courts consider the type of licensed patent, the scope and nature of the license and the circumstances of infringement, etc.

The above damages may also include the reasonable expenses which have been paid by the claimant to stop the infringement.

If it is difficult to determine the above damages, the claimant may request the court to award statutory damages of up to RMB 1,000,000.[xv] The exact amount of damages is at to the sole discretion of the court.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

No.

Is it possible to obtain additional remedies if the infringement was deliberate?

Under the current law, there is no specific provision granting additional remedies in cases where the defendant was a deliberate or wilful infringer. However, on 9 August 2012, the PRC State Intellectual Property Office ("SIPO") released a draft revision of the *PRC Patent Law* for public comment. The SIPO proposed in the draft revision that the courts or the local IPOs should be entitled to triple the amount of the damages if the patent infringement was deliberate.

Injunctions

Is it possible to obtain a preliminary/ interim injunction in your jurisdiction?

It is possible to obtain a preliminary injunction in China. The patentee or a materially interested party is allowed to apply where they have evidence proving that there is either actual patent infringement or a threat of patent infringement. [xvi] The materially interested party includes the licensees and the successors of the patentee. Exclusive licensees have the right to apply for the preliminary injunction without the consent of the patentee. [xvii] However, sole licensees may apply only after the patentee has expressly confirmed that he will not do so.

If yes, what are the main grounds for which a preliminary injunction can be granted?

A preliminary injunction can be granted if the court is satisfied that: (i) the applicant has evidence proving that

a third party is currently infringing or is about to infringe upon the patent; and (ii) failure to stop the infringement in a timely manner would cause irreparable harm to the lawful interests of the applicant.[xviii]

Is it possible to obtain a without notice injunction?

Without notice injunctions are available in China. However, it is at the sole discretion of the court.

How quickly can injunctions be obtained?

It is possible to obtain a preliminary injunction within 48 hours after the court has accepted the application. The injunction will be enforced immediately upon issuance.[xix]

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no particular procedure that can be used to prevent the granting of a preliminary injunction in China.

Is it possible to appeal against an injunction and if so, does this suspend the effect of the injunction?

A party is permitted to apply to the court for a review of the decision to grant a preliminary injunction within 10 days of receipt of the decision. The review does not suspend the enforcement of the injunction.[xx]

If a party is awarded an injunction are they liable to provide security?

Yes, the applicant will need to pay security in advance at the time of application. Without the security the application for the preliminary injunction will be dismissed by the court.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes, the applicant must institute a civil lawsuit against the infringing party within 15 days of the preliminary injunction being granted. If the applicant fails to do so, the preliminary injunction will be cancelled. After the applicant has commenced the civil proceedings within the above time limit, the preliminary injunction will remain in effect until the final decision is issued in the main trial.

Is a cross-border injunction available and in what circumstances?

Cross-border injunctions are not available in China.

Notes

[i] Article 60 Patent Law (3rd Revision) 2008
[ii] Article 132 Civil Procedural Law (2nd Revision) 2012
[iii] Article 68 Patent Law (3rd Revision) 2008
[iv] Article 19 Judicial Interpretation Fa Shi (2009) no. 21
[v] Article 76 Civil Procedural Law (2nd Revision) 2012
[vi] Article 79 Civil Procedural Law (2nd Revision) 2012
[vii] Article 64 Civil Procedural Law (2nd Revision) 2012
[viii] Article 64 Civil Procedural Law (2nd Revision) 2012
[ix] Article 168 Civil Procedural Law (2nd Revision) 2012
[x] Article 60 Patent Law (3rd Revision) 2008
[xi] Article 16 Arbitration Law 2009
[xii] Article 96 Civil Procedural Law (2nd Revision) 2012
[xiii] Article 99 Civil Procedural Law (2nd Revision) 2012
[xiv] Article 118 General Principles of Civil Law 1986
[xv] Article 65 Patent Law (3rd Revision) 2008
[xvi] Article 66 Patent Law (3rd Revision) 2008
[xvii] Article 1 Judicial Interpretation Fa Shi (2001) no. 20
[xviii] Article 66 Patent Law (3rd Revision) 2008
[xix] Article 9 Judicial Interpretation Fa Shi (2001) no. 20
[xx] Article 10 Judicial Interpretation Fa Shi (2001) no. 20

Croatia

Patent Litigation in Croatia

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Standing

Who is entitled to sue for patent infringement?

The proprietor of a patent may bring proceedings for patent infringement. If the patent is owned by two or more parties, any one of those parties may initiate infringement proceedings without the consent of the other co-owners.

Exclusive licensees have the right to bring proceedings for patent infringement in respect of any infringements of the patent committed after the date of the licence, and only in relation to infringements that are within the scope of their licence.

Is it possible to join more than one party as a defendant?

It is possible to join any number of parties as a defendant in the same proceeding if: (i) the parties are in a legal relationship in relation to the subject matter of the dispute or their legal rights/ liabilities arise from the same facts and legal basis, or (ii) the claims are founded on substantially similar facts/legal grounds and the court has competence and jurisdiction for each claim and every defendant.

The decision whether to add a defendant is at the absolute discretion of the claimant. The court has no authority to add a party to the proceedings.

Is there any time limit in which claims for patent infringement must be brought?

For infringements leading to civil liability, the statute of limitation is five years from the date the infringing act occurs. In the case of claims for damages the statute of limitation is three years from the date the claimant became aware of both the identity of the infringer and the damage, but not later than five years from the date the damage occurs.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Litigation for patent infringement can be brought before the commercial courts.

Invalidity proceedings can be brought before commercial courts (civil proceedings) and/or before the State Intellectual Property Office (administrative proceedings).

Are declaratory proceedings available?

A party can apply to the court for certain binding declarations regarding patent rights. An inventor or his legal successor can apply to the courts when another person makes an unauthorised application for a patent registration. A declaration can also be requested by co-inventors where only one inventor applies for patent registration without including the others. It is not possible to apply for a declaration of non-infringement.

What is the format of the trial?

A party considering initiating proceedings is not required to comply with any particular pre-action steps. Proceedings are initiated by lodging a claim with the competent court. The defendant has the right but not the duty to respond to the claim. As a general rule, if no response is submitted, the court shall rule in favour of the claimant.

A number of hearings will be scheduled. It is at the judge's discretion to decide on the number of hearings. Between each hearing a party may file written submissions.

At the hearings the parties will file oral and written submissions to outline their case. Any witnesses that are giving oral evidence will be called and cross-examined, and any experts will be appointed.

At the closing hearing the parties will summarise their arguments.

The judge will issue his decision either in a hearing or in writing at a date which is usually within 30 days from the closing hearing.

How long does it take for a claim to reach a first hearing?

On average, patent infringement cases in the civil courts take approximately 3 – 6 months to reach trial, i.e. the date of the first hearing.

How long do trials last in patent cases?

Individual hearings last approximately one hour in Croatia. Trials (from the start of the action, through the series of hearings and then to the final decision) in the Patents Court can take between 12 to 36 months depending on the complexity of the issues, and in particular the complexity of the technology involved.

Do the judges have technical expertise?

The judges are not specialised patent judges. They have extensive legal knowledge but limited technical expertise.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

A party may apply to the courts to stay proceedings pending the outcome of the EPO opposition. The court has discretion whether or not to make the order.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Expert witnesses are appointed by the court at the suggestion of a party. The party may suggest an expert who is officially listed as a certified court expert or another expert who has experience in a particular field (but is not a certified court expert). The expert evidence is first presented in writing and the other party may comment on the report. The expert will also be heard at a hearing and will be cross-examined by both the judge and the parties.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no general disclosure process.

In the initial submissions filed by the parties, they must outline the facts and the evidence they intend to rely on in the proceedings. However, a proposal for new evidence may be brought at any time of the proceedings prior to the closing hearing. The court plays an active role in terms of deciding whether a proposal for evidence will be accepted or not. However, the court has no authority to order a party to produce evidence.

Are preliminary discovery or seizure of evidence/documents available?

Preliminary seizure of evidence/documents is available if a party demonstrates that it is likely that infringement has occurred or there is a threat of infringement.

The court may grant the preliminary seizure and order:

- the record of a detailed description of goods which are likely to infringe patent rights;
- seizure of the goods which are likely to infringe the patent;
- seizure of materials and means which were used for making and distributing the goods which are likely to infringe the patent.

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Parties are entitled to use experiments to substantiate their case. Experiments must be approved by the court. Experiments may be used even if a counter-party opposes its use.

Appeals

What are the possible routes for appeal in your jurisdiction?

Appeals from the commercial court lie in the High Commercial Court of Appeal. A final appeal can then be made to the Supreme Court.

The right to appeal is not subject to any approval/permission. An appeal must be applied for

within 30 days of the date of the decision of the lower court.

On what grounds can an appeal be brought?

An appeal may be brought against the decision of the lower court if:

- There was a substantial procedural irregularity;
- The facts of the case were wrongly or incompletely determined;
- The material law was wrongly applied.

The appeal courts will not generally rehear the case. Further evidence is not permitted.

What is an approximate timescale for the first/second appeal?

On average it takes about 18-24 months for the first appeal, and another 12 months for a second appeal.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs in patent litigation will depend on the amount of the claim and on the actions taken by the parties during the proceedings. They may vary from €5,000 to €150,000.

A successful party may recover only the costs which are awarded by the court. The court usually awards only necessary and reasonable costs. Attorney's fees are recoverable up to the amounts prescribed in the Attorneys' Tariff.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The costs of appeals in patent litigation depend on the amount of the claim. They may vary from €1,000 to €150,000.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of alternative dispute resolution are mediation/conciliation and arbitration. Parties will usually use arbitration if required by contract. Arbitration can be agreed upon prior to the dispute as well as during the dispute.

Does the court require that parties consider these options at any stage in proceedings?

The court does not require the parties to consider these options. Parties do no often use ADR in patent litigation.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) a declaration on the validity of the patent, (ii) a claim for alteration of the inventor's name in the Register, (ii) an injunction to stop the infringing activities, (iv) seizure and destruction of the infringing objects, (v) damages, (vi) a claim for reimbursement arising from the unlawful enrichment of the infringer, (vii) delivery of documents, and (vii) publication of the decision.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

The concept of damages is to achieve restitution. Courts award damages to restore the successful party to the position it would have been in if the infringement had not occurred. Damages are not punitive in nature.

Damages are awarded for "substantial damage" as well as for loss of profit. Substantial damage means an amount to put the party in the position it would have been in if the damage had not occurred. The Supreme Court has general guidelines for awarding damages, but no specific guidelines (to date) on damages awards in patent cases.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The court may order an enquiry into damages but only if a party files a proposal to the court asking the court to order an enquiry into damages. It is at the court's discretion to accept the proposal. Before deciding on the proposal the court will usually hear the arguments of the opposite party.

Is it possible to obtain additional remedies if the infringement was deliberate?

There are no specific provisions granting additional remedies in cases where the defendant was a deliberate or wilful infringer.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes, a preliminary injunction may be obtained upon application of a party.

The court has discretion in deciding whether to award a preliminary injunction.

If yes, what are the main grounds for which a preliminary injunction can be granted?

The patent holder must demonstrate a likelihood that patent infringement has occurred or there is an imminent threat of infringement..

Is it possible to obtain a without notice injunction?

Yes, a preliminary injunction may be granted without notice provided that the applicant can demonstrate that the measure will be ineffective should notice be given to the other party, or if there is an imminent threat of damage that would be difficult to recover.

How quickly can injunctions be obtained?

Injunctions will usually be obtained in 30 to 90 days from the date an application is filed.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

The opposing party may challenge the existence of grounds for issuing a preliminary injunction or it may ask the applicant to deposit a security payment with the court as a precondition for the issuance of the injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

It is possible to appeal against an injunction, but the appeal does not suspend the effect of the injunction.

If a party is awarded an injunction are they liable to provide security?

A party will be ordered to provide security as a precondition for issuance of an injunction only when the opposing party makes such a request.

Are further proceedings on the merits required in order for the court to grant a final injunction?

There is no final injunction. The merits of the case will be decided in the final ruling. The preliminary injunction will remain in effect until the preconditions on which such injunction was granted cease to exist.

Is a cross-border injunction available and in what circumstances?

A cross-border injunction is not available due to the territorial limitations on jurisdiction of the Croatian courts.

Patent Litigation in Czech Republic

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Standing

Who is entitled to sue for patent infringement?

Patent owners may bring proceedings for patent infringement in the Czech Republic.

In addition, a licensee may bring a claim against an infringer, provided that that such a right is granted in the terms of the licence. However, if the patent owner does not initiate proceedings itself within a month of becoming aware of the infringement, this requirement is statutorily waived and the licensee will be allowed to bring an action against an infringer itself.

A vocational organisation of patent owners, recognised as the authorised body to represent patent owners, is also entitled to bring a claim in patent disputes. Besides bringing a claim in its own right the representative body is also able to enter existing proceedings as an additional participant. There are no special circumstances under which this body is allowed to bring proceedings. The advantage for patent owners of enforcing their patent through the organisation is the reduction in procedural administration for the patentee who in such a case would not be the main participant.

Is it possible to join more than one party as a defendant?

In general, it is the claimant who determines who will be the defendant. It is possible to sue more than one defendant in one proceeding. However, a court may decide to separate the claims against each defendant into separate proceedings (e.g. where the claimant has different bases for its claims against each defendant).

The claimant may also request that a new party be added as an additional defendant during the proceedings. The court has discretion whether to accept this request.

Another defendant can also enter the proceedings as an indirect participant if it has an interest in the outcome of the proceedings (e.g. the insurer of the defendant). The indirect participant can enter the proceedings through it own application or through the suggestion of one of the parties.

Is there any time limit in which claims for patent infringement must be brought?

The claimant must bring a claim for patent infringement within 4 years from the moment he becomes aware of the patent infringement and no later than 10 years after the infringement actually occurred.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Under Czech law, infringement and invalidity proceedings must be distinguished. While infringement proceedings are tried before the courts, invalidity proceedings are dealt with under an administrative procedure before the Intellectual Property office.

Claims for infringement must be brought in the Prague City Court (PCC). The IP senate of the PCC handles all of the patent infringement cases as the court of first instance. The Higher Court in Prague is in charge of appeal proceedings.

Invalidity proceedings are brought before the Intellectual Property Office (IPO). If a party disagrees with the IPO's decision, it can turn to the PCC to review and, if necessary, overrule the IPO's decision. Such a claim has to be filed within two months of the IPO's decision.

Are declaratory proceedings available?

Under Czech law it would be highly unusual to apply to a court for a declaration that a particular product or process does not infringe a patent. There is effectively no case law on such 'negative' declaratory proceedings and therefore such claims are very much untested in the Czech Republic.

What is the format of the trial?

Court proceedings start once the claimant delivers the claim to the court. The court then examines whether the claim meets all of the formal requirements and notifies other parties of the proceedings. Before the trial itself, a pre-trial hearing may occur. During this hearing, the presiding judge discusses with the parties their arguments and proposed evidence. They also make an effort to settle the dispute without proceeding to the trial. The parties may be instructed to undergo mediation proceedings.

The trial consists of one or more hearings where the parties present their arguments and supporting evidence.

In general a trial is public but the court has the authority to stop third parties from attending the trial in order to protect any sensitive or confidential commercial information belonging to the parties.

How long does it take for a claim to reach a first hearing?

The length of time it takes for a claim to reach trial varies on a case by case basis and is dependent on the complexity of the claim, the actions of the parties and the court's workload. In general, it usually takes approximately 3 – 12 months for a claim to reach a trial.

How long do trials last in patent cases?

The length of trials for patent cases varies on a case-by-case basis and depends upon the complexity of the claim, the actions of the parties, and the courts workload. While the length of trials in total often exceeds 2 years, one trial hearing should not exceed a few hours (but two to five hearings usually take place in one trial (proceedings)).

Do the judges have technical expertise?

No. The judges are often criticised for a lack of technical expertise.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Administrative proceedings held before the IPO regarding validity of patents must be stayed in case of opposition at the EPO.

There is no legal obligation for a court trying a case related to a patent (e.g. infringement litigation) to stay the proceedings and wait for the outcome of a related opposition at the EPO. However, the court may and in our experience, most likely will do so if the outcome of such proceedings would be relevant to the case.

Evidence

Are expert witnesses used by parties to a patent infringement case?

The court has the option of appointing an expert to examine the technical aspects of the matter. The court can either ask an expert to provide his opinion in writing or present it at the hearing. Where the expert has given his opinion in writing to the court, the expert may also be required to attend the trial.

Generally, it is the court that appoints an expert but parties are also allowed to submit an expert's opinion. In addition to this, an expert's opinion submitted to the court by one of the parties must contain a clause stating that the author fully understands the consequences of delivery of an untrue expert's opinion. If all the formal requirements are met, an expert's opinion submitted by either party is considered as relevant as the one obtained by the court itself.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

Czech law does not recognise the disclosure/discovery process in the sense used in the common law jurisdictions.

In general, each of the parties decides which documents and information will be disclosed to the court. However, the presiding judge can also order the document holder to submit or obtain the relevant documents. For example, if the claimant claims that the defendant has certain documents, the court can order the defendant to provide the documents. A failure to disclose them may lead to fines.

Is preliminary discovery or seizure of evidence/documents available?

Preliminary seizure of evidence is available. The claimant must document the infringement of its IP rights before such preliminary seizure is allowed. In addition, the claimant can be asked to provide security up to a maximum amount of 100.000 CZK. Though this preliminary action is available to claimants, it is discretionary and very rarely used. There are practically no examples of this action in patent cases.

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Theoretically it is possible to present an experiment as evidence to support a claim. According to basic procedural law, anything can serve as evidence for the purposes of determination of the material truth. The experiment would have to be very relevant to the topic to be accepted by the court.

Appeals

What are the possible routes for appeal in your jurisdiction?

Appeals against PCCs decisions will be brought before the Higher Court in Prague. In some cases, the appealing party may make a further appeal to the Supreme Court of the Czech Republic.

In the context of administrative proceedings held before the IPO (e.g. invalidity proceedings), the procedure is slightly different. If a party disagrees with the decision of the IPO, it may turn to the PCC and may initiate court proceedings to review the IPO decision. If the court decides that the IPO's decision was wrong, the matter will be resubmitted to the IPO for it to be decided again, being bound by the verdict of the court.

On what grounds can an appeal be brought?

An appeal may be brought if the decision of the lower court was wrong (either on the factual or legal basis) or in the case of some procedural irregularities. The appeal courts will not rehear the case. Generally factual issues will not be re-considered in the appeal; however, the appeal court may cancel the existing decision and instruct the court of the first instance to seek and examine new evidence. The appeal court will only examine new evidence in limited circumstances.

What is an approximate timescale for the first/second appeal?

This varies on a case-by-case basis and depends on the complexity of the claim, the activity of the parties, and the court's workload. In our experience, each of the appeal proceedings usually takes between 12 to 18 months. The proceedings make take several years where the case is appealed all the way to the Supreme Court.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The general principle is that the party who wins shall be reimbursed for its costs. However, such a reimbursement may not cover all expenses that the party has incurred.

It is difficult to give a general estimate of costs as they may vary widely from case to case and very much depend on the complexity and facts of the particular case. Minimum legal costs of patent litigation proceedings for a first instance decision can range between €5,000 and €10,000 in simple cases but can be significantly higher in complex and more demanding cases.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

As with obtaining a first instance decision, it is not very difficult to give a general estimate of costs for an appeal as they may vary widely from case to case. However, in our experience the minimum legal costs of an appeal in patent litigation proceedings can range between €4,000 and €6,000 in simple cases but can be significantly higher in complex and more demanding cases.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

Examples of ADR used in the Czech jurisdiction are arbitration and mediation.

An arbitration clause governing all potential future disputes is contained in many commercial agreements. If the parties do not have any contractual provision for ADR, they may enter into an arbitration agreement while negotiating the dispute. Considering the relatively low level of experience of Czech judges with patent disputes, an arbitration clause in a commercial agreement relating to patents is recommended.

Mediation is not used very commonly in the Czech Republic.

Does the court require that parties consider these options at any stage in proceedings?

The court encourages parties to settle throughout the whole proceedings. The court may order the parties to attend a mediation session.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) an order for the cessation of the infringing conduct; (ii) an order withdrawing the infringing products from the market and/or an order destroying tools and equipment used for the infringing activities; (iii) damages and lost profits.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages consist of real loss and lost profit to the claimant. Czech courts interpret real loss narrowly (i.e. property the claimant was deprived of due to the infringement). Lost profit is the income the claimant could have reasonably expected to receive if the patent infringement had not occurred. The amount of lost profit that can be claimed will most likely be the subject of an expert opinion. Evidence of the local market standard licence fee that may be payable may be relevant.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

Czech courts do not order an enquiry into damages. The claimant bears the burden of proving its loss and the damages sought.

Is it possible to obtain additional remedies if the infringement was deliberate?

If the patent infringement was intentional, the court can order the defendant to pay compensation which amounts to at least double the market standard licence fee.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

A preliminary injunction may be imposed by the court, if the conditions summarised below (especially the necessity for immediate action) are fulfilled.

If yes, what are the main grounds for which a preliminary injunction can be granted?

In order to obtain a preliminary injunction, two general conditions must be fulfilled: (1) there must be a need for immediate stabilisation of the participants' relationship; and (2) the failure to grant such preliminary injunction must endanger the later execution of a court decision.

Is it possible to obtain a without notice injunction?

Czech law does not distinguish between an injunction and an injunction without notice. In most cases, the court delivers its injunction decision to the defendant without prior notice.

How quickly can injunctions be obtained?

The court must make a decision about the award of a preliminary injunction within seven days from delivery of the claimant's request for injunctive relief.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There are no specific measures that can be taken to avoid the grant of a preliminary injunction. Therefore, parties must try to appeal any preliminary injunction decision and claim damages caused by the injunction, if any, as soon as possible after a decision.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

As with other court decisions, an appeal may be filed against a decision to grant injunctive relief. In addition, the defendant can claim damages caused by the injunction where the claimant is not ultimately successful. The filing of an appeal against a preliminary injunction suspends the effect of the injunction until the appeal is decided.

If a party is awarded an injunction are they liable to provide security?

The claimant will need to provide security in form of 50,000 CZK (approx. €2,000).

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes, the interim decision determines a time limit for the claimant to file a claim for civil proceedings to commence. If the claimant fails to file a subsequent claim within the time limit, the preliminary injunction becomes ineffective.

Is a cross-border injunction available and in what circumstances?

Cross-border injunctions are not commonly dealt with in the Czech court. However, they are theoretically available.

France

Patent Litigation in France

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Standing

Who is entitled to sue for patent infringement?

The patent owner is entitled to sue for patent infringement.[i]

If a patent is owned by more than one entity/person, each co-owner is entitled to take action for infringement for his own exclusive benefit provided that he notifies the other joint owners of the action that has been brought.

If, after formal notice, the owner of the patent does not instigate patent infringement proceedings, the beneficiary of an exclusive license, of a compulsory license or an ex officio license is entitled to initiate such proceedings, unless otherwise agreed in the licence agreement.[1]

Finally, any licensee is entitled to take part in the infringement proceedings instituted by the patentee in order to obtain compensation for any loss sustained by that party.[1]

Is it possible to join more than one party as a defendant?

The action can be brought against several co-defendants from the start of proceedings. One defendant may also add another defendant as the case progresses.

Where there are separate actions involving the same claimant but different defendants and which are brought before two distinct courts, if there is a link between the cases that make it in the interest of good justice to have them examined and determined together, the matters can be joined.[ii]

Is there any time limit in which claims for patent infringement must be brought?

Proceedings for patent infringement must be brought within three years from the date of the infringing acts.[iii]

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

The Paris Court of First Instance (Tribunal de Grande Instance de Paris) has exclusive jurisdiction for patent (both French and European) infringement and invalidity proceedings. In particular, patent proceedings are assigned to the third chamber of the Paris Court. This chamber is divided into four sections, each being composed of three judges.

Both infringement and validity are considered in the same proceedings when the defendant raises the nullity of the patent as a counterclaim.

Are declaratory proceedings available?

Yes. Any person who proves industrial use of a product/process or real and effective preparations to that effect, may invite the owner of a patent to provide its opinion as to whether such product/process constitutes an infringement. If the person disagrees with the patentee's position, he can bring the case before the Court which will give its opinion as to whether the activities infringe. This action may lead to a binding declaration of non-infringement.

What is the format of the trial?

There are two stages in a case: the pre-trial (case management) and the Trial (pleadings):

During the pre-trial stage, the parties exchange their written pleadings and evidence. A pre-trial judge is appointed to the case for this stage. The pre-trial judge may hear the advocates and bring to their attention any appropriate observations. As the case progresses, he will fix necessary time-limits for the examination of the matter.

The trial is before a court composed of three impartial judges (one of them being the pre-trial judge). The advocates make pleadings in order to explain the case and to emphasise particularly important points in their arguments. However, the proceedings are written and the judges primarily rely on their written submissions. The court then deliberates on the case and will render its decision between 4 and 6 weeks after the trial.

How long does it take for a claim to reach a first hearing?

At first Instance, proceedings take between 18 to 22 months from filing the writ of summons to the decision.

In urgent cases, the president of the Court may permit the plaintiff, upon his petition, to summon the defendant to an earlier fixed date. The petition must set out the reasons why the matter is urgent, and must include the pleadings and supporting documents.

How long do trials last in patent cases?

Depending on the complexity of the case, the hearing may take between one hour to half a day.

Do the judges have technical expertise?

The judges are not technical experts.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

It is not compulsory for the Court to stay the proceedings if there is an opposition pending before the EPO. The court has discretion whether to allow the stay if necessary in the interests of good justice.

Evidence

Are expert witnesses used by parties to a patent infringement case?

The court may appoint a legal expert if required either during the proceedings (to issue a report on technical aspects of the case) or once the decision has been issued (to handle a report on damages). A technical report is rare. If an expert is appointed, he/she will prepare a written report.[iv] The expert's report can be given orally, although this is rare. The judges are not bound by the expert's report.[v] However, they are usually guided by the expert's opinion.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no general discovery under French Law. However, a party may apply during the course of the proceedings, to the court for an order for disclosure of *specific* documents. This measure can be used to obtain any document or information helpful in determining the origin and distribution network of an infringing good, unless a legitimate interest prevents disclosure of such.

Are preliminary discovery or seizure of evidence/documents available?

The claimant may ask the Court to order a *"saisie-contrefaçon"* which authorises the claimant to appoint a bailiff to seize allegedly infringing goods and related documents.[vi]

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments are allowed. They do not need to be agreed between the parties nor approved by the Court. However, they may be subject to cross-examination by the other party.

Appeals

What are the possible routes for appeal in your jurisdiction?

An appeal against a first instance decision is to the Paris Court of Appeal, which can then entirely or partially retry the case.

A second appeal to the French Supreme Court (Cour de cassation) is possible.

On what grounds can an appeal be brought?

The Court of Appeal considers appeals on issues of both fact and law.

The French Supreme Court only hears appeals on the exact application of the Law.

What is an approximate timescale for the first/second appeal?

If an appeal is lodged against the decision of the first instance court, the proceedings will take between 15-24 months.

If an appeal is lodged against the decision of the Court of appeal, the Supreme Court generally issues its ruling between 18 and 24 months.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Fees for patent litigation may vary hugely depending on the nature and the difficulty of the case, from €40,000 to €150,000 and higher for certain technical cases such as pharmaceutical cases.

There are no specific rules regarding the amount of costs awarded; at first instance it varies widely. The amount rarely covers the actual costs of litigation.

In recent decisions, the Paris Court has shown a tendency to award a more significant amount than in the past. Amounts of €150,000 or €300,000 were recently awarded in pharmaceutical patent litigation.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The costs of appeals in patent litigation can also vary significantly, from €30,000 to €150,000 and higher for certain technical cases such as those involving pharmaceutical patents.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

There are various forms of ADR available, including mediation, conciliation and arbitration. Mediation and conciliation are rarely used in patent litigation. International or domestic arbitration is an alternative dispute resolution for patent infringement proceedings (except in criminal cases involving counterfeiting) when the parties have agreed to such, for example in a license contract.

Does the court require that parties consider these options at any stage in proceedings?

The Court does not require the parties to consider these alternatives. The parties can themselves decide to settle their dispute at any stage in proceedings. The settlement will then be negotiated by the parties' counsels without the Court's involvement. Once an agreement has been reached between the parties, they can withdraw the litigation from the Court.

Remedies

What remedies are available for patent infringement?

The remedies available are: (i) damages; (ii) a recall of the infringing goods from the distribution network or the destruction of the recalled goods and stock; (iii) publication of the finding of infringement in newspapers; and (iv) an injunction.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

The claimant can chose how damages are to be assessed. They can request either (i) an amount to compensate the claimant for the negative economic consequences suffered (including loss of profit, the benefit gained by the infringer and the moral wrong caused to the claimant), or (ii) a lump sum which cannot be lower than the amount of royalties that would have been paid if the infringing party had asked for a licence to use the patent.

If damages are awarded under (i) the amount awarded is calculated as follows:
the number of infringing products sold x gross margin of the patentee for the patented goods he sells.

In order to determine the gross profit on the direct cost realised by the sale of the goods, it is necessary to take into account the invoiced sale price per unit minus: the cost of raw materials, production costs etc.

Although note that the Court may decide to reduce this amount on the basis that the claimant may not have

made all the infringing sales had the infringement not occurred.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

Usually, the claimant can calculate its loss based on figures and elements seized during a *"saisie-contrefaçon"*. It may also ask to the Court to order the seizure of additional documents (relating to sales made between the *"saisie-contrefaçon"* and the issuance of the first instance decision). This information is usually sufficient for the court to determine what damages award to make.

In certain circumstances, the court may appoint an expert to assess the damages. In such a case, the court would require the defendant to make full disclosure of its profits/sales etc. The appointed expert will assess the damages and issue a report. There will be another hearing following which the Court will usually rely on the report to make its decision on damages.

Is it possible to obtain additional remedies if the infringement was deliberate?

The fact that the infringement was deliberate is not taken into account as such, but other elements may be taken into account for the assessment of the damage, such as:

- the damage caused to the reputation of the patentee;
- the moral wrong;
- the depreciation of the price of the goods; and
- the loss of contractual partners.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes. The patentee or his exclusive licensee can ask the President of the Court to issue an interlocutory injunction in order to prevent any imminent infringement of his patent or to prevent the continuation of the allegedly infringing acts.

Such interlocutory injunction can be granted either *inter partes* or *ex parte* without the defendant having been heard. An *ex parte* injunction will only be ordered in circumstances where any delay would cause irreparable harm to the right holder.

It is also possible to get an injunction *inter partes*, once the trial has started.

If yes, what are the main grounds for which a preliminary injunction can be granted?

To obtain an interlocutory injunction, the plaintiff must provide the court with any reasonably available evidence that is enough to satisfy the court with a sufficient degree of certainty that he is the patent right holder and that his right is being infringed, or that such infringement is imminent.

Case law suggests that preliminary injunctions are often granted when the patentee's rights and the validity of the patent cannot be seriously/obviously challenged.

Is it possible to obtain a without notice injunction?

Yes. When an injunction is granted *ex parte*, the defendant will be aware of this injunction only at the moment it is served on him. It is possible for the defendant to contest the injunction before the judge who made the order. The judge has the right to modify or withdraw his order (even if the matter is referred to the trial judge)

How quickly can injunctions be obtained?

An injunction may be obtained:

- within about 3 days in *ex parte* proceedings;
- within about 15 days in a summary proceedings;
- within about 3 months before the pre-trial judge.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

A preventative action for patent invalidity or a claim for a declaration of non-infringement brought before the filing of an application for preliminary injunction can protect against the grant of a preliminary injunction.

Counter-claims for patent invalidity and/or for abusive proceedings can also constitute a defence to a preliminary injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

A preliminary injunction may be obtained in *inter partes* proceedings. In such cases, the defendant will be heard

and will have the possibility to present its arguments and evidence.

An appeal can be lodged before the President of the Court of Appeal against this decision, except under specific circumstances.[vii] The appeal does not suspend the effect of the injunction.[viii]

If a party is awarded an injunction are they liable to provide security?

The judge may make it a condition of the injunction that the plaintiff provides a guarantee to cover possible indemnification for loss suffered by the defendant if the infringement proceedings are subsequently considered to be unfounded and the injunction withdrawn.

As an alternative to a preliminary injunction, the judge may instead allow the continuation of the allegedly infringing acts on the condition that the defendant provides a financial guarantee to indemnify the plaintiff of its possible damages.

Finally, the claimant enforces the injunction at his own risks and can be liable for the wrong suffered by the defendant if the injunction is later invalidated.[ix]

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes, the decision is only preliminary and further proceedings on the merits is required in order to obtain a final injunction.

Is a cross-border injunction available and in what circumstances?

French Courts consider that even when there are several national patents stemming from one European Patent, each title is independent and its infringement is determined according to the national Law. Consequently, there have been no cases in which the French Court expressly granted a cross-border injunction.

Notes

[i] Article L 615-2 of the French Code of intellectual property (CPI)
[ii] Article 101 of the French Code of civil procedure
[iii] Article L 615-8 CPI
[iv] Article 282 of the French Code of civil procedure
[v] Article 246 of the French Code of civil procedure
[vi] Article L 615-5 CPI
[vii] Article 490 CPC
[viii] Article 489 CPC
[ix] Cass. Civ. 3rd Ch. October 16th 1979

Germany

Patent Litigation in Germany

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Standing

Who is entitled to sue for patent infringement?

The patent proprietor can bring proceedings for patent infringement. The proprietor has to prove he is the owner by providing corresponding data of ownership from the register of the German Patent and Trade Mark Office (DPMA) (at the latest during the oral court hearing). If the patent is owned by two or more parties, any of those parties may initiate infringement proceedings without the consent of the other co-owner.

The exclusive licensee is also entitled to sue for patent infringement. A non-exclusive licensee can be authorised by the licensor, by means of a written declaration, to enforce the patent.

The above entities/persons are commonly referred to as “beneficiaries”.

Is it possible to join more than one party as a defendant?

Yes, it is possible to join any number of parties as a defendant in the same proceedings. Any number of persons may jointly sue or be sued as joined parties if they have a common interest in relation to the disputed right, or if they are entitled or burdened by the same factual and legal cause.

Is there any time limit in which claims for patent infringement must be brought?

Patent infringements must be brought within the general limitation period, i.e. three years from knowledge (see below) or ten years counting from the point in time when an unknown claim arose.[i]

The general three year limitation period commences at the end of the year in which (i) the claim arose and (ii) the potential claimant obtained knowledge of the circumstances giving rise to the claim and of the identity of the infringer, or would have obtained such knowledge if he had not been grossly negligent.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Infringement proceedings are handled by District Courts as civil courts. In general, the German federal states have designated specialised patent infringement courts. The District Courts of Düsseldorf, Mannheim, Munich and Hamburg are well known and popular forums for such disputes.

Invalidity proceedings are strictly separated and are under the jurisdiction of the Federal Patent Court (Munich). The Federal Patent Court rules as a court of first instance in actions on the declaration of patent invalidity. It is not possible to initiate such invalidity

proceedings during an EPO Opposition period or during an ongoing Opposition.

Are declaratory proceedings available?

Yes, a party can apply for a binding declaration of non-infringement. The party must have a legitimate interest in obtaining a judicial ruling on the issue. In most patent cases, such a legitimate interest is triggered by the earlier behaviour of the patent owner/beneficiary, such as an earlier cease and desist letter claiming infringement. However, if the patent proprietor has filed an action for infringement the courts will not allow an action for a binding declaration of non-infringement.

What is the format of the trial?

Infringement proceedings at the first instance (District Court) take place before a chamber of three judges (one of them being the chairperson). Before the oral hearing itself the parties submit their arguments in writing to the court, including (i) a plea by the claimant, (ii) defence plea by the defendant, (iii) a counter plea by the claimant and (iv) a rejoinder by the defendant. Writs are prepared by (specialised) lawyers who are often supported by the patent attorneys. At the oral hearing, normally lawyers and patent attorneys act together. It is at the discretion of the court whether witnesses named by the parties are summoned or expert evidence is ordered etc.

How long does it take for a claim to reach a first hearing?

This depends on the legal venue and the complexity of the technology involved. For instance, at the District Court Düsseldorf in which the largest number of patent infringement claims in Europe are brought to trial, procedures are streamlined and a timeline is set from the first written pleadings to the oral hearing. In general, proceedings from first filing to the oral hearing take between eight to twelve months.

How long do trials last in patent cases?

The oral hearing typically takes place in one day and lasts for one or two hours. The judges take a very active role in structuring the hearing based on the written arguments filed by the parties.

Do the judges have technical expertise?

Although the judges in infringement proceedings are typically only legally trained, judges at the patent chambers of certain courts, in particular Düsseldorf, Mannheim and Munich, are well known for their technical expertise arising from the hundreds of patent cases handled by them each year. In addition, some of the judges also have scientific academic backgrounds.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Typically, the proceedings can be stayed by the court if a granted patent is opposed or a nullity claim is filed. A stay of proceedings is granted only, when opposition or nullity proceeding are very likely to be successful. The infringement court will look at the opposition (e.g. at EPO)/nullity claim in detail to find out, whether (a) new prior art is raised, (b) it is closer to the invention and/or (c) it is novelty destroying or clearly destroying inventiveness. A defendant should start opposition/nullity proceedings at a very early stage in order not to jeopardize a potential stay of proceedings.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Parties can either submit a private expert opinion (which is not regarded as formal expert evidence) or designate the items regarding which a report is to be prepared. Formal evidence provided by experts has to be ordered by the court. The court appoints the expert. Expert statements are first submitted in writing. In general, parties receive the opinion before the oral hearing. The parties can submit their comments on the opinion. Upon the request of one party, the expert has to give an oral explanation in court as well.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

In 2008, a right of inspection was added to the German Patent Act. The beneficiaries of a patent may request the presentation of documents or the inspection of facilities/means which are in possession of the alleged infringer, if a patent infringement is sufficiently likely. An inspection will only be ordered by the court if there are no other means to establish infringement. The court decides on the extent of disclosure and can include measures protecting confidential information.

Are preliminary discovery or seizure of evidence/documents available?

Yes, the right of inspection can be executed within both the main proceedings and preliminary injunction proceedings.

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments can be used as evidence. Further, they can form part of the inspection/disclosure ordered by the court as described under 15.

Normally, experimental evidence provided by one party will be disputed by the opposing party. Therefore, the court will often order the court appointed expert to run the same experiment or give his opinion on the results based on his own general knowledge.

Appeals

What are the possible routes for appeal in your jurisdiction?

Infringement proceedings: District Court decisions can be appealed to the Court of Appeal (Higher Regional Court, e.g. OLG Düsseldorf). A final appeal (Revision) can be made to Federal Court of Justice (BGH) in only limited circumstances, namely that procedural rights have been violated or a question of law has not yet been decided at all, or has been decided differently by two courts of appeal.

Validity proceedings: Appeals from the Federal Patent Court lie to the Federal Court of Justice (BGH).

On what grounds can an appeal be brought?

Infringement proceedings: An appeal may be brought if the decision of the lower court is not properly supported by the law or if a different decision could have been reached on the facts. The appeal courts will not rehear the case. Further evidence is only permitted on appeal in limited circumstances.

A final appeal (Revision) to Federal Court of Justice (BGH) needs either admission of the Court of Appeal or the Federal Court of Justice. It can be based on the grounds of a fundamental breach of procedural rights or questions of law of general importance.

Validity proceedings: An appeal can be based on an infringement of procedural rights or an incorrect assessment of facts.

What is an approximate timescale for the first/second appeal?

Infringement proceedings: On average each appeal takes between one and two years.

Validity proceedings: On average an appeal takes about two to three years due to the backlog at the Federal Supreme Court.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs can vary between €40,000 in a simple case, to €100,000 in a more complex case, and in a very technical case they may be significantly more.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

Costs can vary between €40,000 in a simple case, to €100,000 in a more complex case, and in a very technical case they may be significantly more.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR are (i) mediation, (ii) negotiation and (iii) arbitration. Negotiation is the most common ADR mechanism used to reach a settlement in patent litigation.

Does the court require that parties consider these options at any stage in proceedings?

The court is under an obligation to encourage the parties to reach an amicable resolution to the dispute. Where appropriate, the court may refer the parties to another judge for a conciliation hearing or may suggest to the parties that they pursue alternative dispute resolution proceedings out of court.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement proceedings are as follows: (i) injunctive relief (including a preliminary injunction), (ii) the destruction of infringing items in the possession of the infringer, (iii) damages, (iv) a right to information and (v) a declaration that a patent has been infringed.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

A successful claimant can calculate damages on the basis of one of three methods: Damages can be (i) calculated on the basis of royalty analogy, (ii) based on lost profits or (iii) based on a claim for the amount of profit made by the infringer.

The reasonable royalty head is often used. The calculation is based on the reasonable remuneration the infringer would have had to pay if he had the permission to use the invention (for example under a licence). If the beneficiary has entered into similar licences with other parties this can be used to assist with the calculation of the royalty fee.

Damages are rarely calculated on the basis of lost profits because a beneficiary may have difficulties proving the causative link and it may be unwilling to disclose its profits.

As a result of recent case law,[ii] the third method is becoming increasingly popular. The profits recoverable are based on the turnover generated by the patent infringement less the costs. The Federal Court of Justice ruled that general expenses only are deductible if they can be allocated directly to the infringing items. General overheads are not deductible.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The plaintiff can initiate further proceedings to require the infringer to provide information on the amount of infringing products, prices etc. Further, if the infringer acted in a commercial context he can be ordered to give access to bank account data etc. If the defendant does not disclose these facts properly as ordered by the court, the plaintiff can ask the court to enforce the order and the defendant must comply with the information request.

Is it possible to obtain additional remedies if the infringement was deliberate?

There are no additional remedies in civil proceedings if the infringement was deliberate. Although, if the infringement was deliberate a patent proprietor may ask the public prosecutor to initiate criminal proceedings.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes. Interim injunctions are possible. A party may apply for a preliminary injunction where they believe there is either actual patent infringement or a threat of patent infringement. If infringement has taken place, this is usually sufficient evidence that the infringement will continue.

Allegedly infringing products cannot be destroyed but may be seized.

If yes, what are the main grounds for which a preliminary injunction can be granted?

Interim injunctions can be obtained if the infringement is readily apparent and the validity of the patent is not in doubt (e.g. an on-going opposition would pose a problem). Furthermore, the injunction will only be granted if the matter is urgent, i.e. the plaintiff has to act quickly once he is aware of the infringement. A general rule of thumb is to request a preliminary injunction within one month from first obtaining knowledge of the infringement. However, this varies and depends on the individual facts of the case.

Is it possible to obtain a without notice injunction?

Yes. However, many of the specialised patent courts require a prior warning letter, even though it could have a very short notice period. Further, if the infringer did not have the chance to respond to infringement allegations and if infringement is not completely clear, the court might order an oral hearing before granting the injunction. Typically, the request of the court to have an oral hearing indicates that it has serious doubts about issuing a preliminary injunction.

How quickly can injunctions be obtained?

Depending on the court, injunctions can be obtained quickly, even within one day if the court does not order an oral hearing.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

If a party has reason to believe that another party may instigate preliminary injunction proceedings against him on the basis of alleged patent infringement, that party should consider filing a protective brief at the relevant District Courts.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

If a preliminary injunction was granted without an oral hearing it can be opposed by the defendant. An opposition leads to an oral hearing and the District Court can lift the preliminary injunction after the hearing. If the preliminary injunction was granted or confirmed at the oral hearing at District Court, it can be appealed to the Court of Appeal.

The opposition and the appeal as such do not suspend the effect of the injunction.

If a party is awarded an injunction are they liable to provide security?

The court can make an order that the party is liable to provide security.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes, unless the infringer accepts the ruling in preliminary proceedings as final and binding. In Germany, it is usual to send a finalisation letter, after successful preliminary injunction proceedings, to the defendant asking them if they are willing to accept the preliminary injunction ruling to avoid proceedings on the merit.

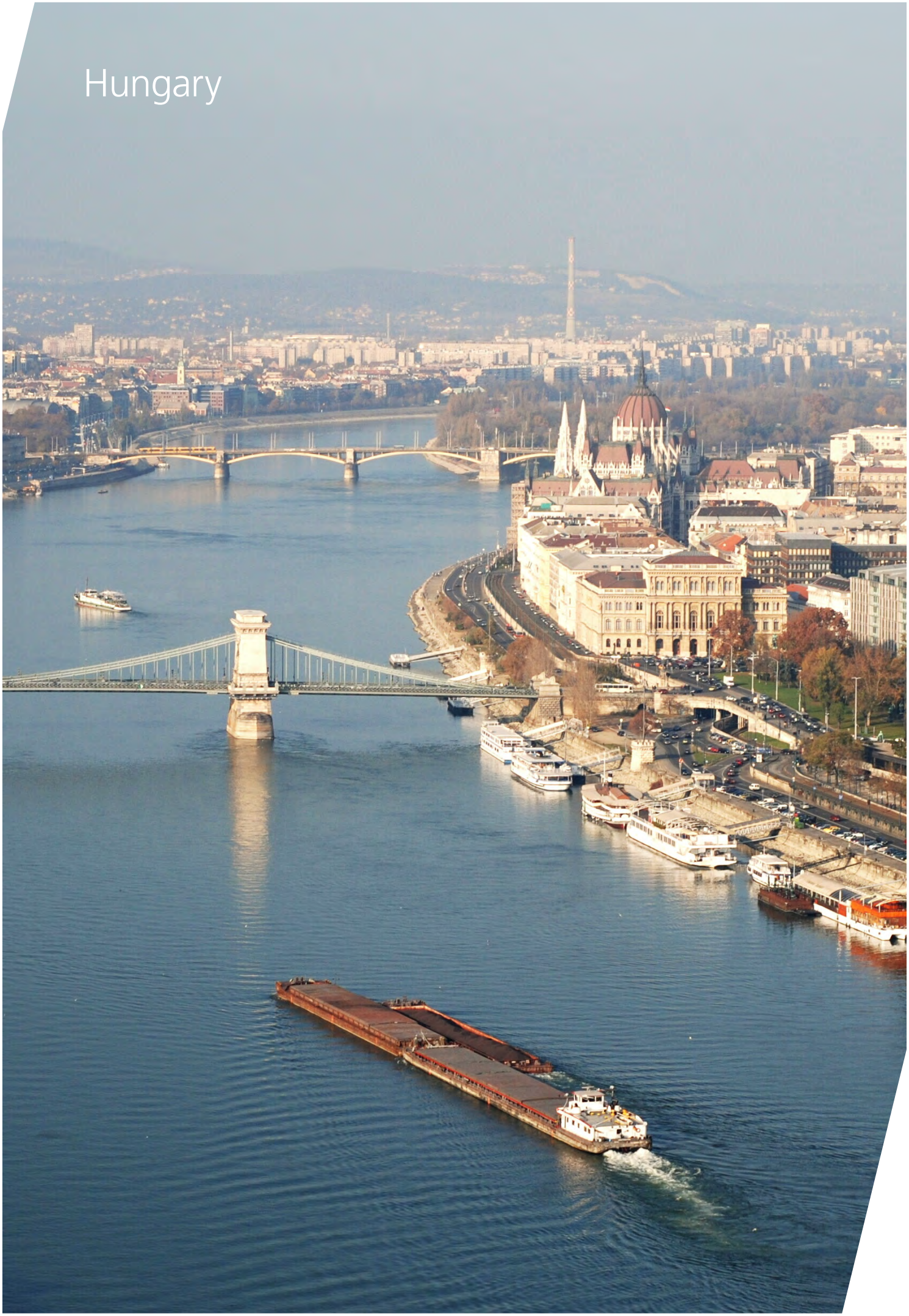
Is a cross-border injunction available and in what circumstances?

A “torpedo” in another jurisdiction does not prohibit preliminary injunction proceedings and as such it is not effective to delay a cross-border preliminary injunction. The cross border injunction remains applicable under the general rules on the competent jurisdiction.

Notes

[i] Sec. 141 German Patent Act, Sec. 195 German Civil Code – BGB
[ii] BGHZ 145, 366 – Gemeinkostenanteil

Hungary



Patent Litigation in Hungary

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Standing

Who is entitled to sue for patent infringement?

The patent holder may bring proceedings for patent infringement. Also an applicant whose invention has been granted temporary protection may sue for patent infringement. However the proceedings will be suspended until a final decision has been made with respect to the registration of the patent.

Any licensee of the patent may ask to the patent holder to take the necessary measures for preventing the infringement. Should the proprietor fail to take such measures within 30 days of the request, the registered licensee may bring proceedings for patent infringement under its own name.

Is it possible to join more than one party as a defendant?

Patent infringement proceedings may be brought against any number of defendants if (i) the proceedings relate to common rights or obligations of those parties that can only be decided together or if the decision would otherwise affect all defendants even without their participation in the proceedings, (ii) the claims originate from the same legal relationship, or (iii) if the claims originate from the same legal and factual basis and the same court has jurisdiction with respect to each of the defendants. The defendants may be joined in first instance proceedings.

Is there any time limit in which claims for patent infringement must be brought?

The Hungarian Patent Act does not set any specific time limit for bringing an action for patent infringement. The general limitation period of 5 years is not applicable to the "main claims" in patent infringement cases (e.g. a claim requesting the termination of infringement, seizure of goods or a declaration of non-infringement). Nevertheless, "complementary claims" (e.g. claims for damages) must be made within the general limitation period of 5 years commencing from the date the infringing activities terminated.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

The Metropolitan Court of Budapest has exclusive jurisdiction in patent infringement proceedings, while the Hungarian Intellectual Property Office has jurisdiction for invalidity proceedings.

Upon the request of any of the parties, the invalidity proceedings can be conducted under a simplified procedure if infringement proceedings have already been initiated at the court.

Are declaratory proceedings available?

Under the Hungarian Patent Act the patent holder may ask the court to confirm that patent infringement has occurred. A party may also apply for "declaration of non-infringement". Any person who is afraid of being sued for patent infringement may request the Hungarian Intellectual Property Office to declare that the product or process exploited by it does not infringe a certain patent. If the Hungarian Intellectual Property Office declares that the use does not infringe a given patent, it is not possible in the future to initiate an infringement lawsuit based on those facts.

What is the format of the trial?

At the first trial, each party will make oral submissions to the court to outline their case. The claimant or the presiding judge explains the claim followed by the representation of the defendant's counter-plea. The court then proceeds to hear the arguments of the parties on the merits of the case. Any witnesses or experts summoned to the trial will be questioned. If the taking of evidence cannot be performed during the first hearing, the court may adjourn the hearing and a

subsequent hearing shall be held. At the end of the procedure the parties make closing statements. If the case has reached the stage where the judge can make a decision, the presiding judge will close the hearing and the court will provide its judgement in the case.

How long does it take for a claim to reach a first hearing?

Usually, the first hearing is scheduled within 4-6 months from submitting the statement of claim.

How long do trials last in patent cases?

Trials usually last 2 hours. If there are witnesses or experts to be heard, the trial can last 2-4 hours.

Do the judges have technical expertise?

The Metropolitan Court (having exclusive jurisdiction in infringement cases) has a panel of three professional judges, two of which will have a higher degree of technical/scientific or equivalent professional qualification. At a second instance, the court is composed of three professional judges.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

The proceedings may be suspended, when justified, until the final conclusion of the opposition proceedings at the EPO.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Under Hungarian law the expert is not considered to be a "witness" as such. If special expertise is required in the proceedings in relation to some fact or circumstance which the court is lacking, the court will appoint an expert. Upon request of any of the parties the court may appoint another expert replacing the one originally appointed if it becomes necessary. The court may order the expert to present its report in writing and can also summon the expert to the hearing to present the report and to answer the parties' questions. The opinions prepared by the party's own experts will not qualify as official expert opinions: the court will only take them into consideration as representing the views of the instructing party. When asking the court to appoint an expert, the party may indicate their preference. However, it is at the court's discretion to decide which expert to appoint.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

The common law concept of disclosure/discovery is not applicable under Hungarian law. Under Hungarian law, the burden of proof lies with the claimant, and so it is the patent holder who must submit evidence to prove that the infringement has occurred. The court is not actively involved in determining what kind of documents shall be submitted.

Upon order of the court, the potential infringer may be obliged to provide information regarding the identity of the persons involved in the production and distribution of the infringing goods or the provision of infringing services and of their channels of distribution.

Are preliminary discovery or seizure of evidence/documents available?

Under Hungarian law there is a procedure called "preliminary taking of evidence" which provides parties with a means of obtaining evidence before proceedings have commenced (this is not the same as the "preliminary discovery" concept under common law). In patent infringement proceedings, such proceedings can be conducted if the patent holder proves the infringement or the threat of infringement to a reasonable extent. The application for preliminary taking of evidence must be submitted to the Metropolitan Court. If the patent holder fails to bring action for patent infringement within 15 days from filing such application, the court - upon request of the other party - will revoke its decision.

Seizure of evidence/documents can also be requested in preliminary injunction proceedings and at the main trial.

Experiments - are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Under Hungarian law the court may use any evidence suitable to ascertain the relevant facts of the case. Therefore, the court may order experiments, although this is extremely rare.

Appeals

What are the possible routes for appeal in your jurisdiction?

An appeal from the Metropolitan Court lies in the Court of Appeal. A further appeal may then be made to the Supreme Court in certain cases.

On what grounds can an appeal be brought?

An appeal may be brought against the first instance judgment on any ground. The first instance proceedings will be repeated if (i) the court of first instance had not been properly formed or if a judge (who should have been disqualified by law) took part in the judgment; or (ii) the hearing has to be repeated or completed due to any infringement of the main procedural rules by the first instance; or (iii) the taking of evidence has to be repeated entirely or completed on a large scale. On appeals the court will only decide the merits of the case (without repeating the proceedings), and the first instance judgment will either be maintained or partially/fully altered.

What is an approximate timescale for the first/second appeal?

Based on our experience the first instance proceeding lasts 1-1.5 years and the appeal proceedings take approximately 1 year.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

This is hard to predict, as legal costs may vary depending on various factors (the number of hearings, necessity of experts, the amount of duty payable is proportionate to the amount of the damages claimed). As a very rough estimate the first instance proceeding may cost €35,000 - 50,000.

Attorney's costs are only reimbursed in part from the other party even when a party is successful.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

It is difficult to predict the costs of an appeal as they will vary significantly depending on various factors. Overall, the legal costs of the second instance proceeding are the 50% of those spent on first instance. As a very rough estimate the appeal proceedings will cost €17,500 - 25,000.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

Arbitration can be used if this is agreed in a relevant contract between the (potential) parties. Another option of alternative dispute resolution under Hungarian law is mediation.

The Metropolitan Court has exclusive jurisdiction in patent infringement cases. Therefore, the arbitration court may not act in patent infringement cases (although note that other patent disputes may be dealt with by arbitration).

Does the court require that parties consider these options at any stage in proceedings?

Legal entities are obliged to make an attempt to settle their legal dispute out of court before filing a statement of claim to the court. This is merely a formal step; it can be complied with by merely sending a notification letter.

Remedies

What remedies are available for patent infringement?

The court may order (i) a declaration of infringement; (ii) an injunction to stop the infringing activities or the termination of the threat of infringement; (iii) that the defendant provides information on the parties in the manufacturing/supply chain; (iv) the infringer to make amends for its action and, if necessary, that such amends should be given publicity at the expense of the infringer; (v) restitution of economic gains from the infringement; (vi) seizure/delivery up or destruction of infringing goods, material, equipment; (vii) that the assets, materials and products seized, or recalled and withdrawn from commercial circulation be deprived of their infringing nature (under justified circumstances the court may also order, instead of destruction, sale of the seized assets and materials); (viii) damages.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

There is no official method for the calculation of damages applied by the courts. All cases are evaluated

on a case-by-case basis. Based on our practice, the courts tend to take into consideration the value of the original (non-infringed) products as basis for the calculation of lost profits on sales.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

Under Hungarian law, the amount of the damages suffered must be proven by the party that requests the damages. The court does not carry out an enquiry, but it will order the payment of damages only if it has sufficient grounds to establish that the party has in fact suffered loss as a result of the infringement. We note that proving that the infringement resulted in damages is the hardest part of a patent infringement lawsuit. For this purpose, upon order of the court, the potential infringer may be obliged to provide information regarding the circumstances of the infringement.

Is it possible to obtain additional remedies if the infringement was deliberate?

No.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes.

If yes, what are the main grounds for which a preliminary injunction can be granted?

The court, upon request, may order the preliminary injunction, where (i) it is deemed necessary to prevent any imminent threat of damage or to preserve the status quo giving rise to the dispute or with a view to underlying the requirement for the special protection of the applicant's rights and (ii) where the advantage to be gained outweighs the potential disadvantages of the measure.

In case of patent infringement lawsuits, the condition related to the special protection of the applicant's rights shall be considered fulfilled if the applicant is able to prove that the patent is registered/applied for and that it is the holder or the licensed user of the patent, and is entitled to file for court proceedings due to infringement in its own name. This assumption related to the special protection shall not apply after six months from the commencement of the infringement or if 60 days has passed since the patent holder gained knowledge of the infringement and of the person of the infringer.

Is it possible to obtain a without notice injunction?

No, the other party must be informed of the application and is given the opportunity to express its opinion. However, in extreme urgency the injunction may be ordered without allowing/requiring the other party to express its opinion but in such cases the party will still be notified.

How quickly can injunctions be obtained?

Courts are generally overloaded and proceedings are quite slow. Based on our experience, it takes approximately six months for the courts to reach a decision as to whether to grant a preliminary injunction or not.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no procedure that can be used specifically to prevent the grant of a preliminary injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

Yes, is it possible to appeal against an injunction and the appeal does not suspend the effect of the injunction.

If a party is awarded an injunction are they liable to provide security?

In interim injunction applications, the patent holder can ask the court to require the alleged infringer to deposit a certain amount, if in exchange it allows the alleged infringing activity to be continued. In cases where the patent holder asked the court to order the termination of the infringing activity but the court did not comply with such request, the court is entitled to order the deposit in the absence of the patent holder's request to do so.

Are further proceedings on the merits required in order for the court to grant a final injunction?

The order regarding the preliminary injunction is enforceable without the need to carry out any further proceedings on the merits. It will remain in effect until the decision in the main trial of the first instance court.

Is a cross-border injunction available and in what circumstances?

Yes. Cross-border injunctions are available, although we are not aware of any such cases in Hungary.

Italy


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Standing

Who is entitled to sue for patent infringement?

The proprietor of a patent may bring proceedings for patent infringement. If the patent is owned by two or more parties, in principle each co-owner can start legal action against third parties in order to defend their rights.

Exclusive licensees also have the right to bring proceedings for patent infringement, provided that the infringement is within the scope of the licence. The right of non-exclusive licensees to sue is still a controversial issue. However, it is undisputed, that they can intervene in proceedings commenced by the patent's proprietor.

Is it possible to join more than one party as a defendant?

Yes, it is possible to join any number of parties as a defendant in the same proceedings. The plaintiff may commence the action against more than one party. The Court also has power to add further parties to the proceedings when their appearance is necessary to resolve the dispute.

Is there any time limit in which claims for patent infringement must be brought?

There is a limitation period of five years from the date of the infringing act in patent infringement claims where damages are sought.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

In Italy, infringement and invalidity proceedings must be brought before the divisions specialised in entrepreneurial matters in the Court that has territorial competence (e.g. Court of Rome, Court of Milan etc.). Validity and infringement can be decided in the same proceedings.

Are declaratory proceedings available?

Yes, declaratory proceedings are available.

What is the format of the trial?

Patent infringement proceedings are conducted in writing: all claims, applications and requests are submitted in writing or recorded in the minutes of the hearings.

First, the claimant will serve a writ of summons containing the claimant's allegations, his requests for evidence, the indication of the documents to be filed and the proposed date of the first hearing.

The defendant must appear before the Court, by submitting his statement of defence 20 days before the date of the first hearing indicated in the summons, stating if he intends to (i) file a counterclaim, (ii) call on a guarantor or (iii) raise procedural or substantive pleas that cannot be pointed out *ex officio* by the judge. If the defendant has no interest in such requests or objections, he can delay his appearance before the Court until the date of the first hearing.

At the first hearing, the judge will ascertain whether the claim has been correctly served on the defendant. If the claim has been correctly served, the judge will adjourn the hearing to a later date and, if requested, grant to the parties three additional terms: 30 days to submit brief statements specifying or amending the parties' requests; a further 30 days, to submit a reply to the other party's brief statements, as well as supplementary evidence requests; and a further 20 days to submit evidence against a supplementary evidence request made by the other party.

At the subsequent hearings, the judge may admit the evidence requested by the parties in their respective statements. In particular, the judge may cross-examine the parties and/or the witnesses (if requested and

admitted) and may appoint his own expert, if expertise is required. The parties are also entitled to appoint their own experts.

After the judicial inquiry (for which two or more hearings might be necessary), the parties must submit their final requests for the decision of the case. The parties are then granted a term of 60 days to file their final brief statements and an additional 20 days to file their replies.

The judge should render his decision within 60 days from the filing of the above statements; however, this term is not mandatory and consequently it is very rarely respected.

How long does it take for a claim to reach a first hearing?

Patent litigation in Italy is conducted by means of written submissions and a series of hearings. The first hearing should occur within 90 days (or 150 if the defendant is domiciled abroad). However, the first hearing indicated in the summons is usually postponed to a different date according to the availability of the appointed Judge. Overall, the entire process from filing the claim to a decision takes between two to four years depending on the complexity of the issues and the evidence.

How long do trials last in patent cases?

Patent litigation in Italy is conducted by means of written submissions and a series of hearings (as noted above).

Do the judges have technical expertise?

The Italian Courts have divisions that are composed of judges who are experts in entrepreneurial matters (including IP matters). However, the judges do not have scientific qualifications.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Italian law does not have any specific rule on this. According to general rules in litigation, parties may ask the judge to suspend proceedings if there are specific reasons for such a request. The suspension requested by the parties can only be granted once and it cannot last more than three months.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Yes, parties are entitled to appoint one or more experts to support their arguments and in addition, the judge may appoint his own expert. The judge will only appoint more than one expert in exceptional cases. Both the parties' experts and the expert appointed by the judge must file written reports containing their technical opinions. If requested by the judge, the experts may also have to appear at oral hearings in order to clarify their findings.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

If the production of specified documents is necessary for the resolution of the dispute, upon a party's request, the Court can order the disclosure/discovery of said documents.

Are preliminary discovery or seizure of evidence/documents available?

Italian law does not provide for preliminary discovery of documents. However, the preliminary seizure of specific documents is possible and can be authorised by the Court if the documents in question contain relevant evidence.

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments can be carried out to provide evidence in patent proceedings provided that the Court has authorised such.

Appeals

What are the possible routes for appeal in your jurisdiction?

First instance decisions can be challenged before the competent Courts of Appeal. Second instance decisions can be challenged before the Supreme Court. A first instance decision may also be challenged directly before the Supreme Court if the first instance Court wrongly applied specific rules and the parties agree to renounce the second instance proceedings. An appeal

against a first instance decision must be lodged within 30 days from the service of the decision. An appeal against a second instance decision must be filed within 60 days from the service of the decision. In both cases, if the decision has not been served, the term is equal to 6 months from the publication of the decision. The above terms are suspended from 1 August to 15 September each year.

On what grounds can an appeal be brought?

An appeal against a first instance decision may be brought if the first instance Court wrongly interpreted the facts or breached the applicable procedural or substantive rules. In this appeal, it is (usually) not possible to raise new objections or to submit new evidence.

According to a recent amendment of the Code of Civil Procedure, at the beginning of the appeal stage, the Court of Appeal must carry out a preliminary assessment of the likelihood of the appeal being granted. If there is no reasonable probability of such, the Court of Appeal will declare the appeal to be inadmissible. An appeal against such a declaration can then be filed with the Supreme Court.

A second appeal to the Supreme Court can be filed in circumstances when the law has been applied incorrectly or where there was a lack of examination of a fact raised by the parties and relevant to the decision.

What is an approximate timescale for the first/second appeal?

Approximately five years for the first appeal to the Court of Appeal and four years for a second appeal to the Supreme Court.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

It is very difficult to estimate the legal costs without knowledge of the facts of a particular case. However, as a general guide, costs for patent litigation proceedings are usually between €25,000 to €35,000 for a first instance decision.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

As above, it is difficult to estimate these costs without knowledge of the facts of a particular case. However, in general costs for patent litigation proceedings are usually between €30,000 to €35,000 for the first appeal and approximately €40,000 for a second appeal to the Supreme Court.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

There are two options for alternative dispute resolution: arbitration and mediation. Arbitration is commonly used, but mediation is rarely used.

In order to submit a dispute to arbitration there must be an arbitration agreement between the parties. The arbitration agreement must be in writing and must clearly set out the subject-matter of the dispute.

Does the court require that parties consider these options at any stage in proceedings?

No, the Court does not require the parties to consider alternative dispute resolution options.

Remedies

What remedies are available for patent infringement?

The court may order the following: (i) an order that the defendant ceases the infringing acts; (ii) an order for the destruction of infringing goods; (iii) or an order for the assignment of infringing goods (and/or the machines or tools used to make them) to the claimant; (iv) an order for the seizure of all infringing goods (and/or the machines or tools used to make them); (v) damages; (vi) the publication of the judgment in newspapers; (vii) the payment of penalties for any further infringement.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages are assessed by taking into account all the negative economic consequences, including the loss of profit, suffered by the owner of the patent, any unfair profit made by the infringer, and, in some cases, other elements such as moral prejudice.

Any loss of profit awarded must not be lower than the royalties that the infringer would have paid, if it had obtained a licence from the owner of the patent. There

is no specific rate for such royalties. The rate must be assessed by the Court on a case-by-case basis. The owner of the patent can request a refund of the profits made by the infringer as an alternative to compensation for loss of profit or the amount exceeding such compensation.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The party alleging infringement must prove their loss and the extent of damages requested. However, if it is not possible to exactly quantify the damages, they can be assessed by the Court on the basis of certain assumptions.

Is it possible to obtain additional remedies if the infringement was deliberate?

No additional remedies are available if the infringement was deliberate.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes.

If yes, what are the main grounds for which a preliminary injunction can be granted?

Before a preliminary injunction can be granted, the following conditions must be met: (i) there must be the probable existence of a claim; and (ii) existing or imminent infringement of the claimant's rights.

Is it possible to obtain a without notice injunction?

Yes, the Courts may grant without notice injunctions, but only in situations which are exceptionally urgent. Without notice injunctions are very rarely granted.

How quickly can injunctions be obtained?

An injunction can usually be obtained within one month of filing the application.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There are no specific measures recommended to protect against the granting of a preliminary injunction or to defend against an application for preliminary injunction. However, the alleged infringer may, before a preliminary injunction is granted against him, start invalidity proceedings. This strategy does not mean that the Court is bound to reject the request for a preliminary injunction, but it would make it more difficult for an injunction to be granted.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

An appeal against an injunction can be filed within 15 days from the date the injunction was granted at the hearing or from the date the injunction was served or communicated. The appeal does not automatically suspend the effect of the injunction. However, suspension of the injunction can be ordered by the Court when its enforcement could cause serious damage.

If a party is awarded an injunction are they liable to provide security?

If a party is awarded an injunction, it is not automatically liable to provide security. However, the Court may order the successful party to provide security if necessary as determined on a case by case basis.

Are further proceedings on the merits required in order for the court to grant a final injunction?

To prevent interim measures from losing their effect, ordinary proceedings must be brought within 20 working days from the date of the injunction hearing or from the communication of the injunction by the clerk's office. However if the interim measures are able to "anticipate the decision", further proceedings on the merits are not compulsory. The law does not expressly indicate which interim measures are able to anticipate the findings of a decision but it is likely that this would include preliminary injunctions.

Is a cross-border injunction available and in what circumstances?

No. Decisions of the national Courts only have effect within Italy.

Patent Litigation in Netherlands

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Standing

Who is entitled to sue for patent infringement?

The proprietor of a patent (the patentee) can bring infringement proceedings on their own behalf, as well as on behalf of their licensees and persons holding a preferential creditor right by a deed of pledge.[i]

Licensees and pledgees can also bring infringement proceedings on their own behalf, either as co-claimants in the procedure initiated by the patentee, or independently if the patentee has granted them such a right to enforce the patent.[ii] This right does not need to be publicly registered.

Is it possible to join more than one party as a defendant?

Yes. Any number of parties can be joined to proceedings as a defendant either at the outset or as the litigation progresses. A third party may join in or intervene in proceedings of their own accord if they can establish a sufficient interest in doing so.

Is there any time limit in which claims for patent infringement must be brought?

There are no specific time limits for seeking a remedy for patent infringement in proceedings on the merits, or for preliminary injunction proceedings. As far as preliminary injunction proceedings are concerned, the Dutch Supreme Court has held that any new infringement may call for new urgency. The fact that a patentee – being aware of an infringement - has not taken action for a certain period of time, could lead the courts to deny a request for a preliminary injunction for lack of urgency.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

The District Court (Civil Chamber) and the Court of Appeal (Civil Chamber) in The Hague are designated as the Court of First Instance and the Court of Second Instance, respectively, with sole authority for both infringement and invalidity proceedings. Patent cases are decided by one or three specialised judges.

Infringement and validity are dealt with by the same court, either in the same proceedings (when invalidity is raised as a defence), in separate but simultaneous proceedings (an invalidity action by way of a counterclaim), or in separate nullity proceedings.

Are declaratory proceedings available?

A party may seek a declaration of non-infringement of a patent from the court. Although the courts do not allow declaratory judgments in preliminary injunction proceedings, a provisional declaratory judgment of non-infringement would be possible – indirectly – by requesting a preliminary injunction preventing the patentee from sending warning letters to alleged infringers.

What is the format of the trial?

Actions may be initiated without the involvement of the court. A writ of summons must be served on the defendant by a bailiff. Once the writ is served, the proceedings are considered to be pending. The court may be notified of the action at a later date.

The writ is the written statement of the plaintiff's case and must contain a full description of the case (including the defendant's arguments if known to the plaintiff) and must indicate the evidence that the plaintiff will rely upon. The defendant's Statement of Defence must contain a written statement of its case and indicate all the evidence it intends to rely on. The Statement of Defence may also contain a counterclaim in the action.

In accelerated proceedings on the merits the plaintiff may then submit a Statement of Defence in the counterclaim. In such accelerated proceedings, no further statement will be filed by parties. In regular proceedings on the merits the court may give an interim order to the parties to appear in court to provide additional information, to plead their case (interactively)

before the court, to investigate the possibility of a settlement or for case management purposes.

In patent litigation it is customary to provide the court with an oral explanation of the arguments.

The official language of the courts is Dutch, and all the statements filed in court must be in Dutch. Written evidence that supports these statements may be in English and, in exceptional circumstances, German or French.

How long does it take for a claim to reach a first hearing?

Normal patent proceedings on the merits may take between 9 to 12 months from the serving of the writ to the oral hearing, where both parties will plead their case. However, in normal proceedings on the merits the court will usually – instead of, or prior to oral hearings – fix a date for a personal appearance of the parties to give information or to try to reach a settlement. Such informal hearings take place after the filing of the Statement of Defence by the defendant and are usually scheduled to take place within 5 to 8 months of the date of serving the writ.

Accelerated patent proceedings before the District Court in The Hague generally reach a first instance substantive trial on the merits of the action within 6 to 8 months of serving the writ of summons.

Urgent cases can be brought to trial at short notice, i.e. within a matter weeks and in very urgent cases, e.g. in case of an imminent infringement at a trade fair, sometimes within a couple of days or hours, through preliminary injunction proceedings which can be initiated before the District Court of The Hague.

How long do trials last in patent cases?

The accelerated proceedings are currently the most-favoured patent proceedings in the Netherlands. In such accelerated proceedings on the merits, the court will render a first instance decision within 8 to 12 months. In regular proceedings on the merits it will take the court 14 to 20 months to render a decision in first instance.

Do the judges have technical expertise?

The judges of the specialised patent chambers of the District Court and the Court of Appeal in The Hague have both a scientific and legal background. Certain (former) members of the Dutch Patent Office may also serve as temporary members of the patent chamber of the courts.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Where it appears to the court that a decision on an infringement may be affected by an opposition pending before the EPO, the court may stay the infringement proceedings.[iii] In preliminary injunction proceedings, the court will assess whether there is a serious, non-negligible chance, that the opposition will succeed and, if so, may deny the injunction.

Evidence

Are expert witnesses used by parties to a patent infringement case?

The parties may appoint their own experts who may appear before the court as witnesses or file written statements. Evidence may be brought in any form and is not subject to specific requirements.

Dutch courts may, at their own discretion or at the request of one of the parties, appoint an independent expert to give an opinion on technical matters. The expert will file a report in court and the parties may file submissions in response to it. The court can also summon expert witnesses to court to question them in person. However, as the (special chambers of the) District Court and Court of Appeal in The Hague Court consist of specialist judges with a technical education and legal background, it is rare for the court to appoint independent experts.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

Under Dutch law there is no requirement to disclose documents. As a result, the concept of obtaining documents from the opposing party is not very common in the Netherlands. At an early phase, a party can ask a court to order “provisional measures” to preserve relevant evidence regarding the alleged infringement, subject to the protection of confidential information. Such measures can be obtained ex parte by an application to the court. A party can (pursuant to such provisional measures) petition to the court to obtain from the other party, or third parties, specific documents that are relevant to the dispute and that relate to a legal relationship to which the interested party is a party. The

court determines the extent of this disclosure and any measures related to confidentiality of the disclosed information.

Are preliminary discovery or seizure of evidence/documents available?

Pre-trial discovery is not permitted. Seizure of evidence is only allowed for the purpose of preserving relevant evidence regarding the alleged infringement and not for examining such materials.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

There are no rules governing experiments under Dutch law. Evidence may be brought in any form and is not subject to specific requirements. Under Dutch procedural law parties are free to offer evidence, e.g. in the form of an experiment; and the court will assess accordingly.

Appeals

What are the possible routes for appeal in your jurisdiction?

The dispute can be reviewed by the Court of Appeal in The Hague, without the need for leave or permission to be granted. Once the appeal proceedings have been concluded, the parties can appeal to the Supreme Court.

On what grounds can an appeal be brought?

The dispute can be reviewed in full by the Court of Appeal in The Hague. The Supreme Court can only rule on issues of law, not facts, or it may review a ruling of the Court of Appeal that lacks sufficient reasoning.

What is an approximate timescale for the first/second appeal?

First Appeal:

In preliminary injunction proceedings, an appeal has to be filed within four weeks of the first instance judgment. Proceedings take about 12 to 20 months (there is a small chance that the Court will allow a special summary appeal taking about 8 to 12 months).

In accelerated proceedings on the merits, an appeal has to be filed within three months of the first instance judgment. Proceedings take about 14 to 24 months.

In regular proceedings on the merits, an appeal has to be filed within three months of the first instance judgment. Proceedings take about 14 to 28 months.

On 1 September 2012, the Court of Appeal began a pilot scheme involving new procedural rules. The aim of the scheme is to shorten the time it takes to appeal patent cases to under 10 months. The scheme will end on 1 March 2014. If it is deemed to be successful, the scheme will be extended.

Second Appeal:

An appeal before the Supreme Court usually lasts about 2 years (but can take longer).

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The costs for preliminary injunction proceedings may be between € 25,000 and € 100,000 and can be even higher in complicated and highly technical patent cases.

The costs for accelerated proceedings on the merits may be between € 40,000 for relatively simple cases and € 150,000 for more complex cases. For normal proceedings on the merits these costs range from € 50,000 to € 250,000. However, if the case is factually, technically and/or procedurally very complex and time consuming, these costs can be even higher in both accelerated and normal proceedings on the merits.

The successful party can recover all reasonable and proportionate legal costs (including legal fees and fees of certain experts) and other expenses incurred, but a detailed specification of costs must be provided to the court in good time.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

€ 40,000 to € 250,000

The successful party can recover all reasonable and proportionate legal costs (including legal fees and fees of certain experts) and other expenses incurred, but a detailed specification of costs must be provided to the court in good time. In appeal proceedings the difference in legal costs between preliminary injunction proceedings and proceedings on the merits is not as substantial as is the case in first instance, although the legal costs in preliminary injunction proceedings will

usually be slightly lower than will be the case in proceedings on the merits.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of alternative dispute resolution are mediation, negotiation and arbitration. The parties are free to agree on alternative dispute resolution methods. Parties will usually use arbitration if required by contract. The courts have a policy of promoting mediation. In normal proceedings on the merits the court may give an interim order to the parties to appear in court to investigate the possibility of negotiating a settlement.

Does the court require that parties consider these options at any stage in proceedings?

The court does not require the parties to negotiate a settlement, but at the beginning of proceedings, usually during the informal court hearings set after the filing of the Statement of Defence by the defendant, the court may advise the parties to try and settle the case or start a mediation process.

Remedies

What remedies are available for patent infringement?

A patentee has a wide range of remedies available to him, including (i): an order to cease and desist; (ii) surrender/destruction of infringing goods; (iii) surrender of profits; (iv) publication of the decision; (v) a recall-order; (vi) damages; (vii) an order to provide information concerning suppliers and/or customers and (viii) (full) reimbursement of legal costs.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages are only available if the infringer knew or could reasonably have been expected to know that he was infringing the patent.

The patentee may claim damages equal to the reasonable royalties the patentee would have earned had the infringer been granted a licence for its infringing action, lost profits or the profits made by the infringer as a result of the infringing actions. However, punitive damages are not available under Dutch law. The patentee cannot claim for both compensation through damages and the surrender of profits – he must choose between the two remedies.

In determining the reasonable royalty mentioned above, various factors should be considered depending on the circumstances of the case. In most cases the royalty rates used are those that the patentee usually charges for such matters or those that are widely used in the respective sector. The court may set the damages as a lump sum.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The infringer may have to provide certain financial data on infringements, such as how many products have been sold and the price and profit margins applicable. Further, the Court may appoint upon the request of one of the parties or at its own discretion an independent expert, e.g. a registered auditor, to give an expert opinion on the amount of damages resulting from the infringement.

Is it possible to obtain additional remedies if the infringement was deliberate?

If the infringement was committed deliberately, the court will be more likely to award higher damages to the patentee, e.g. surrender of profits made by the infringer with the infringement in addition to other kinds of damages, because the Court will be more inclined to establish a causal connection between the damages claimed and the deliberately committed infringements, although under Dutch law it is not possible to claim punitive damages. Further, in very special circumstances if the defendant has acted deliberately, a patentee could claim an advance sum for damages in preliminary injunction proceedings.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

A preliminary injunction can be obtained in separate preliminary injunction proceedings or in proceedings on the merits, as a separate request, for the duration of the proceedings on the merits. However some restrictions apply. Preliminary relief is meant to provide only a temporary solution. For instance: no actual damages can be sought (although parties can be ordered to

provide security) and no counterclaim aimed at invalidating the patent in suit is permitted as preliminary relief.

If yes, what are the main grounds for which a preliminary injunction can be granted?

A preliminary injunction is granted in urgent cases where an immediate decision of a court is required. The claimant must show an urgent need for relief, make out a prima facie case on the merits of his claim and demonstrate that balancing the parties' interests weighs in favour of granting the relief.

Is it possible to obtain a without notice injunction?

Yes, in urgent cases, the courts may issue an ex parte injunction against an alleged infringer to prevent any imminent infringement or to prevent the continuation of an infringement. An application for an ex parte injunction can be made if the requesting party has presented reasonable evidence to support the claim that its patent has been infringed or is about to be infringed and has established the required urgency.

How quickly can injunctions be obtained?

If necessary an injunction can be obtained in a matter of days or even hours.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

Firstly, the alleged infringer can initiate proceedings to nullify the patent. Secondly, the alleged infringer can institute declaratory proceedings. Thirdly, the alleged infringer can file a request with the District Court of The Hague to be heard and/or to have an application rejected in the case of any impending seizure of assets or any impending application for an ex parte injunction (protective letter).

When an ex parte injunction or (ex parte) seizure is granted, the alleged infringer may apply in preliminary injunction proceedings to have the injunction or seizure lifted on the grounds that it was unnecessary or inequitable to the defendant, or if the claimant has failed to show a prima facie case. If the order is lifted and the defendant has suffered damage as a result, the claimant will generally be liable for that damage.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

An appeal is possible. Lodging an appeal has a suspensory effect on a judgment. However, if a judgment is declared provisionally enforceable by the court, which the court often does if so requested, the injunction will not be suspended. In that case, should the injunction be reversed in the appeal proceedings, the losing party will be liable for the damages resulting from enforcement of the injunction.

If a party is awarded an injunction are they liable to provide security?

In many cases, court orders carry penalty sums for non-compliance. Such sums accrue to the successful party and are often an effective incentive for compliance. In case of (civil) seizures, the attaching party may be required to provide security.

Are further proceedings on the merits required in order for the court to grant a final injunction?

A final injunction can only be obtained in accelerated proceedings or in regular proceedings on the merits.

Is a cross-border injunction available and in what circumstances?

In accordance with case law of the Dutch Supreme Court, the (lower) courts in the Netherlands have considered themselves competent to decide on cross-border injunctions where the patent infringement occurs in countries other than the Netherlands. As a result a quite liberal practice of granting cross-border or extraterritorial injunctions has developed. However since a recent decision of the European Court of Justice, the scope for a cross-border injunction has been limited to those situations where the defendant is based in the Netherlands and the validity of the patent is not in dispute. The District Court in The Hague still deems itself competent to decide on cross-border claims in preliminary injunction proceedings.

Where a defendant is a non-EU resident, a cross-border injunction (not affecting an EU member State) may be an available relief.

In general "torpedo" actions do not block access to the Dutch courts and do not prevent the courts from allowing cross-border injunctions requested in preliminary injunction proceedings or provisionally in proceedings on the merits. The Dutch courts will however consider what effect this may have on the

outcome of the proceedings on the merits. The courts will consider carefully if “torpedo” actions, e.g. coming from Italy or Belgium, are likely to force the court to declare itself not competent in proceedings on the merits, taking into account the possibility that the alleged infringer is misusing the “torpedo” to prevent the patentee from enforcing its patent efficiently in The Netherlands.

Notes

[i] Section 70 (1), (4) and (5) Patents Act 1995 (*ROW 1995).*
[ii] Section 70 (6) Patents Act 1995.
[iii] Section 83(3) Patents Act 1995.

Poland

Patent Litigation in Poland

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Standing

Who is entitled to sue for patent infringement?

The proprietor of the patent is entitled to bring a legal action against the infringer of the patent. If the patent is co-owned, any co-owner is entitled to bring a legal action against the infringer.

Additionally, legal action may be brought by the exclusive licensee, provided that (i) the licence has been duly registered on the patents register maintained by the Polish Patent Office, and (ii) the right to bring such legal action has not been excluded in the licence agreement.

Is it possible to join more than one party as a defendant?

Yes, it is possible to join more than one party as a defendant.

Is there any time limit in which claims for patent infringement must be brought?

Patent infringement proceedings must be brought within 3 years from the date when the patent owner becomes aware of both the infringement and the identity of the person responsible for the infringement (it runs independently for each infringement). Further, in all cases, the proceedings cannot be initiated after 5 years from the date the infringement.

Timing and forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Infringement and validity of patents are not decided in the same proceedings in Poland.

As a general rule, first instance infringement proceedings are heard by the District Courts (Sądy Okręgowe), and in the second instance, proceedings are heard by the Court of Appeal (Sądy Apelacyjne).

The validity of a patent is considered and decided by the Polish Patent Office. Such proceedings are similar to the court proceedings and they may be initiated by a party which has a legal interest in obtaining the Polish Patent Office's decision (e.g. it has been summoned by the patent owner to cease the use of an allegedly infringing invention) and if that party can prove that the patent should not have been granted by the Office and is invalid (e.g. due to lack of novelty or inventive step). During opposition proceedings, the claimant is not required to prove any legal interest.

Are declaratory proceedings available?

A party (with a legal interest) may apply to the court for a declaratory ruling that it does not infringe the patent of the third party e.g. by seeking confirmation that the manufacture of particular products or using a particular process does not constitute a patent infringement. However, such proceedings are not very common in Poland, although they are generally perceived as admissible.

What is the format of the trial?

As regards the court proceedings, the parties first file a statement of claim which sets out the order sought and the facts supporting that request. The other party is then notified by the court and may submit its response to the statement of claim. At that stage the parties should submit all known evidence to prove their statements.

In the second stage, the judge will decide on the trial process and timings, including deciding when and if further exchange of pleadings is allowed and what evidence can be submitted by the parties. In most cases, these decisions are made by a judge in writing between hearings but in more complex matters the judge may decide these matters at a hearing where the parties are asked to comment.

Finally, one or more hearings are held to hear evidence and to give the parties an opportunity to present their case. The case is then closed by the judge, following which the parties have a further opportunity to summarise their position in writing. Up to two weeks later, the judge will announce his decision and will provide a brief justification. If requested by either party, the judge will provide a more detailed written judgment.

The proceedings before the Polish Patent Office are initiated by making a request for the invalidation of the patent. The request will include a brief explanation of the facts of the case, details of the request sought, legal grounds and supporting evidence.

How long does it take for a claim to reach a first hearing?

The timing of proceedings differs in each case and will depend on many factors including the complexity of the case and how busy the court is. On average, the time between filing the claim at court and the first hearing on the merits is between 3 to 6 months. This time may be extended, when the party initiating the proceedings at the same time applies for an interim injunction or an order regarding the right of information (within the meaning of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights). In such a case the first hearing on the merits may be postponed until the proceedings regarding the interim injunction or right of information is decided.

As regards invalidity proceedings pending before the Polish Patent Office, it may take more than 6 months, from the moment of filing the claim, before the Polish Patent Office will establish the date for the hearing of the case.

How long do trials last in patent cases?

In general patent infringement proceedings (as well as invalidity proceedings) may take between two to three years, or even more, in the first instance. The proceedings will often involve several hearings, each of which will usually last less than a day. The timing of the case will mostly depend on the complexity of the case and the amount of evidence to be examined by the court, especially, the number of witnesses, including expert witnesses summoned. Difficulties with finding a suitable expert witness may also cause considerable delay.

Do the judges have technical expertise?

The judges do not have technical expertise and there are no requirements for them to have either experience in patent litigation or a scientific academic background. When technical expertise is required, the court will appoint a technical expert.

Poland does not have a specialised patent court.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Yes, the court may stay the proceedings, if it considers that the outcome of the court proceedings will be affected by the outcome of the opposition at the EPO.

Evidence

Are expert witnesses used by parties to a patent infringement case? Does the court appoint an expert? In what form is their evidence presented? Do the experts appear as witnesses in the trial?

As mentioned above, the judges do not have technical expertise. When technical expertise is required (as is usual in most patent cases), the court appoints one or more expert witnesses. An expert's opinion may be prepared as a written report or may be presented orally at the hearing (this is at the judge's discretion). In addition, the court may require the expert witness to appear in court for oral cross-examination.

The parties may also appoint expert witnesses and submit such written opinions to the court. However, such opinions will not be recognised by the court as expert evidence equal to the evidence prepared by the court-appointed expert witness (i.e. the opinion of the court-appointed expert prevails).

Do the courts allow disclosure/ discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

Under general rules of Polish civil procedure, a party may ask the court to make an order requiring the other party to submit particular documents to evidence their case. However, the party must specify particular documents that it requires (there is no general disclosure).

In patent cases, the party may also ask the court to make an order that the potential patent infringer must provide information on the origin and distribution networks of the goods or services which infringe the patent, including the names and addresses of the

producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers and information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question. However, this information cannot be disclosed if it is protected as a trade secret.

In practice, the courts are cautious to make such orders as it usually would entail the disclosure of important commercial information to the claimant, from the defendant which is usually a competitor.

Are preliminary discovery or seizure of evidence/documents available?

The party initiating the proceedings can file a claim at court to secure evidence, including documents owned by the defendant. The evidence that the party wishes to be secured should be specifically listed in the pleading. The decision on securing evidence is at the court's discretion.

The party making such a request must substantiate the validity of its claims and show that obtaining the evidence in the future will be impossible or very difficult, if it is not secured.

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments are allowed as evidence, in particular as a part of an expert witness opinion. The court appointing an expert witness may require that the opinion is based on experiments. The expert witness may also decide on his/her own that an experiment is required to substantiate his opinion.

Appeals

What are the possible routes for appeal in your jurisdiction?

In every case parties may appeal against the judgement of the court of first instance. The ruling of the second instance court is generally final and binding.

In cases in which the amount of dispute is at least PLN 50,000 (approx. €12,000), the parties may file an appeal (cassation) to the Supreme Court. The cassation may be based on limited grounds only.

On what grounds can an appeal be brought?

An appeal against the judgement of the court of first instance can be brought on the following grounds: error as to the facts, infringement of procedure or breach of material law.

A cassation to the Supreme Court can be brought on the following grounds: infringement of procedure and/or breach of material law by the court of second instance (in a cassation, a party cannot question the facts of the case established by the court of second instance). A cassation is only admissible if there is a major point of law that needs to be decided by the Supreme Court, the judgement of the appellate court involves serious procedural irregularities or if there are obvious material errors.

What is an approximate timescale for the first/ second appeal?

On average the proceedings before the court of first instance take 1-3 years. Proceedings before the court of second instance can take another 1-2 years. The proceedings before the Supreme Court also take up to 1-2 years.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The costs of patent litigation depend on the complexity of the case. Total costs may be approximately €40,000 to €100,000 and in some complex cases, even higher.

These estimates include a court fee which is 5% of the amount of the dispute, but not more than 100,000 PLN (approximately € 24,000) as well as experts' and attorney's fees.

A successful party may recover costs from the other party. The quantum of the costs award is set by the court and should include all expenses necessary for pursuing claims or defending one's rights in the proceedings and in particular include the court fees, the costs of the court appointed expert witnesses, the attorneys' fees. The recovery of attorneys' fees is however capped (43,200 PLN, approximately €10,000).

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The cost of appeals in patent litigation can also vary significantly. Usually, they are lower than the costs of the first instance proceedings. Average costs in

appellate proceedings would be in the region of €20,000 to €50,000. This includes a court fee in the amount of 5% of the amount of the dispute, but not more than 100,000 PLN (approximately €24,000).

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR available in Poland are mediation, negotiation and arbitration. Negotiation and mediation are used in patent litigation. Arbitration is rarely used in patent litigation as disputes in this area do not usually arise out of a contract.

Does the court require that parties consider these options at any stage in proceedings?

The courts should actively encourage parties to settle disputes at any stage of the proceedings. Nonetheless, ADR procedures cannot be initiated without the parties' consent.

Parties may conclude settlement at any stage of the court proceedings. Upon the parties' consent, mediation may be conducted before or during the course of the court proceedings. Parties may also ask the court to suspend the proceedings to allow the parties to settle their dispute amicably.

If there is an arbitration agreement between the parties, the jurisdiction of the common courts will be excluded.

Remedies

What remedies are available for patent infringement?

The remedies available for patent infringement are (i) an injunction to stop the defendant infringing the patent; (ii) an account of profits; (iii) damages (only where the infringement was deliberate or arose from negligence) (iv) a court order as to the disposal of unlawfully manufactured products and of the means used in their manufacturing (destruction, removal from the market, delivery to the right holder); (v) an order for the publication of the judgment in a manner and to the extent specified by the court.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

There are two alternative bases for calculating damages.

First, they may be calculated according to general rules of Polish law. Under Polish law, damages are intended to restore the damaged party to the position it would have been in, but for the infringement. Usually, damages include the incurred loss and the expected profits which have been lost e.g. due to a drop in sales.

Second, the damages may be based on a reasonable royalty (licence fee) which would have to be paid if a licence had been sought by the infringing party. When assessing a reasonable royalty, the courts consider what royalty would be agreed between a willing licensor and willing licensee. In determining the royalty rate, the court will consider relevant factors including the practice as regards royalties in the relevant trade and expert opinion.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The quantum of damages must be based on the evidence gathered in court proceedings. Irrespective of the chosen basis for calculating damages, the burden of proof in this respect rests on the claimant. The amount of damages may be proven with all kinds of evidence admissible under Polish law. Usually it is established with evidence from an expert witness who has analysed the business operation of the parties.

If the exact quantum of damages is difficult to prove, the court may set the amount of damages, taking into consideration all the circumstances of the case.

Is it possible to obtain additional remedies if the infringement was deliberate?

There are no special remedies available, if the infringement was deliberate. However, note that deliberate actions may allow for the award of damages which can only be granted for "culpable" infringement (which include deliberate or negligent actions).

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Courts are entitled to grant interim measures which are similar to temporary injunctions issued in common law jurisdictions. Interim measures can be issued before initiating or during the course of court proceedings. Interim measures must be coupled with the initiation of civil proceedings against the infringer. If an interim

measure is issued before initiating the proceedings, the court sets a deadline for filing a lawsuit.

If yes, what are the main grounds for which a preliminary injunction can be granted?

There must be evidence of the claim (in particular, evidence of the patent infringement) and evidence that the interim measure will serve to secure the goal of the main proceedings or is necessary to prevent damage to the patent holder.

Is it possible to obtain a without notice injunction?

Yes. As a rule, courts issue interim measures based solely on the application of the claimant without notifying the defendant. The party against which the interim measure has been issued may file an appeal only after receiving the decision.

How quickly can injunctions be obtained?

As a rule, interim measures should be granted promptly. Technically, the court's decision should be issued no later than 7 days from filing the application for issuing an interim measure. However, usually it takes 2-3 weeks from filing the application.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

As a rule, interim measures are granted in ex parte proceedings. This means that, from a formal point of view, the other party participates only in the appellate proceedings. However, in practice a party which expects that it may be subjected to interim measures, may contact a court secretariat to monitor whether such a motion was filed. After learning that an interim application has been filed, the party may attempt to file a reply before the injunction is granted by the court of first instance.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

Yes. The decision of the first instance court may be appealed. As a general rule, filing an appeal does not suspend the effect of the interim measure. However, the court of first instance has the option to suspend the injunction if the decision is challenged.

Once the decision to award the interim measure becomes final, the party may still ask the court to change or quash the decision, if the reason for granting the measure has changed or ceased to exist.

If a party is awarded an injunction are they liable to provide security?

The court may make the enforcement of the interim measure conditional on the provision of security. The security should cover the potential claim for damages incurred by the other party due to the enforcement of the interim measure.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. Interim measures, due to their temporary nature, remain in effect only until the completion of the main trial. Any final obligations may be imposed in the final judgement issued in the proceedings on the merits.

Is a cross-border injunction available and in what circumstances?

There is no established practice or case law regarding cross-border injunctions in Poland.

Portugal

Portugal

Patent Litigation in Portugal

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Standing

Who is entitled to sue for patent infringement?

The proprietor of a patent may bring proceedings for patent infringement. Licensees have the right to bring proceedings for patent infringement in respect of any infringements of the patent committed after the date of the licence, and only in relation to infringements that are within the scope of their licence, except as otherwise provided in the license agreement.

Is it possible to join more than one party as a defendant?

According to the Administrative and Civil Procedural rules, it is possible to join any number of parties as a defendant in the same proceedings, even if no specific connection exists.

In the scope of arbitration actions, the possibility of being able to join more than one party as a defendant when no connection exists is still being discussed.

During the proceedings (judicial, administrative and arbitration cases), it is always possible to join a new party as a defendant whenever a relevant fact is found which connects that party to the existing proceedings.

Is there any time limit in which claims for patent infringement must be brought?

The limitation period for patent infringement claims is 20 years from the date on which the Claimant becomes aware of the cause of action (and this is not linked to the life of the patent).

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

In Portugal, the Intellectual Property Court (located in Lisbon) hears actions on patent invalidity and patent infringement.

Are declaratory proceedings available?

A party can apply to the Intellectual Property Court for a binding declaration of non-infringement. It is normal to apply for this order without there being a pre-existing claim.

What is the format of the trial?

The proceedings are initiated by the filing of the claim which may be followed the defendant's response. The parties must submit documentary evidence and a list of witnesses with the pleadings. In certain cases, the parties may be allowed to submit further pleadings.

Before the trial, the parties are entitled to amend or add additional witnesses and/or documentary proof.

At the trial, each party, through their attorney, is entitled to make an initial oral statement to the court to outline their case. The witnesses are then called and cross-examined. In certain cases the parties, through their legal representatives, may be required to deliver their statements orally, and are then subject to cross-examination by the other party's counsel. The parties' attorneys then make closing statements: the statements concerning facts are oral, whilst the statements concerning the applicable law are submitted in writing.

How long does it take for a claim to reach a first hearing?

On average, cases in the Intellectual Property Court take approximately 12 - 36 months to reach trial.

How long do trials last in patent cases?

There is no time limit on the duration of trials in Portugal; however less complex cases usually take between 15 and 30 days, whilst complex cases can take up to 90 days.

Do the judges have technical expertise?

Judges do not have any particular expertise on these types of cases, except for their experience from other patent cases. Also note that the (newly formed) Intellectual Property Court provides a fairly generic training course for judges. However, judges usually appoint a technical expert to assist on technical matters.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

A party may apply to the courts to stay proceedings pending the outcome of the EPO opposition. The court has discretion whether to make the order. In exercising the court's discretion, the judge will consider various factors, including: (i) the need to achieve the balance of justice; (ii) the stay is not automatic; (iii) the fact that the possibility of duplicate proceedings is inherent in the European patent system; (iv) the length of time that it will take for national and EPO proceedings to reach a decision (certainty for the parties is important, the sooner this can be achieved the better); (v) the parties views on the need for commercial certainty; and (vi) any other relevant factors (such as the cost of duplicate proceedings).

Evidence

Are expert witnesses used by parties to a patent infringement case?

Parties are entitled to instruct expert witnesses to provide evidence to support their case. In patent cases, experts are often instructed to give their expertise on common general knowledge, sufficiency, novelty and inventive step. The court and the parties may all appoint an expert to assist them in the trial.

The experts will usually be asked to produce a written report which is submitted as evidence in the trial and will, in most cases, appear as a witness in the trial and be cross-examined.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

The interested party may request the provision of detailed information on the origin and distribution networks of the goods or services that it suspects may infringe the patent, including:

a) The names and addresses of producers, manufacturers, distributors, suppliers and other prior holders of the goods or services, as well as the targeted wholesalers and retailers;

b) Information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services.

The court can ask for this information from an alleged infringer or any other person which:

a) is found in possession of goods or is found using or providing the services, on a commercial scale, that are suspected of infringing a patent;

b) is indicated by a person referred to in point a) above as having participated in the production, manufacture or distribution of the goods or in the provision of the services suspected of infringing the patent.

Are preliminary discovery or seizure of evidence/documents available?

According to the Portuguese legal system, the preliminary discovery or seizure of evidence/documents is only available within the scope of an injunction.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

There is no specific provision in Portuguese law regarding experimental evidence but the court has discretion to accept any kind of proof that is deemed to be helpful and which is not expressly forbidden by law.

Appeals

What are the possible routes for appeal in your jurisdiction?

Appeals from the Intellectual Property Court are made to the second instance judicial court. Appeals from the second instance judicial court lie in the Supreme Court.

Only in very rare situations, can an appeal from the first instance court proceed directly to the Supreme Court.

A party wishing to appeal must submit its claim and grounds within thirty days from the notification of the first instance/earlier decision.

On what grounds can an appeal be brought?

An appeal may be brought if the appealing party considers that the decision of the lower court made an incorrect assessment of the facts, if there was a misapplication of the relevant law, or if there was any procedural irregularity. The second instance courts will not rehear the case, and only analyse the hearing held before the lower court to reassess the documentary proof and the legal grounds. Further evidence is only permitted on appeal in limited circumstances.

An appeal to the Supreme Court is only permitted if there is a relevant point of law or policy that needs to be decided.

What is an approximate timescale for the first/second appeal?

On average it takes about 12-18 months for the first appeal and another 12 months for a second appeal.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs in patent litigation are approximately €10,000. Although this may vary significantly depending on the complexity of the case.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

Costs in patent litigation are approximately €5,000. Although this may vary significantly depending on the complexity of the appeal.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR are mediation, negotiation and arbitration.

Arbitration for cases concerning generic medicines is mandatory under new law.[i]

Does the court require that parties consider these options at any stage in proceedings?

All courts will encourage the parties to settle their disputes through negotiation first, but courts cannot compel parties to use any form of ADR.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) damages or an account of the profits derived from the infringement; (ii) a declaration that the patent is valid and has been infringed; (iii) an order for delivery up or destruction of the infringing product; (iv) a periodic penalty payment; and/or (v) an injunction. For further details on injunctions, see below.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

A successful claimant can elect between damages or an account of profits. Courts award damages to restore the successful party to the position they would have been in but for the infringement (and they are not punitive in nature).

Claimants may seek damages on two bases:

(i) to compensate them for lost profits on the sales made by the infringing party, that but for the infringement, the claimant would have made (the claimant must prove that those profits are a direct result of the infringement); and

(ii) a reasonable royalty on the other sales made by the infringing party. When the courts are assessing a reasonable royalty, the courts consider what royalty would be agreed between a willing licensor and willing licensee. In determining the royalty rate, the court will consider relevant factors including the practice as regards royalties in the relevant trade and expert opinion.

When awarding damages, the courts will make their assessment taking into account the negative economic consequence, including any lost profits the claimant has suffered and any unfair profits made by the defendant, and elements other than economic factors, including the moral prejudice caused to the claimant.

Damages can be claimed from the date the infringing act began. Also note that interest is recoverable.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The courts may request further clarifications on certain matters and on evidence that was produced on trial; however the court will not actively procure information or make inquiries into the alleged loss, as the burden of proof lies solely on the claimant.

However, the court has the power to order the defendant to give full disclosure in relation to its profits/sales etc, and the court will limits the disclosure that is required.

Is it possible to obtain additional remedies if the infringement was deliberate?

There is no specific provision granting additional remedies in cases where the defendant was a deliberate or wilful infringer, however the court usually orders increased moral damages in these cases.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes, interim injunctions are a discretionary remedy that the courts may award. A party may apply for such injunctions where they believe there is either actual patent infringement or a threat of patent infringement. If infringement has taken place, this is usually sufficient evidence that the infringement will continue.

If yes, what are the main grounds for which a preliminary injunction can be granted?

A court will only make an order for an interim injunction if it is satisfied that: (i) the party can prove it owns a valid patent; (ii) damages compensation would not be an adequate remedy; (iii) the balance of convenience lies in granting the injunction; and (iv) there is a real prospect of succeeding on the main action.

In pharmaceutical cases involving generics, the Portuguese courts have come to the conclusion that the significant financial implications of the generic's entry into the market would not be adequately compensated in damages, and therefore the courts have been awarding the injunctions sought in such cases.

Is it possible to obtain a without notice injunction?

Yes, without notice injunctions are available in cases of particular urgency.

How quickly can injunctions be obtained?

It is possible for without notice injunctions to be obtained within a short period (within 15 days). With notice, injunctions will usually be heard and decided within 9 to 12 months.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no particular procedure that can be used specifically to prevent the grant of a preliminary injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

It is possible to appeal against an injunction issued by any first instance court. A second appeal to the Supreme Court on the scope of an injunction is only admissible in very limited situations, namely when the applicable law conflicts with constitutional principles.

The appeal does not suspend the effect of an injunction decision, although the appellant may, in specific cases, request a court to suspend the effect of the injunction pending the outcome of the appeal.

If a party is awarded an injunction are they liable to provide security?

Parties will only be required to provide security in very specific situations, namely when serious damage is likely to result from the grant of an injunction.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. The interim injunction will remain in effect until the decision in the main action is rendered. The claimant required to file a main action whenever an injunction is sought.

Is a cross-border injunction available and in what circumstances?

No.

Notes

[i] Law 62/2011, of the 12th of December

Patent Litigation in Romania

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Standing

Who is entitled to sue for patent infringement?

The proprietor of a patent may bring proceedings for patent infringement[i]. If the patent belongs to more than one proprietor, each one of them may bring infringement proceedings, provided that they notify the other proprietors.

Exclusive licensees have the right to bring proceedings for patent infringement in respect of any infringements of the patent committed after the date of the licence, and only in relation to infringements that are within the scope of their licence.

In some cases, depending on the terms of the licence, a non-exclusive licensee may be added as a party to proceedings.

Any assignee of the patent may commence infringement proceedings only for acts that have occurred after the assignment and only if the assignment agreement was registered with the National Patents Registry.

Is it possible to join more than one party as a defendant?

Yes, several persons may be joined as claimant or defendant, whenever the case involves a joint obligation or a common right.[ii]

Is there any time limit in which claims for patent infringement must be brought?

A claim for infringement may be filed within the general limitation period of three years, starting from the date when the person entitled to file it knew or had reason to know of both the existence of the infringement and the identity of the person responsible.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

The civil courts have jurisdiction to rule upon any civil claim regarding infringement of a patent. The Tribunal (Romanian county court) is the first instance court. Tribunal decisions may be challenged at the Court of Appeal, and on final appeal to the Supreme Court.

The criminal courts also have jurisdiction over infringement matters, since infringement is a criminal offence. In such a case, the criminal district court is the first instance court.

Criminal proceedings are commenced ex officio every time an infringement occurs. The plaintiff (the patent's proprietor) may then seek to obtain damages in a claim for damages 'attached' to the criminal proceedings or the plaintiff may seek damages by means of a separate parallel claim through the civil courts. Therefore, the plaintiff may seek damages through both the civil and criminal courts.

A claim to revoke a pending patent registration should be initially filed with the State Office for Inventions and Trademarks (OSIM) and will be settled by a review committee of the Appeals Department within OSIM. Such committee decision may be reviewed on appeal by the Tribunal, and on final appeal by the Court of Appeal.

Patent invalidity claims should be filed with the Bucharest Tribunal. The decision can be appealed to the Court of Appeal and a final appeal may be filed with the Supreme Court.

Are declaratory proceedings available?

No

What is the format of the trial?

In civil law cases, the claimant must file a written claim with the competent court of law, setting out the actions

of the defendant that constitute infringement, the legal grounds and the proposed evidence illustrating the infringement. The defendant must then file its statement of defence and supporting evidence.

There is a final hearing called the 'debate phase' where the court will hear the arguments of the parties and review evidence.

How long does it take for a claim to reach a first hearing?

It usually takes between three to five months from the date the claim is filed. As of 15 February 2013, Romania introduced a New Civil Procedure Code that has shortened the amount of time between filing a claim and the hearing.

How long do trials last in patent cases?

Hearings usually take one day. It usually takes between 6 and 9 months from the hearing for a decision to be reached by the court.

Do the judges have technical expertise?

The judges do not have technical expertise, but they are permitted to use experts who will present a technical report.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

The courts will normally stay the proceedings pending the outcome of a related opposition at the EPO if the case at hand depends, totally or partially, on the existence or non-existence of a right which is the subject of the opposition at the EPO.

Evidence

Are expert witnesses used by parties to a patent infringement case?

The parties may submit expert reports as evidence and the judge has discretion whether to admit the reports as evidence. In some cases (and this is common), the judge appoints an expert who will present an expert report.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

Yes. If a judge decides that a document must be disclosed, and asks a party to do so, the party has an obligation to disclose the document, regardless of its confidentiality. Throughout the entire trial the judge has an active role in deciding which documents are relevant to the case and must be disclosed by the parties.

Are preliminary discovery or seizure of evidence/documents available?

The interested party may request preliminary discovery by way of an injunction or the party may apply to the court for seizure of evidence if there is a legitimate danger that such evidence may not exist in the future or it would become difficult to obtain it.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

The Romanian courts do not allow experiments to be presented as evidence in court.

Appeals

What are the possible routes for appeal in your jurisdiction?

Tribunal decisions may be challenged at the Court of Appeal, and on final appeal to the Supreme Court.

On what grounds can an appeal be brought?

An appeal to the Court of Appeal may be brought on both factual and legal grounds. However, a final appeal may be brought only on legal grounds, and such grounds are strictly provided by the law.

What is an approximate timescale for the first/second appeal?

Six to nine months from the date of filing the appeal (for both the first and second appeal).

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

It is difficult to estimate the legal costs as these will depend on the circumstances of the case.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

It is difficult to estimate the legal costs as these will depend on the circumstances of the case.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

Options include mediation and negotiation. ADR is not commonly used by parties in patent litigation.

Does the court require that parties consider these options at any stage in proceedings?

The parties may consider mediation or conciliation at any stage of the proceedings but they are not required to do so by the court.

Remedies

What remedies are available for patent infringement?

The court will first try to restore the parties to their position before the infringement took place. However, usually this is not possible and instead the court will award damages.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages are calculated to cover in full the damage suffered by the patent's proprietor, including the effective losses and the unachieved benefits (i.e loss of profits). The court will only grant the amount of damages that the claimant is able to provide evidence for. The court must be certain that the party suffered or would have suffered this damage.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

As stated above, the court will only award the amount of damages the claimant has been able to evidence.

Is it possible to obtain additional remedies if the infringement was deliberate?

No.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes

If yes, what are the main grounds for which a preliminary injunction can be granted?

A preliminary injunction is available if the claimant succeeds in establishing that it would suffer irreparable harm or injury in the absence of preliminary measures.

A preliminary injunction will be granted if the party can demonstrate that: there is an urgent need for the requested measure; the request will not prejudice the case on the merits; and the requested measure is temporary in nature.

Is it possible to obtain a without notice injunction?

Yes. Where any delay would be likely to cause an irreparable damage to the patent holder, provisional measures may be taken without the need for the defendant to be heard. In this case, the parties will be immediately informed of the measures taken by the court.

How quickly can injunctions be obtained?

One to three months.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

No particular measure is available for the defendant in cases where the claimant applied for "a without notice" preliminary injunction.

If the defendant is present at the preliminary injunction hearing, the only defence is to prove that none of the conditions for granting such injunction are met.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

Yes, it is possible to file an appeal against a preliminary injunction within five days from the date the decision was rendered by the court or from the date such decision was notified to the interested person. The appeal does not automatically suspend the effect of the preliminary injunction. However, provided that the appellant pays a surety, the court may order a temporary suspension of the effect of the injunction.

If a party is awarded an injunction are they liable to provide security?

No. The party awarded an injunction is not liable to provide security.

Are further proceedings on the merits required in order for the court to grant a final injunction?

As a general rule, the Romanian courts will only grant a preliminary injunction if the claimant proves that it has commenced proceedings on the merits prior to filing such a request. However, there is no explicit law requiring this and there are differing legal opinions as to whether a preliminary injunction is available regardless of the existence of any proceedings on the merits of the case.

Is a cross-border injunction available and in what circumstances?

Cross-border injunctions are not available.

Notes

[i] Art. 59(3) Law 64/1991 on Patents.
[ii] Art. 47, Civil Procedure Code.

Patent Litigation in Russia

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Standing

Who is entitled to sue for patent infringement?

A patent owner or an exclusive licensee may sue for patent infringement.

Is it possible to join more than one party as a defendant?

Yes, where common rights or obligations of the infringer, claimant or parties are involved. [i] Generally it is the claimant who requests that another party be added as a defendant. However, in some cases the court can add a party as a co-defendant at its own discretion. Co-defendants may nominate a defendant to conduct the case.

Is there any time limit in which claims for patent infringement must be brought?

There is no special limitation period for patent infringement. The limitation period for civil actions is three years[ii] from the date the person knew or should have known that his rights had been infringed.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Patent litigation proceedings for infringement of patent rights are brought in the courts of first instance at the location of the defendant.[iii] The civil courts resolve disputes involving individuals whereas the so called "arbitrazh" (commercial) courts hear disputes between companies.

Patent invalidity actions are brought into the Chamber of Patent Disputes of the Russian PTO ("CPD"). The decisions of the CPD may be challenged in the Moscow arbitrazh (commercial) court if there are no individuals involved as parties to the dispute or in a court of common jurisdiction if there is at least one individual involved as a party.

It is expected that in 2013 the new special court for intellectual property rights will begin to hear invalidity cases in the first instance. It will also hear patent infringement cases as the court of the second appeal.

Are declaratory proceedings available?

No.

What is the format of the trial?

The court of first instance conducts preparations for the trial and sets a date for a preliminary hearing.[iv] At the hearing, the judge asks the parties to present their evidence and an outline of their written legal position on the case. The judge would also usually ask the parties to prepare and provide their list of potential experts and a list of the questions for technical analysis.

After the preliminary hearing the court sets the date of the first hearing on the merits. During the first hearing on the merits[v] in patent infringement cases the court usually appoints the expert who will conduct the technical examination and approves the questions the expert will consider. In addition, the date for the second substantive hearing will be set. At the second hearing on the merits the judge usually examines evidence including the conclusions of the expert and hears witnesses. The judge will also allow the parties to make oral submissions to the court. In the hearing on the merits experts may be invited to support their statements and to respond any additional arguments of the parties.

How long does it take for a claim to reach a first hearing?

It usually takes about eight months for the case to reach a decision in the courts. Once the trial has commenced, the proceedings will last around 4 to 6 months. A further two months is usual for the decision to be issued. For more information on the format of the trial please see the Evidence section below.

Preliminary contact regarding the infringement is not required and the right holder may file the claim without any formal communication to the infringer.

How long do trials last in patent cases?

A patent case usually involves one or two preliminary hearings and two or three hearings on the substantive issues at the Arbitrazh (commercial) courts. As the hearings are normally scheduled over several week periods, the trial in the first instance usually takes 6-8 months, including the technical examination.

Do the judges have technical expertise?

No. Technical experts are often instructed in patent disputes. Their reports are aimed at helping the judge (who does not possess special knowledge) decide the case.

In the CPD the officials hearing the case normally have the technical knowledge and experience required for the particular dispute.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

Not applicable.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Both expert opinion and witness testimony are admissible forms of evidence under Russian law.[vi] There is also another type of evidence called "specialist consultation", which is described in more detail below.

The court may appoint an expert at the request of the parties or at its own discretion but with the consent of the parties.[vii] In some cases the parties' consent is not required. Almost all patent litigation cases in Russia use technical experts, due to the lack of technical knowledge of the judges.

Parties may choose particular individuals or organisations to act as experts. They should also provide the Court with a draft list of questions that they think the expert should review. The expert chosen from the list of potential experts suggested by the parties, will be appointed by the court to respond a set list of questions. Usually, the questions are fairly broad (e.g. "Does device A use all the features of the independent claim 1 of the invention B protected by the Russia patent No. [ ] or features equivalent thereto"). Several experts can be involved in a single case.[viii] The judge can also authorise the experts nominated by both parties to act jointly.

The experts' findings are summarised in written expert reports. This report is read out during the hearing. Experts may be summoned to appear in court either at the courts' discretion or at the request of the parties.[ix]

Specialists' consultation is an oral consultation given during the hearing by a person who has theoretical and practical knowledge on the subject of the dispute. Specialists may only be called by the court.[x]

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no disclosure/discovery procedure under Russian law. However, the parties should provide the court with sufficient documents and information to prove their legal position.

Copies of all documents submitted to the court are sent to the opposing party.[xi] Generally, a party may only refer to the evidence that was disclosed to other participants of the dispute.[xii]

During the trial the parties may file an application to the judge requesting documents and information from a third party.

The Court may require that the parties present additional evidence that it considers necessary.[xiii] Such evidence must also be disclosed to the other side.

Are preliminary discovery or seizure of evidence/documents available?

Preliminary disclosure and seizure of evidence are not available. The claimant may, however, ask for a preliminary injunction (for example, in the form of a seizure of the infringing goods) to be imposed by the court. It is also possible to have documents/evidence seized in the course of a previous police action, if any.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

There are no specific rules as to whether experiments are allowed as evidence under the Russian law. However, experts may conduct experiments during their

research. Results of such experiments are often included in the expert's report.

There is no need to confirm with the courts whether such experiments may be conducted in advance.

Appeals

What are the possible routes for appeal in your jurisdiction?

Decisions of the courts of first instance may be challenged by filing an appeal to the upper court. Decisions of the CPD may be appealed to the court of first instance. Further appeals can be filed at the Appellate Courts; then at the Courts of Cassation (Courts of the second Appeal); and finally at the High Arbitrazh Court if it is a dispute between companies or at the Supreme Court if at least one of the parties involved is an individual.

An appeal of a CPD decision must be filed at the relevant court of first instance within 3 months of the date of issue of the CPD decision in writing and its confirmation by the Head of the PTO. In infringement cases an appeal should be brought within one month of the date the decision of the court of first instance was issued in full.[xiv]

The second appeal (cassation) must be filed at an upper court within two months of the ruling of the lower court.[xv] An appeal to the High Arbitrazh Court must be filed within three months of the ruling of the lower court.[xvi] An appeal to the High Arbitrazh Court can only be lodged if all other available remedies of legal protection have been exhausted.

On what grounds can an appeal be brought?

Both appeal and a cassation appeal may be brought on the basis of wrong findings of fact or law.[xvii] An appeal may also be brought if important circumstances of the case were not clarified, or if important circumstances were considered established when they had in fact not been proven.

The supervisory review of a case by the High Arbitrazh Court is only possible on points of law.[xviii]

What is an approximate timescale for the first/second appeal?

It usually takes about two to three months for the first appeal, unless the appellate court decides to review the case under the procedural rules of the court of the first instance, in which case the appeal can take up to six months. The second appeal can take up to three months.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The costs of patent litigation may vary significantly as they depend on the particular claims of the party and on the circumstances of the case. Experts' fees should also be taken into consideration. On average the approximate cost of patent infringement litigation in the first instance in Russia could be between €20,000 – 40,000.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The costs of appeals in patent litigation may also vary significantly. On average the approximate cost of patent infringement litigation in the second instance in Russia is between €10,000 – 20,000, unless the appellate court decides to review the case under the procedural rules of the court of the first instance, in which case the costs can be significantly higher.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

Russian law recognises three forms of alternative dispute resolution (ADR) namely negotiation, arbitration and mediation. Negotiation and arbitration are the most widely used means of ADR. For instance, it is common practice for the parties to enter into an agreement to negotiate before initiating any court or arbitration proceeding.

Arbitration can only be used by the parties if an arbitration agreement is in place. The parties usually opt for arbitration due to the lower costs and confidentiality of proceedings. The decision of the arbitrators is binding on the parties (unlike decisions in negotiation and mediation).

Mediation was only introduced in 2010, and still has a rather limited application.

Patent litigation cases cannot be settled by ADR when the subject of the case is a decision of the CPD (for

instance, in patent cancellation cases).[xix] Such disputes can only be decided by the courts.

Does the court require that parties consider these options at any stage in proceedings?

The court does not have the power to compel the parties to use ADR. However, they are required by law to ask parties before the hearing whether they want to use ADR to settle their dispute.[xx]

As a general rule, the parties may at their own discretion turn to ADR at any stage of the proceedings.

Remedies

What remedies are available for patent infringement?

The civil remedies available in patent infringement cases are: (i) an acknowledgement of the patents validity and of the finding of infringement; (ii) an order for the cessation of the infringement; (iii) damages; (iv) confiscation or destruction of the infringing products, equipment and materials; and/or (v) publication of the judgment.[xxi]

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Under Russian law, a party may claim full recovery of damages, including real damages and loss of profits.

If the infringing party has gained subsequent profits, the innocent party may claim lost profits in the amount of the profits gained by the infringing party. This may be claimed in addition to other damages. However, the Russian Courts are traditionally meticulous regarding evidence on the calculation of damages, which can hinder the recovery of damages in patent infringement cases.

In order to recover damages successfully for patent infringement, the claimant must provide the court with a correct calculation of the amount of damages he is claiming, supported by evidence. In many cases this calculation is based on the sales prices of the infringing products and the usual level of royalties for a non-exclusive licence in Russia for similar products. The party seeking compensation must prove the usual royalty rate in the relevant market and in the relevant geographical area by submitting copies of the existing contracts, some statistics, if any, and any other relevant evidence.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The court cannot order an enquiry into damages at its own discretion. However, it has the right to assist the parties in assembling the evidence. It is able to order a third party to disclose information required for calculation of damages if requested by one of the parties.[xxii]

Is it possible to obtain additional remedies if the infringement was deliberate?

No express additional remedies are available for deliberate infringement although the intent of the infringer could aid the recovery of damages at court.

Theoretically, if a legal entity or an individual entrepreneur repeatedly or grossly infringes patent rights the court may, upon the prosecutor's request, issue a decision to liquidate such legal entity or terminate the business activities of such an individual.[xxiii]

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

A preliminary injunction is possible under Russian law. However, in patent disputes, courts rarely grant preliminary injunctions due to the specific nature of the dispute.

If yes, what are the main grounds for which a preliminary injunction can be granted?

The grounds for a preliminary injunction are as follows: (i) a decision not to grant the injunction may seriously complicate enforcement of a final judgment or make such enforcement impossible; or (ii) the applicant may suffer material damage if the injunction is not granted.[xxiv] Only one of these grounds needs to be satisfied.[xxv] However, if these reasons cease to exist, the court may cancel the injunction imposed.[xxvi] The injunctive measure requested must be in proportion to the relief being sought in the claim.[xxvii]

The court may request the payment of security in order to protect the interests of the defendant.

Is it possible to obtain a without notice injunction?

Yes. Information about the grant of a preliminary injunction should be communicated to all parties in the case, [xxviii] but the preliminary injunction application is

considered by the judge *extra partes* (and so the defendant may not have an opportunity to present its arguments in defence). We note that the Russian judges are very cautious as regards the grant of preliminary injunctions, especially in patent infringement cases, where preliminary injunctions are rarely granted.

How quickly can injunctions be obtained?

Applications for an injunction can be considered within one day. In practice, however, it usually takes between two and four days for the Court to consider an application and reach its decision. An injunction comes into force immediately after it is granted.[xxix]

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no particular procedure that can be used to prevent the grant of a preliminary injunction. A defendant may apply to the court to alter the injunction or to offer a security instead of the injunction.[xxx]

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

The defendant may apply to the courts to cancel the injunction.[xxxi] The court must make its decision within five days.[xxxii] Appealing the decision does not suspend the effect of the injunction.

If a party is awarded an injunction are they liable to provide security?

The court may require an applicant to provide security (bank guarantee, deposit etc.) for possible damage caused to the defendant by an injunction[xxxiii], if it later becomes clear that the injunction should not have been granted. The court may order the applicant to transfer a certain sum of money (up to a half of the value of the claim) to the court's account as a form of a security payment.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. After a preliminary injunction is granted, the applicant has 15 days to file a claim on the merits at the court that delivered injunction, otherwise the preliminary injunction will be cancelled.[xxxiv] If the suit is filed, the preliminary injunction functions as an ordinary injunction until the court reaches its final decision.[xxxv]

In order to grant a final injunction, the court must consider the case on the merits and make a decision on substance. In such a case the final injunctions will be awarded (usually, in the form of a seizure of the counterfeited goods), if the respective claims were raised by the claimant initially (as a part of the lawsuit).

If the claim is dismissed, the injunction is also dismissed.

Is a cross-border injunction available and in what circumstances?

No.[xxxvi]

Notes

[i] Art. 46 of the Arbitrazh Procedure Code of the RF
[ii] Art. 196 of the Civil Code of the RF
[iii] Art. 33-35 of the Arbitrazh Procedure Code of the RF, Art. 1248 of the Civil Code of the RF
[iv] Art. 135 of the Arbitrazh Procedure Code of the RF
[v] Chapter 19 of the Arbitrazh Procedure Code of the RF
[vi] Art. 64 of the Arbitrazh Procedure Code of the RF
[vii] Art. 82 of the Arbitrazh Procedure Code of the RF
[viii] Art. 83 of the Arbitrazh Procedure Code of the RF
[ix] Art. 86 of the Arbitrazh Procedure Code of the RF
[x] Art. 87.1 of the Arbitrazh Procedure Code of the RF
[xi] Art. 66 of the Arbitrazh Procedure Code of the RF
[xii] Art. 65 of the Arbitrazh Procedure Code of the RF
[xiii]
[xiv] Art. 259 of the Arbitrazh Procedure Code of the RF
[xv] Art. 276 of the Arbitrazh Procedure Code of the RF
[xvi] Art. 292 of the Arbitrazh Procedure Code of the RF
[xvii] Art. 288, 270 of the Arbitrazh Procedure Code of the RF
[xviii] Art. 304 of the Arbitrazh Procedure Code of the RF
[xix] Art. 248 of the Arbitrazh Procedure Code RF
[xx] Art. 153 of the Arbitrazh Procedure Code of the RF
[xxi] Art. 1252 of the Civil Code of the RF
[xxii]
[xxiii] Art. 1253 of the Civil Code of the RF
[xxiv] Art. 90 of the Arbitrazh Procedure Code of the RF
[xxv] Informational letter of the Presidium of the Supreme Arbitrazh Court of the Russian Federation No.78 dated 7 July 2004, section 1
[xxvi] Informational letter of the Presidium of the Supreme Arbitrazh Court of the Russian Federation No.78 dated 7 July 2004, section 14
[xxvii] Art. 91 of the Arbitrazh Procedure Code of the RF
[xxviii] Art. 93,99 of the Arbitrazh Procedure Code of the RF
[xxix] Art. 96 of the Arbitrazh Procedure Code of the RF
[xxx] Art. 94, 95 of the Arbitrazh Procedure Code of the RF
[xxxi] Ruling of the Supreme Arbitrazh Court No. 55, dated 12 October 2006, section 22
[xxxii] Art. 97 of the Arbitrazh Procedure Code of the RF
[xxxiii] Art. 94 of the Arbitrazh Procedure Code of the RF
[xxxiv] Art. 99 of the Arbitrazh Procedure Code of the RF
[xxxv] Art. 96 of the Arbitrazh Procedure Code of the RF
[xxxvi] Ruling of the Supreme Arbitrazh Court No. 55, dated 12 October 2006, section 33

Spain

Patent Litigation in Spain

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Standing

Who is entitled to sue for patent infringement?

A patent proprietor may bring patent infringement proceedings. If the patent is owned by more than one party, each of the co-owners may individually bring such proceedings (unless agreed to the contrary) and that party must notify the other co-owners.

Unless agreed otherwise, an exclusive licensee may, on its own behalf, bring patent infringement proceedings. A non-exclusive licensee does not have such a right but may petition to the proprietor, by means of a Notary order, and if the patent owner does not commence proceedings within three months, the non-exclusive licensee may file a suit on its own behalf (and must notify the patent holder).

Is it possible to join more than one party as a defendant?

It is possible to join any number of parties as a defendant in the same proceedings, even following the filing of the suit, by either adding parties or by combining actions into a single set of proceedings. There must be a connection between the actions and it must be desirable to do so. For example, if there are multiple infringers of a single patent (the connection), it is likely the court will consider it desirable to add the defendant and hear the dispute together (as evidence, disclosure, experts etc. may be similar).

Is there any time limit in which claims for patent infringement must be brought?

Proceedings must be brought within 5 years from the date when the infringing actions could have been pursued in litigation proceedings. Please note that the criteria established in the Spanish Patent Act are subjective and will need to be decided on case by case basis.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

The Commercial Courts deal with patent proceedings. There are several Commercial Courts across Spain. The court that has jurisdiction will be the court where (i) the defendant is located; or (ii) where the infringing activities have taken place.

Infringement and validity are decided in the same proceedings.

Are declaratory proceedings available?

They are, although it is unusual to request only declaratory proceedings.

What is the format of the trial?

First, there is a preliminary hearing where the parties present their statements of case in writing and then they proceed to an oral hearing asking the court for approval to admit certain evidence (including witness statements and expert reports). Following the preliminary hearing, the parties prepare their evidence that will then be examined at the trial. The next stage is the trial. At the trial the parties argue their case in full. The trial starts with the cross-examination of both the plaintiff and the defendant, followed by the cross-examination of witnesses and experts. The parties take turns to make their submissions.

How long does it take for a claim to reach a first hearing?

On average, cases in the Commercial Court take approximately 2-3 years to reach trial.

How long do trials last in patent cases?

Trials are generally limited to one/two days. The judge ensures the case can be heard in this limited time by

active case management, early identification of the issues, and limited evidence and witnesses.

Do the judges have technical expertise?

Since 2003, Commercial Court judges have become more specialised in intellectual property, which has raised the bar of expertise across the board, and particularly so in Alicante and Barcelona. They do not have technical or scientific expertise per se, but they have become more adept at dealing with patent disputes.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

If required by law or requested by both parties, the court clerk may stay the execution of proceedings prior to the judgement until the matter has been resolved by the EPO. It is not possible for only one party to stay the case.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Parties are entitled to instruct expert witnesses to provide evidence to support their case. In patent cases, experts are often instructed to give expert opinion on common general knowledge, sufficiency, novelty and inventive step. In general, the judge will accept an expert report. In addition, the court may itself appoint an expert if necessary.

The experts will usually be asked to produce a written report which is submitted as evidence. Subsequently, the expert will appear as a witness in the trial and will be cross-examined.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no general disclosure but parties may request that specific information which is relevant to the trial be provided. Disclosure of specific documents may be ordered either during the pre-trial stage and/or at trial upon request by one of the parties. Any information, which is relevant to the hearing, may be requested. The law also specifically states that information on (i) the names and addresses of producers, manufacturers, distributors, suppliers and merchandise and service providers; (ii) names and addresses of wholesalers and retailers to whom the allegedly infringing goods have been distributed; and (iii) amounts of infringing goods produced, distributed, received, orders and the sums paid for such, must be disclosed.

Are preliminary discovery or seizure of evidence/documents available?

It is possible to make an application to court for disclosure before proceedings have commenced. The order is at the discretion of the judge.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

No, experiments are not allowed. The parties submit expert reports.

Appeals

What are the possible routes for appeal in your jurisdiction?

An appeal is lodged at the Provincial Court of Appeal of the city where the first instance hearing has been held. A party has 20 days in which to file its appeal from the date of the decision.

In certain circumstances, a final appeal can be lodged at the Supreme Court.

The final appeal must be filed within 20 days from the day following notification of the appeal decision.

On what grounds can an appeal be brought?

An appeal may be brought if the decision of the lower court was wrong or if there was a procedural irregularity. The appeal courts will not rehear the case. In general, factual issues are not considered in the appeal. Further evidence is only permitted on appeal in limited circumstances.

Judgments handed down at appeal stage will have recourse to final appeal when (i) they concern guardianship of fundamental rights; (ii) the value of the matter at trial surpasses € 600,000; or (iii) when the matter at trial is of interest for final appeal (judgments in conflict with case law or provincial appeal courts).

What is an approximate timescale for the first/second appeal?

On average it takes about 12 months for the first appeal, and another 12-20 months for the appeal before the Supreme Court.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs in patent litigation in the Commercial Court can vary considerably. In less complex patent litigation costs may be in the range of €35,000 to €50,000. In more complex litigation, average costs are in the region of €250,000.

As mentioned above, costs that a successful party may recover are limited to those minimum amounts set forth by the Madrid Bar Association and some of the expenses incurred (i.e. expert reports).

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The costs of appeals in patent litigation can also vary significantly. They are normally 50% of the fees at first instance.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR are mediation, negotiation and arbitration. Parties will use arbitration if required by contract. A key point to note is that decisions in negotiation and mediation are non-binding, whereas the arbitration decision is binding on the parties. Arbitration is used more than mediation in patent proceedings.

Does the court require that parties consider these options at any stage in proceedings?

No. The judge will only consult the parties on whether they have reached an agreement in the preliminary hearing.

Remedies

What remedies are available for patent infringement?

The court may order (i) the termination of the infringing acts by way of a final injunction; (ii) damages; (iii) seizure of infringing items (the value of which may offset compensation for damages); (iv) the adoption of measures to avoid the continued infringement of the patent (including destruction of infringing goods); and/or (v) publication of the judgment to interested parties.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages due to the patent proprietor shall not only include the loss suffered, but also the loss of profit to the patent owner from the infringement.

The patent holder can elect between the following two methods for calculating damages:

- ✓ The financial gain that the patent proprietor would have foreseeably obtained from the use of the patented invention had there not been unauthorised competition, and the financial gain that the infringer obtained from the use of the patented invention.
- ✓ The amount that the infringer would have paid to the patent proprietor for a licence to use the patent. To determine this amount, various factors will be taken into account including the economic importance of the patented invention, the number of type of licences granted at said time etc.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

No, under Spanish law the claimant must submit evidence and arguments for the amount of damages that is sought. There are no separate proceedings for this.

Is it possible to obtain additional remedies if the infringement was deliberate?

There is no specific legislative provision for deliberate infringement. However, this will be considered by the Court in terms of moral damages.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes.

If yes, what are the main grounds for which a preliminary injunction can be granted?

There are three conditions that must be met. First, there must be a presumption of sufficient legal basis that the patent is owned and that it is being infringed. Secondly, there must be a danger to the rights holder if the relief is delayed. Thirdly, the rights holder must provide security.

Is it possible to obtain a without notice injunction?

Yes, it may be requested in urgent cases, and the judge will decide if it is appropriate.

How quickly can injunctions be obtained?

It is possible to obtain an injunction within a period of one to three months.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no particular procedure that can be used specifically to prevent the granting of a preliminary injunction. If a party has grounds for challenging the validity of the patent, it may wish to launch a validity challenge in the courts before a preliminary injunction can be filed. The courts would take this into consideration when exercising its discretion to grant an injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

In general terms, it is not possible to lodge an appeal against an injunction, i.e. once it is granted the defendant cannot lodge an appeal.

However, in certain circumstances and only before the judgment on an injunction is passed, the defendant might be awarded the possibility of appealing it.

There are two relevant scenarios: (i) where there is a judgment with no prior hearing the defendant has no opportunity to appeal the injunction; and (ii) where there is a prior hearing, the defendant can lodge an appeal (but only before the judgment).

As a consequence, there is no situation where an appeal can be lodged after the injunction has been approved.

If a party is awarded an injunction are they liable to provide security?

Unless expressly stipulated to the contrary, the petitioner of the injunction shall provide a security sufficient to satisfy the damages that a wrongly granted injunction may cause to the defendant.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. The party must commence proceedings on the merits within 20 days of the grant of a preliminary injunction or the injunction is null and void. At the proceedings on the merits, the judge may order a final injunction.

Is a cross-border injunction available and in what circumstances?

No, cross border injunctions are not available in Spain.

Switzerland

Patent Litigation in Switzerland

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Standing

Who is entitled to sue for patent infringement?

The owner of the patent and – unless the license agreement explicitly stipulates the contrary – an exclusive licensee are entitled to sue for patent infringements.[i]

If the patent is owned by two or more parties, any one of those parties may sue for patent infringement unless agreed otherwise by the co-owners. [ii]

Is it possible to join more than one party as a defendant?

Yes, it is possible to initiate patent infringement proceedings against more than one party in the same proceedings, provided the same court is competent for all.

Further, under certain conditions a court may transfer ongoing proceedings to another court if there is a connection between the proceedings which requires that both proceedings be decided by the same court in order to avoid contradictory decisions. [iii]

Is there any time limit in which claims for patent infringement must be brought?

Actions for injunctive relief: There is no statute of limitations. However, such claims become forfeited if (i) the claimant has had knowledge of the infringement, and has tolerated it, for a certain period of time (the length thereof depending on the circumstances; may be as low as 1 year but can increase to a few years, a maximum of 5 years is deemed to be a good rule of thumb) and (ii) the infringing party was acting in good faith and has acquired a position worthy of protection in relation to the use of the relevant invention.

Financial claims are – in addition to the potential forfeiting of claims as described above – subject to statutes of limitations as follows:

Damages claims: If the defendant acted negligently, damage claims become time-barred one year from the date on which the claimant became aware of the damage and the identity of the party liable, but in any event ten years after the date on which the loss or damage was caused.[iv] If the defendant acted deliberately, patent infringement constitutes a criminal offence. In such cases the statute of limitation for damage claims is seven years from the date of such wilful patent infringement, if this is longer than the limitation periods for cases where the defendant acted negligently.[v]

Claims for account of profits: Claims become time barred one year after the date on which the claimant obtained knowledge of the essential elements giving rise to such claims, and at the latest after 10 years from the date of infringement.[vi] So far, there is no case law confirming that a *wilful* patent infringement would lead to the application of the seven year period as in the case of damage claims. Therefore, for the time being we do not recommend relying on the application of the seven year period in cases of deliberate infringement.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Patent infringement and invalidity proceedings are both heard in the Federal First Instance Patent Court. Infringement and validity claims may be (and as a rule are) decided in the same proceedings, as it is almost standard procedure for the infringer to claim invalidity.

Are declaratory proceedings available?

Yes, declaratory relief is available[vii] for a declaration about a patent's validity or its infringement, but according to the Swiss Federal Supreme Court's practice only if there is no other remedy available (such as an infringement action or a damages claim).

What is the format of the trial?

An action is initiated by the filing of a detailed written statement of claim (including existing evidence, or evidence to be collected such as expert opinion) which is followed by a written statement of defence (again including evidence filed or to be taken). As a rule, there will then be a second exchange of pleadings, followed by either an oral hearing (rather rare) or the taking of evidence. Thereafter, the parties will have the opportunity to comment on the results of the taking of evidence.

How long does it take for a claim to reach a first hearing?

On average this takes about 12 to 18 months.

How long do trials last in patent cases?

This question is not applicable as oral hearings are rather rare. If hearings are held they typically do not take longer than half a day.

Do the judges have technical expertise?

Yes. 25 of the 38 judges of the Federal Patent Court have a scientific academic background.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

The Federal Patent Court has discretion to stay proceedings pending the outcome of a related opposition at the EPO.[viii] At present, court practice has not established the conditions under which a stay will actually be granted.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Witnesses are permitted, but are considered to be something of a last resort for evidence.

If either party requests an expert opinion, they are permitted to submit suggestions for such expert, but the Court will determine and appoint the expert. If a judge of the Federal Patent Court has the necessary technical expertise, his/her statement may complete or replace an expert opinion. Any expert statement shall be presented in writing. The parties must be granted the opportunity to comment on the written opinion of the expert or the knowledgeable judge.

An expert does not appear as a witness in the formal sense, and clearly a knowledgeable judge will also not appear as a witness, but the court may hold a hearing where the parties can ask the expert questions.

However, a party may call a witness who has technical expertise who will not give an expert opinion but will answer questions of fact (similar to a regular witness, but using his/her technical background).

Parties may choose to hire their own experts and file their written opinions. However, such opinions are strictly deemed to be part of the pleadings and have no evidential power.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There are no US- or UK-style discovery proceedings in Swiss law. A party may make a request to the Court, in pending litigation or in preliminary proceedings, to order the other party to produce documents in its possession. However, such documents and their relevance for the proceedings must be reasonably *specified* and the Courts will not allow any "fishing" for evidence. A general petition that "all relevant documents" have to be produced or seized will not be allowed.

Are preliminary discovery or seizure of evidence/documents available?

A party may make ask the Court at any time before an action has been initiated to obtain evidence/seize documents (including an order that another party has to produce documents), if this is necessary to secure the availability of such evidence in future proceedings, or if there is another legitimate interest of the requesting party. The evidence to be produced or seized must be reasonably specified.

As another form of preliminary evidence, a Court may, upon request by a party, order another party to precisely describe a technical process or a product, if the requesting party demonstrates with a certain probability that such process or product might infringe a patent of the requesting party. Again, the party must reasonably specify the process or product, and the evidence shall only confirm or deny such specification (that is, again no "fishing"). The result may then serve to help a party to decide whether to initiate a patent infringement action.

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments are allowed, but are in practice solely carried out by the expert, without the need to be agreed between the parties or approved by the court.

Appeals

What are the possible routes for appeal in your jurisdiction?

Appeals from the Federal Patent Court are to the Federal Supreme Court.

On what grounds can an appeal be brought?

Possible grounds for an appeal are (i) violations of law or (ii) the Court relying on facts which were evidently incorrect and had an influence on the decision.

What is an approximate timescale for the first/second appeal?

There is only one opportunity for appeal (see response to question on possible routes for appeal above). An appeal will typically last between 6 and 18 months.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs can vary significantly from case to case. An average range for a relatively simple case, from CHF 150'000 to CHF 300'000 (€125,000 – €250,000).

What would be the estimated legal costs of patent litigation proceedings for an appeal?

For an average case, i.e. only a legal review (no second expert opinion, no remand to first instance), the range would be CHF 10'000 to 20'000 (€8,000 to €17,000).

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

Alternative dispute resolution (such as arbitration or mediation) although permitted, is rare.

Patent infringement cases are rarely referred to arbitration since normally there is no agreement, and therefore no arbitration clause in place between the claimant and the defendant.

Does the court require that parties consider these options at any stage in proceedings?

No. However, the Federal Patent Court will usually hold a hearing to try and seek an amicable settlement if it reasonably expects that the parties are amenable to such a proposal.

Remedies

What remedies are available for patent infringement?

Injunctive relief: A party may ask the Court to order the other party to stop a current infringement and/or to abstain from a future infringement if the claimant has reasons to believe that such future infringement is about to occur.

Damages: If the defendant acted wilfully or negligently, the claimant may ask for compensation for the damage caused by the patent infringement. The evidential requirements of the court to prove damage are very strict; in particular, there is no provision for damages to be assessed on an estimated reasonable royalty.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

The basis for damages is strictly financial data, to be alleged and proven by the claimant. There is no concept of reasonable royalty.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

No, the court will not order an enquiry into damages.

Is it possible to obtain additional remedies if the infringement was deliberate?

No. It does not matter whether the defendant acted deliberately or negligently. However, a deliberate infringement may constitute a criminal offence.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes. A party may request an interim order to prevent ongoing infringement or to prevent anticipated future infringement.

If yes, what are the main grounds for which a preliminary injunction can be granted?

The applicant has to reasonably (as opposed to strictly) convince the Court that (i) the opponent is infringing a valid patent or is about to infringe a valid patent and (ii) that such infringement will harm the applicant in a manner not reparable by awarding financial relief and (iii) that an injunction is a proportionate means under the circumstances and, in particular, that the urgency of the matter is such that it cannot wait until a permanent decision could be obtained in regular proceedings.

Is it possible to obtain a without notice injunction?

Yes, but ex parte injunctions are very rarely granted, because the courts place more value on the right to be heard than on obtaining a speedy (and potentially wrong) decision.

How quickly can injunctions be obtained?

Ex parte injunctions are available within one to two business days. Regular injunctions may take from a few weeks to several months. It will take months if the patent owner cannot reasonably show that he has a valid patent and/or that such patent is being infringed, in which case a summary expert opinion is necessary.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

If a party has reason to believe that a party will apply for an ex parte injunction against it, he may set out his position by filing a protective letter. The potential claimant will only be served with a copy of the protective letter if that party actually applies for an injunction. The protective letter has the effect of reducing the risk of the court issuing an ex parte injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

Yes, it is possible to appeal against a preliminary injunction. Such appeal will go to the Federal Supreme Court. The grounds for such appeal are limited to the breach of constitutional rights.[ix]

The appeal does not itself suspend the effect of the injunction. However, a party may request that the Federal Supreme Court orders a suspension but it is in the court's reasonable discretion whether to do so.

If a party is awarded an injunction are they liable to provide security?

If the injunction has the potential to cause loss or damage to the opposing party – which is normally the case with injunctions in patent proceedings – the Court may make the interim measure conditional upon the payment of security by the applicant.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. If the main proceedings have not yet been initiated the Court will set a deadline for their initiation.

Is a cross-border injunction available and in what circumstances?

If the defendant has its domicile in Switzerland cross-border injunctions are available. In all other situations the question is much disputed, as is the question of when or if at all cross-border injunctions from a foreign country are enforceable in Switzerland. The same is true for 'torpedoes' in another jurisdiction.

Notes

[i] Art. 75 Patent Act; "PA"
[ii] Art. 33 para. 3 PA
[iii] Art. 127 Swiss Civil Procedure Code
[iv] Art. 60 para. 1 CO
[v] Art. 60 para 2 CO and Art. 97 and 98 Swiss Penal Code
[vi] Art. 67 CO; BGE 126 III 383 E. 4
[vii] Art. 74 PA
[viii] Art. 128 lit. b PA
[ix] Art. 98 Federal Act on the Federal Supreme Court

Patent Litigation in UK

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Standing

Who is entitled to sue for patent infringement?

The proprietor of a patent may bring proceedings for patent infringement.[i] This includes both the legal and equitable owners of the patent. If the patent is owned by two or more parties, any one of those parties may initiate infringement proceedings without the consent of the other co-owners. However, the other co-owners must be made parties to the proceedings (and they will not be liable for costs unless they take part in the proceedings).

Exclusive licensees have the right to bring proceedings for patent infringement in respect of any infringements of the patent committed after the date of the licence,[ii] and only in relation to infringements that are within the scope of their licence. The patentee must be joined as a defendant but he will not be liable for costs unless he takes part in the proceedings.

Is it possible to join more than one party as a defendant?

It is possible to join any number of parties as a defendant in the same proceedings. The court has discretion to add a party to proceedings if it is desirable to do so to resolve the issues. Similarly if there is an issue involving the new party that is connected to the dispute between the existing parties, and if it is desirable to do so, the new party will be added to proceedings. For example, if there are multiple infringers of a single patent (the connection), it is likely the court will consider it desirable to add the defendant and hear the dispute together (because evidence, disclosure, experts etc may be similar).

Is there any time limit in which claims for patent infringement must be brought?

The limitation period for patent infringement claims is 6 years from the date the cause of action began.[iii] The cause of action begins from the date the infringing act occurs. Also note that no action can be brought until the patent is granted.

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Patent litigation for both infringement and invalidity proceedings in England and Wales can be heard in either the Patents Court (which is part of the Chancery division of the High Court) or in the Patents County Court (the 'PCC'). Validity and infringement proceedings will be heard together.

The PCC is intended to provide a less costly and less complex alternative to litigation in the Patents Court, particularly for small and medium sized organisations. There is a £500,000 cap on the maximum amount of damages/account of profits that can be claimed. The trial procedure is streamlined to take just two days. The judge in the PCC will actively manage the case to ensure the case is dealt with efficiently. The award of costs that a winning party may claim is capped at £50,000.

For more complex patent litigation, or where more substantial damages/account of profits are being claimed, the dispute will be heard in the Patents Court.

Invalidity challenges may also be brought before the UK Intellectual Property Office.

Are declaratory proceedings available?

A party can apply to the court (both the Patents Court and the PCC) for a binding declaration of non-infringement. It is possible to apply for this order without there being a pre-existing dispute although this is very unusual.[iv]

What is the format of the trial?

Before the trial, the parties deliver to the specialist judge: (i) an outline of their legal case ('skeleton arguments'); (ii) statements of case; (iii) witness statements; (iv) expert reports; and (v) a copy of legal authorities.

At the trial, each party will make oral submissions to the court to outline their case. Any witnesses that are giving oral evidence will be called and cross-examined. The parties then make closing statements (usually orally, sometimes in writing).

In the PCC, the court must give permission in advance (usually at the case management conference) for cross-examination of witnesses and experts at the trial.

How long does it take for a claim to reach a hearing?

On average, cases in the Patents Court take approximately 12 – 18 months to reach trial and cases in the PCC take approximately 9 – 15 months to reach trial. There is evidence to suggest that the average time to trial in the PCC is decreasing (the aim is for cases to be heard within 9 months).

How long do trials last in patent cases?

Trials in the Patents Court are not limited and can take between 2 days to 2/3 weeks depending on the complexity of the issues, and in particular the complexity of the technology involved.

The PCC endeavours to ensure that trials do not last longer than two days; indeed many trials in the PCC are heard in a single day. The judge ensures the case can be heard in this limited time by active case management, early identification of the issues, and limited evidence and witnesses.

Do the judges have technical expertise?

There are specialist patent judges in the both the Patents Court and the PCC. The judges have many years' experience in patent litigation as barristers before joining the judiciary. They often also have a scientific academic background.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

A party may apply to the courts to stay proceedings pending the outcome of the EPO opposition. The court has discretion whether to make the order. In exercising the court's discretion, the judge will consider various factors[v], including: (i) the need to achieve the balance of justice; (ii) the stay is not automatic; (iii) the possibility of duplicate proceedings is inherent in the European patent system; (iv) the length of time that it will take for national and EPO proceedings to reach a decision (certainty for the parties is important, the sooner this can be achieved the better); (v) the parties views on the need for commercial certainty; and (vi) any other relevant factors (such as the cost of duplicate proceedings). However, in practice, it is rare for the court to grant such a stay.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Parties are entitled to instruct expert witnesses to provide evidence to support their case. In patent cases, experts are usually instructed to give their expertise on common general knowledge, sufficiency, novelty and inventive step. Before trial there will be a case management conference where the judge will ensure that there is a need for expert evidence and that the expert is directed to relevant issues only. There is no court appointed expert, but the experts appointed by the parties owe a duty to help the court on matters within their expertise. This obligation to the court overrides any obligation to the party who instructed them.

The experts will usually be asked to produce a written report which is submitted as evidence in the trial. In most cases, the expert will appear as a witness in the trial and will be cross-examined. Although, note that in the PCC cross-examination of witnesses is strictly controlled and is only allowed with permission from the judge.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

In non-patent litigation, the court makes an order for 'standard disclosure' whereby a party must disclose any documents (in his control): (i) that he will rely on; (ii) that will adversely affect his case; (iii) that will adversely affect another's case; or (iv) that will support another's case. However, new disclosure rules were introduced in England & Wales in April 2013. There will no longer be an assumption that standard disclosure will apply. Instead, the judge will have a "menu" of disclosure options, for example disclosure on an issue by issue basis, disclosure for documents to be relied on, specific document disclosure.

There are specific rules for patent infringement cases.[vi] Documents relating to validity of the patent need only be disclosed if they are dated within the two years before or two years after the earliest priority date of the patent.

The alleged infringer often provides a product and process description instead of providing standard disclosure in relation to infringement. The alleged infringer should take steps to ensure that this description is accurate and comprehensive (otherwise there may be cost consequences).

In addition to disclosure of documents at trial, it is possible for parties to request pre-action disclosure. This is appropriate where: (a) the parties are likely to be party to proceedings; (b) the court is satisfied that the document would be a disclosable document at trial and in addition; and (c) the pre-action disclosure is desirable to dispose fairly of the anticipated proceedings and where it would assist in saving costs.[vii] It may also be possible to obtain disclosure from a non-party in certain circumstances.[viii]

Also note that a party cannot rely on any document he fails to disclose unless the court grants permission.[ix]

Are preliminary discovery or seizure of evidence/documents available?

It is possible to make an application to court for disclosure before proceedings have commenced. The order is at the discretion of the judge and is only available where (i) the applicant can demonstrate that the applicant and respondent are likely to be parties to subsequent proceedings; (ii) the documents are of the type that would be disclosed under standard discovery; and (iii) the disclosure will dispose of subsequent proceedings or will assist in such disposal or save costs. In relation to (i), 'likely' means 'may well' and not necessarily 'more probable than not'.

Are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Parties are entitled to use experiments to substantiate their case. The party seeking to rely on an experiment has to notify the other party that it intends to do so.[x] The notice must give full details of what the experiment is intending to prove and how it will be conducted. The party will then apply to the court for directions as to experiments (or this may form part of the orders considered in the case management conference).

Appeals

What are the possible routes for appeal in your jurisdiction?

Appeals from both the Patents Court and the PCC lie to the Court of Appeal. A final appeal can then be made to the Supreme Court. In very rare situations, the High Court may allow an appeal directly to the Supreme Court.

A party wishing to appeal must apply for permission to appeal from either the first instance court or from the Court of Appeal. An appeal must be applied for within 21 days of the date of the decision of the lower court.[xi]

On what grounds can an appeal be brought?

An appeal may be brought if the decision of the lower court was wrong or if there was a procedural irregularity. The appeal courts will not rehear the case. Generally factual issues are not considered in the appeal. Further evidence is only permitted on appeal in limited circumstances.

An appeal to the Supreme Court is only permitted if there is a significant point of law or policy that needs to be decided.

What is an approximate timescale for the first/second appeal?

On average it takes about 14 months for the first appeal, and another 12 months for a second appeal (if available).

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

Costs in patent litigation in the Patents Court can vary hugely. Average costs are in the region of £50,000 - £500,000, but may be much higher in complex cases.

As mentioned above, costs that a successful party may recover in PCC are limited. There is an overall cap of £50,000 on the recoverability of costs. In addition, there are caps for each of the stages of proceedings (pre-trial, case management conference, disclosure, trial etc). In practice, the parties will often spend more.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The costs of appeals in patent litigation can also vary significantly. Average costs would be in the region of £100,000 - £200,000.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

The main forms of ADR are mediation, negotiation and arbitration. Negotiation is frequently used in patents disputes, but mediation and arbitration are far less common than in other commercial disputes.

Does the court require that parties consider these options at any stage in proceedings?

The Patents Court and the PCC will seek to encourage parties to use ADR to settle disputes at any stage of the proceedings. The courts are required under the Civil Procedure Rules to actively manage cases, which includes the obligation to encourage parties to use ADR where appropriate. However, the courts cannot compel parties to use ADR.[xii] Refusing to engage in ADR can have costs consequences.[xiii]

The courts have power to order a stay of proceedings so that the parties can consider ADR.

Remedies

What remedies are available for patent infringement?

The remedies available in patent infringement cases are: (i) damages or an account of the profits derived from the infringement; (ii) a declaration that the patent is valid and has been infringed; (iii) an order for delivery up or destruction of the infringing product; and/or (iv) an injunction. For further details on injunctions, see below.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

A successful claimant can elect between damages or an account of profits. Courts award damages to restore the successful party to the position they would have been in but for the infringement (and they are not punitive in nature).

Claimants may seek damages on two bases:

(i) to compensate them for lost profits on the sales made by the infringing party, but for the infringement, the claimant would have made (the claimant must prove that those profits are a direct result of the infringement); and

(ii) a reasonable royalty on other sales made by the infringing party. When the courts are assessing a reasonable royalty, the courts consider what royalty would be agreed between a willing licensor and willing licensee. In determining the royalty rate, the court will consider relevant factors including the practice as regards royalties in the relevant trade, and expert opinion.

When awarding damages, the courts will make their assessment taking into account the negative economic consequence, including any lost profits the claimant has suffered and any unfair profits made by the defendant, and elements other than economic factors, including the moral prejudice caused to the claimant. [xiv]

Parties rarely seek to recover an account of the defendant's profit made as a result of the infringing activity as the sums awarded are usually less than damages.

Damages can be claimed from the date the infringing act began (although bear in mind there is a 6 year limitation period). Also note that interest is recoverable.

As mentioned above, for cases in the PCC there is a cap of £500,000 on the level of damages that can be awarded.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The courts have discretion whether to order an enquiry into damages, although it usually chooses to make such an order. Whilst the court has the power to order the defendant to give full disclosure in relation to its profits/sales etc, the court usually controls the enquiry and limits the disclosure required. The enquiry will usually involve a substantial trial.

Is it possible to obtain additional remedies if the infringement was deliberate?

Whilst there is no specific provision granting additional remedies in cases where the defendant was a deliberate or wilful infringer, the court should consider 'moral prejudice' caused to the claimant when determining the amount of damages to award (see above).

Injunctions

Is it possible to obtain a preliminary interim injunction in your jurisdiction?

Yes, interim injunctions are a discretionary remedy that the courts (both the Patents Court and the PCC) may award. A party may apply where they believe there is either actual patent infringement or a threat of patent infringement. This is particularly common in claims against generic pharmaceutical companies.

The court will often order that the trial be expedited instead of granting an order for an interim injunction.

If yes, what are the main grounds for which a preliminary injunction can be granted?

A court will only make an order for an interim injunction if it is satisfied that: (i) there is a serious question to be tried; (ii) damages would not be an adequate remedy; and (iii) the balance of convenience lies in granting the injunction.[xv]

The courts have interpreted a 'serious question to be tried' to mean that there is a claim with substance that is not merely frivolous. [xvi] There must be a real prospect of succeeding in a final permanent injunction.

When considering whether damages are adequate, in pharmaceutical cases involving generics the significant financial implications of the generic's entry into the market has often led the court to the conclusion that damages would not be adequate and have awarded the injunction sought.

Is it possible to obtain a without notice injunction?

Yes, without notice injunctions are available in cases of urgency. However, this is rare in patent cases.

How quickly can injunctions be obtained?

It is possible for without notice injunctions to be obtained within a very short period (under 24 hours). With notice injunctions will usually be heard and decided within 2-4 weeks in patent cases.

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no particular procedure that can be used specifically to prevent the granting of a preliminary injunction. If a party has grounds for challenging the validity of the patent, it may wish to launch a validity challenge in the courts before a preliminary injunction can be filed. The court would take this into consideration when exercising its discretion to grant an injunction.

Is it possible to appeal against an injunction and if so, does this suspend the effect of the injunction?

It is possible to apply for permission to appeal a decision to grant an interim injunction. Generally, the Court of Appeal is reluctant to reverse a decision on interim injunctions unless there is an error of law.

The appeal does not suspend the effect of the injunction unless there are persuasive grounds to the contrary.

If a party is awarded an injunction are they liable to provide security?

If an injunction is granted, the applicant will be required (in most cases) to make a cross-undertaking in damages (so that the respondent is compensated if it later becomes clear that the injunction should not have been ordered).

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. The interim injunction will remain in effect until the decision in the main trial. The court has discretion whether to order a final injunction.

Is a cross-border injunction available and in what circumstances?

Following a recent decision in the High Court[xvii], it is now possible to obtain a cross-border declaration of non-infringement (although, note that this decision is being appealed). However, at present the courts are not willing to grant cross-border injunctions for patent infringement cases.

Notes

[i] s60 Patents Act 1977
[ii] s67 Patents Act 1977
[iii] s2 Limitation Act 1980
[iv] Nokia Corp v Interdigital Technology Corpn [2006] EWCA Civ 1618
[v] Glaxo Group v Genentech [2008] EWCA Civ 23
[vi] Civil Procedure Rules Part 63, Practice Direction – Intellectual Property Claims, para 6.1
[vii] Civil Procedure Rules r.31.16
[viii] Civil Procedure Rules r.31.17
[ix] Civil Procedure Rules, r.31.21
[x] Civil Procedure Rules Part 63, Practice Direction – Intellectual Property Claims, para 7.1 -7.3
[xi] Civil Procedure Rules, r.52.4(2)(b)
[xii] Halsey v Milton Keynes General NHS Trust [2004] EWCA Civ 576.
[xiii] CPR, r.44.5(1)(a)(ii) The courts must have regard to the 'efforts made before and ruing the proceedings to try and resolve the dispute'.
[xiv] Intellectual Property (Enforcement) Regulations 2006, SI 2006/1028 implementing Directive 2004/48/EC article 13
[xv] American Cynamid Co v Ethicon Ltd [1975] EC 396 HL
[xvi] Mothercare Ltd v Robson Books Ltd [1979] FSR 466.
[xvii] Actavis Group HF v Eli Lilly & Co.; Medis EHF v Eli Lilly & Co [2012] EWHC 3316 (Pat)

Patent Litigation in Ukraine

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Standing

Who is entitled to sue for patent infringement?

The patent owner is entitled to sue for patent infringement. Licensees have the right to sue for infringement on behalf of the owner subject to its consent.[i]

An exclusive licensee has the right to bring a claim on his own behalf in the same way as a patent owner. However, a non-exclusive licensee may sue only if he is specifically authorised by the terms of his license.

Is it possible to join more than one party as a defendant?

A claim for patent infringement may be brought against several defendants where (i) the dispute concerns the rights and duties of several defendants; (ii) the rights and duties of several defendants arise from the same legal relationship; or (iii) the subject matter of the dispute involves the same type of rights and duties.[ii]

Each of the co-defendants should act on its own behalf. In civil proceedings co-defendants may authorise one of them to represent the others.

Is there any time limit in which claims for patent infringement must be brought?

The limitation period for patent infringement claims is 3 years from the date the claimant knew or could have reasonably known of the infringement or identified the infringer.[iii]

Timing and Forum

In what court are patent litigation proceedings brought in your jurisdiction? Are infringement and validity decided in the same proceedings?

Infringement and invalidity proceedings can be brought before a commercial or a general civil court. The commercial courts hear disputes where both of the parties are legal entities, whereas the general civil courts hear disputes where at least one of the parties is natural person. In a claim for the invalidation of a patent, the Ukrainian Patent and Trademark Office and the natural person/legal entity to which the patent was granted are involved as co-defendants.

Validity and infringement proceedings can be heard together.

Are declaratory proceedings available?

Although it is not expressly provided for under Ukrainian law, it is possible to seek and obtain declaratory judgements in Ukraine. The claimant must show that there is a legal dispute and that the declaratory relief it is seeking from the court will help resolve the dispute in order to succeed. For example, a proprietor of a patent may seek a declaration that its patent is valid, or a party may apply for a binding declaration of non-infringement where there is a patent infringement claim of any form against him.

What is the format of the trial?

The claimant commences proceedings by filing the statement of claim with the court along with the relevant evidence. If the court finds the claim admissible, the pleadings are opened and the date of the first hearing is fixed. The court then invites the respondent(s) to submit their reply and supporting evidence.

In civil proceedings, as opposed to the commercial proceedings, there is a preliminary hearing which deals with the preliminary issues of jurisdiction and evidence. After a preliminary hearing a respondent normally submits his statement of defence accompanied by supporting evidence.

During the trial, both parties orally present their arguments to support their arguments and witnesses, and other evidence is examined. In patent litigation, the court normally appoints one or more expert witnesses. Unlike witnesses of fact, expert witnesses are normally not questioned before the court. Parties cannot rely on witnesses of fact in commercial proceedings.

How long does it take for a claim to reach a first hearing?

Generally, claims in Ukraine proceed to trial quickly, with very limited case management by the court. There is a general requirement for the court to issue a final judgement on disputes within a period of two months from the filing of the claim in commercial proceedings, so courts tend to schedule hearings within two to three weeks from the receipt of the statement of claim.[iv]

In practice, patent litigation proceedings take much longer, from two months to several years. This is because courts appoint numerous expert examinations which can be very time-consuming.

How long do trials last in patent cases?

The length of the trial depends on the circumstances of the case.

Do the judges have technical expertise?

Normally Ukrainian judges are professional lawyers which do not have any technical background. However, there are judges who specialise in IP cases within the commercial courts.

Will the courts stay proceedings pending the outcome of a related opposition at the EPO?

The court may stay proceedings pending the outcome of a case involving the challenge of a related patent in Ukraine or any foreign state.[v] The court may suspend proceedings if it is impossible to review a case before solving another case related to it, which is being examined by another court. The court may also suspend proceedings where proceedings are being brought in another jurisdiction.

As Ukraine is not a Contracting State to the European Patent Convention, it is not clear whether proceedings before the EPO are likely to constitute sufficient grounds for a stay by Ukrainian courts.

Evidence

Are expert witnesses used by parties to a patent infringement case?

Parties' experts, though often relied upon by the parties, are normally not given serious consideration by the court. The court itself normally appoints a certified expert in a given field of knowledge to clarify issues that arise in patent litigation proceedings.[vi] The parties' experts' task is often confined to highlighting to the court that there is an issue of fact in dispute that needs sufficient technical, scientific or other expertise to deal with.

The parties may propose certain questions to be put to the court appointed expert. The final list of questions is determined by the court. In response to questions, an expert produces an expert report in writing which must contain a detailed description of the methodology and conduct of examination, the results of the examination and reasoned answers to the posed queries.[vii] The expert must be independent and impartial at all times.

Do the courts allow disclosure/discovery? If yes, what documents does a party have to disclose? Does the court play an active role in deciding the extent of the disclosure exercise?

There is no concept of discovery in Ukrainian litigation. However, Ukrainian courts in practice often order disclosure of certain documents and other evidence. The court must specify what evidence must be disclosed in its disclosure order and it normally relies on parties' submissions to decide the scope of disclosure.

The documents that are produced are held on public record. Parties' counsel, who are licensed advocates, are entitled to request that third parties provide information and documents relevant to the case.

Are preliminary discovery or seizure of evidence/documents available?

The preliminary seizure of evidence is available through a preliminary injunction before the statement of claim is filed.[viii]

Experiments – are experiments allowed by the court as evidence in patent cases? Do the experiments need to be agreed between the parties or approved by the court?

Experiments may form part of the expert examination in a case. Experiments are carried out by experts to address the questions set by the court where necessary. There is no need for the expert to agree with the parties the way in which the experiment is conducted. However, parties' lawyers may be present during the experiment and give recommendations to the expert.[ix]

Appeals

What are the possible routes for appeal in your jurisdiction?

The Ukrainian legal system provides for three levels of appeal. Judgements of the court of first instance (both general and commercial) can be appealed to the appropriate appellate court.[x] A party must file an appeal within ten days from the date of the judgement by the court of first instance.[xi]

Judgements of an appellate court can be appealed to a cassation appeal.[xii] A party must file a cassation within twenty days from the date of the judgement of appellate court.[xiii]

These two levels of appeal are non-discretionary, i.e. the higher courts must accept an appeal if it has been filed in accordance with formal requirements of the law.

Finally, rulings of cassation appeal courts may be appealed to the Supreme Court. However, such appeals may only be accepted if it is permitted by the cassation appeal court.

There are examples of Ukrainian cassation appeal courts ordering the retrial of cases for a new consideration in the court of first instance, following which case a new round of appeals may follow.

On what grounds can an appeal be brought?

The judgements of the courts of first instance (both general civil and commercial) can be appealed on issues of law, procedure and fact. Further evidence is only permitted on appeal if the party was denied the opportunity to present such in the court of first instance.

The judgements of an appellate court can be further appealed to a cassation appeal court on the issues of law and procedure only.

Rulings of cassation appeal courts may be appealed to the Supreme Court on the issues of inconsistent application of law by cassation appeal courts.

What is an approximate timescale for the first/second appeal?

On average, the first and second appeals to an appellate court are heard within two months from the date of filing the appeal to the commercial courts of appeal and within three months to the general courts of appeal.

Costs

What would be the estimated legal costs of patent litigation proceedings for a first instance decision?

The costs in patent litigation proceedings can vary depending on the circumstances of the case and the pricing model used by parties' counsel. Counsel and experts fees normally constitute the majority of the costs. The approximate range of legal costs can be from €10,000 to €50,000.

What would be the estimated legal costs of patent litigation proceedings for an appeal?

The legal costs for an appeal in patent litigation proceedings can also vary significantly, but normally they comprise 30% to 40% of the legal costs in the court of first instance.

Alternative Dispute Resolution

What are the options for alternative dispute resolution in your jurisdiction? Are these commonly used?

It is possible to conduct alternative dispute resolution in Ukraine. However, given the nature of patent infringement cases, arbitration, mediation or negotiation are not commonly used.

Does the court require that parties consider these options at any stage in proceedings?

Ukrainian courts do not require that the parties consider ADR, although they encourage parties to settle. Parties may settle their dispute by concluding a settlement agreement which must only relate to the subject matter of the claim.[xiv] In commercial proceeding these settlements are available at first instance only[xv] whereas in civil proceedings this is possible at all stages.[xvi]

The courts do not have power to order a stay of proceedings so that the parties can consider ADR.

Remedies

What remedies are available for patent infringement?

The claimant is entitled to claim (i) an order that the patent is valid; (ii) an order for the cessation of the infringing activities (an injunction); (iii) damages, including loss of profit and moral damages.[xvii]

The list is non-exhaustive as a claimant may choose other remedies provided or implied by contract or by law.

On what basis are damages calculated? If damages are based on a reasonable royalty, how is this rate usually calculated?

Damages in patent infringement cases are awarded on the basis of loss of profit. If a patent holder is engaged in selling goods using a patented invention, the loss of profit will be calculated based on the volume of the infringing products sold by the patent infringer multiplied by the price normally charged for similar goods produced by the patent holder or the licensee.

There are no rules for calculating damages on the basis of a reasonable royalty.

Does the court order an enquiry into damages (separate proceedings to determine the level of damages payable)?

The court may in theory order the claimant to disclose its accounts and other records to establish the damage to its sales. The court can issue an order specifying what records a respondent to the case must produce to the court. The claimant is then expected to comply with this order at the risk of the court dismissing the proceedings without giving a judgement on the merits.

However, Ukrainian courts very rarely order such enquiries in patent infringement cases since the basis of calculation of damages for patent infringement is normally the volume of the infringing product produced and/or sold by a respondent. The court can order the infringing party to provide information on the volume of infringing goods produced.

Is it possible to obtain additional remedies if the infringement was deliberate?

No.

Injunctions

Is it possible to obtain a preliminary injunction in your jurisdiction?

Yes. There are various types of interim injunctions available under Ukrainian law, including seizure of property, suspension of enforcement of a judgement, and an order to take or refrain from doing a specific act. A claimant may secure his claim by applying for a preliminary injunction even prior to filing a statement of claim.

If yes, what are the main grounds for which a preliminary injunction can be granted?

The Ukrainian court will only grant an interim injunction if the risk that the ultimate judgement in favour of the claimant will not be enforceable or that such enforcement will become complicated. The court may order interim relief either of its own volition or upon application from a party.

For a preliminary injunction to be granted the following conditions must be met:

1. the applicant's request must be reasonable, justified and proportionate to the applicant's claims;
2. a link between a particular type of injunction and subject matter of the relevant claim must exist;
3. there must exist a risk that evidence may be destroyed or its collection may become complicated;
4. the grant of injunctions must prevent further infringement of the rights and legal interests of third parties.[xviii]

Is it possible to obtain a without notice injunction?

A without notice injunction may only be obtained prior to the first hearing if the party can prove that the request is necessary. A copy of the judgement is sent to the party against which the injunction is granted immediately after it has been issued.

If an application for the injunction is filed during or after the hearing the court will have to give a notice to another party(ies).[xix] How quickly can injunctions be obtained?

The court must make a decision on the day of receipt of the application or within two days in cases where an injunction is requested prior to filing a claim.[xx]

What measures are recommended to protect against the granting of a preliminary injunction or defend against an application for preliminary injunction?

There is no specific procedure to prevent the grant of a preliminary injunction.

Is it possible to appeal against an injunction and if so does this suspend the effect of the injunction?

The decision to grant a preliminary injunction may be appealed, but the appeal does not suspend the effect of the granted injunction.

If a party is awarded an injunction are they liable to provide security?

The court may order the claimant to provide a financial guarantee (deposit) sufficient to prevent the abuse of a preliminary injunction[xxi], but no such security for costs has ever been ordered in Ukraine despite the frequent award of interim injunctions by Ukrainian courts.

Are further proceedings on the merits required in order for the court to grant a final injunction?

Yes. The Ukrainian courts only grant final injunctions after considering the case on the merits.

Is a cross-border injunction available and in what circumstances?

The courts in Ukraine are not entitled to grant cross-border injunctions.

Notes

[i] Chapter 7, Law of Ukraine "On Protection of Rights to Inventions and Utility Models"
[ii] Art. 32 of Civil Procedure Code; Art. 23 of Commercial Procedure Code
[iii] Chapter 19 of Civil Code of Ukraine
[iv] Art. 157 of Civil Procedure Code; Art. 69 of Commercial Procedure Code
[v] Art. 201 of Civil Procedure Code; Art.79 of Commercial Procedure Code
[vi] Art. 53 of Civil Procedure Code; Art.31 of Commercial Procedure Code
[vii] Art. 41 of Commercial Procedure Code
[viii] Art. 43^2 of Commercial Procedure Code
[ix] Art. 4 of the Law of Ukraine On Court Expert Examination
[x] Art. 13 of Civil Procedure Code; Art. 91 of Commercial Procedure Code
[xi] Art. 294 of Civil Procedure Code; Art. 93 of Commercial Procedure Code
[xii] Art. 324 of Civil Procedure Code; Art. 107 of Commercial Procedure Code
[xiii] Art. 325 of Civil Procedure Code; Art. 110 of Commercial Procedure Code
[xiv] Art. 175 of Civil Procedure Code; Art. 78 of Commercial Procedure Court
[xv] Supreme Commercial Court of Ukraine, Letter No 01-8/235 dated on 20.10.2006
[xvi] Art. 31 of Civil Procedure Code
[xvii] Art. 22 of Civil Code
[xviii] The Presidium of Supreme Commercial Court, Recommendations No 04-5/1107 dated 10 June 2004
[xix] Art. 153 of Civil Procedure Code; Art. 67 of Commercial Procedure Code
[xx] Art. 152 of Civil Procedure Code; Art. 67 of Commercial Procedure Code, Art. 43^4 of Commercial Procedure Code,
[xxi] Art. 43^4 of Commercial Procedure Code

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