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While there has been a push to provide uniform and harmonised intellectual property coverage worldwide, it seems at every turn there are events that pull that goal further away. Thus, there remain significant differences and gaps in intellectual property coverage globally. This is exacerbated by the increase in international trade where practitioners need to know the law in many individual countries, and they also need to understand the differences between those countries.

While jurisdictional differences can be anticipated and addressed, these differences are further magnified by the geopolitical turmoil that persists worldwide. As was the case the previous year, the United Kingdom's Brexit vote and potential departure from the European Union continue to leave a cloud over establishing a Unified Patent Court in Europe. That uncertainty continues in part because even as of 3 April 2019, there has been no Brexit deal and, adding to the uncertainty, Germany has not ratified the UPC. Whether the UPC will ever come to fruition is debatable. Another example is the trade ‘wars’ between the United States and China. One of the principal disputes is that the US has accused China of misusing US intellectual property rights and has implemented tariffs in an effort to convince China to stop those alleged misuses. While those negotiations are ongoing, the trade dispute has heightened tensions between the countries and lessened efforts at worldwide cooperation on intellectual property matters.

To aid practitioners who are navigating this ever changing landscape of global intellectual property, we now present the eighth edition of The Intellectual Property Review. In this edition, we present 24 chapters that provide an overview of the forms of intellectual property coverage available in each particular jurisdiction, along with an update of its most recent developments. Each chapter is written and assembled by leading practitioners in that jurisdiction. While all involved have striven to make this review both accurate and comprehensive, we must note that it is necessarily a summary and overview, and we strongly recommend that the reader seek the advice of experienced advisers for any specific intellectual property matter. Contact information for the authors of each chapter is provided at the end of this review.

Dominick A Conde
Venable LLP
New York
May 2019
Chapter 1

UPCOMING CHANGES TO EUROPEAN PATENT LITIGATION

Peter Damerell, Richard Fawcett and Bryce Matthewson

I INTRODUCTION

Following many years of consultation, negotiation and political horse-trading, far-reaching reforms to the European patent system are close to being implemented. For the first time, the new unitary patent (UP) would allow patents to be obtained in Europe with a degree of pan-European scope. In parallel, the new Unified Patent Court (UPC) would enable UPs to be enforced across much of Europe on a one-stop-shop basis. Importantly, however, the jurisdiction of the UPC would not be confined to the new UPs, as existing European patents would also be within its remit. These reforms would therefore have a significant impact on patent litigation in Europe.

The establishment of a Europe-wide patent jurisdiction has been a long-standing ambition. The prospect of only having to litigate a single patent in a single court, and all attendant efficiencies and cost savings, is attractive to patentees that currently have to litigate in multiple European countries to enforce their rights. Indeed, a number of attempts have been made over the years to bring such a system about, including the Community Patent Convention (1975) and the proposed European Patent Litigation Agreement (2004). However, none of these previous projects managed to gain acceptance. Each of them struggled in one way or another to balance the competing interests of the European Union and its Member States, while at the same time accommodating the existing system under the European Patent Convention (EPC). It is against this chequered history that the UP and UPC have emerged.

The EU Regulations needed to allow the grant of a UP were adopted in December 2012, close followed by the signing of the UPC Agreement in February 2013. Since then, the UPC Preparatory Committee (working on the UPC) and an EPO Select Committee (working on the UP) have been busily consulting with stakeholders, drafting rules and procedures, and setting up facilities. Following ratification of the UPC Agreement by the UK in April 2018, the last remaining political step to be taken before the reforms can come into effect is for ratification by Germany. However, this final step presents a potential obstacle to the reforms getting off the ground. A complaint filed at the German Federal Constitutional Court (FCC) in 2017, which is listed to be heard in 2019, has delayed the implementation...
of the reforms and still has the potential to derail them entirely. In the UK, the decision to leave the EU leaves questions over the inclusion of the UK in the new system.\textsuperscript{4} Despite the continued uncertainty, users of the patent system in Europe need to be aware of, and plan for, the potential changes ahead.

\section*{II THE UNITARY PATENT}

Patent protection is currently available in all Member States of the EU, as well as neighbouring countries that are EPC signatories, either through individual filings at national patent offices, or through a single filing at the European Patent Office (EPO). Each application filed at the EPO results in the grant of a European patent (EP), which is essentially a bundle of national patents covering all countries designated by the applicant.

The new UP, formally known as the ‘European patent with unitary effect’, will supplement these existing options with a pan-European right. It is set to be introduced initially in respect of the subset of EU states that have so far signed and ratified the UPC Agreement. However, it is hoped that it will eventually have wider territorial scope as more countries proceed with ratification or sign up to the project.

The UP has its basis in EU law but also carries the status of a ‘special agreement’ under the EPC with which it is closely integrated. Indeed the UP Regulation, which establishes the UP as a substantive right, entrusts responsibility for the prosecution and grant of UPs to the EPO – an organisation established under the EPC and that is distinct from the EU. The UP Regulation envisages that UPs will be prosecuted in the same way as other EPs but, once granted, will differ in their territorial scope and by virtue of being subject to the exclusive jurisdiction of the UPC. Applicants will be able to decide during the validation phase whether to designate their EP as a unitary patent, or alternatively to opt for the patent to grant in the traditional ‘EP’ manner as a bundle of patents covering designated territories.

\section*{III THE UNIFIED PATENT COURT SYSTEM}

The UPC Agreement makes provision for establishing the jurisdiction of the court, and for creating and administering the various UPC institutions. It also provides for a set of Rules of Procedure (UPC Rules), which govern how cases are brought before the court and managed. The UPC Rules are now in near-final form having been under development by a multinational team of lawyers and judges since 2009.

\subsection*{i The UPC’s jurisdiction}

The UPC will have exclusive jurisdiction over most actions relating to UPs, including infringement actions, actions for declarations of non-infringement and actions and counterclaims for revocation of UPs. Importantly, however, subject to an initial transitional

\textsuperscript{4} In June 2018 the Hungarian Constitutional Court found that the UPC Agreement was not compatible with Hungarian Foundational Law. It remains to be seen how (or if) the Hungarian legislature will attempt to address this. However, unlike the German complaint, because ratification is not required by Hungary before the UPC Agreement can come into effect, this is unlikely to have a significant impact outside of Hungary and its own inclusion in the new system.
regime (which will last at least seven years), it also has jurisdiction over existing and newly granted EPs. The provisions relating to the transitional regime are complex, but importantly give owners of EPs the opportunity to opt them out of the jurisdiction of the UPC.

ii Structure of the UPC

The UPC includes a Court of First Instance and a Court of Appeal.

The Court of First Instance is divided into central, local and regional divisions. In very general terms, infringement actions will predominantly be brought in the local and regional divisions, depending on the domicile of the defendant or defendants and the location of infringing acts, and revocation actions and actions for declarations of non-infringement will be brought in the central division. The UPC Agreement and the UPC Rules set out the options where there are parallel proceedings in different divisions between the same parties in relation to the same patent.

The central division is based in Paris, with sections in London and Munich. Cases will be allocated to different sections by reference to technology areas under the WIPO International Patent Classification.5

Local divisions may be established by request of a contracting Member State, with up to four divisions per contracting Member State, depending on its level of patent litigation. Where a contracting Member State does not want to host a local division on its own, regional divisions may be set up for two or more contracting Member States. It is expected that local divisions will be established in Germany (Düsseldorf, Mannheim, Hamburg and Munich), France (Paris), the United Kingdom (London), Belgium (Brussels), the Netherlands (The Hague), Denmark (Copenhagen), Italy (Milan), Austria (Vienna), Ireland6 (Dublin), Finland (Helsinki) and Slovenia (Ljubljana). A Nordic-Baltic regional division has been announced, for Estonia, Latvia, Lithuania and Sweden, based in Stockholm. It is also expected that two further regional divisions may be set up: a South-Eastern division, for Greece, Bulgaria, Romania and Cyprus, with the location yet to be agreed, and a Czechoslovakian division, for the Czech Republic and Slovak Republic, likely to be based in Brno.

There is a single Court of Appeal based in Luxembourg.

iii UPC judges

There are two types of UPC judges, legally qualified judges and technically qualified judges. All judges are required to attain the highest standards of competence, to have proven experience in the field of patent litigation, to be a national of a contracting Member State and to have a good command of at least one official language of the EPO (English, French and German). The requisite experience in patent litigation can be obtained by training if required, and a training centre has been established in Budapest (for both the training of candidate judges and for ongoing training of UPC judges). Legally qualified judges must also possess the qualifications required for appointment to judicial office in a contracting Member State

5 London: Class A (human necessities – agriculture, food, personal and domestic articles, health, life-saving and amusement) and Class C (chemistry and metallurgy); Munich: Class F (mechanical engineering, lighting, heating, weapons and blasting); Paris: Class B (performing operations and transporting), Class D (textiles and paper), Class E (fixed constructions), Class G (physics) and Class H (electricity).

6 The future participation of Ireland in the UPC is unclear, as a referendum is required before it can ratify the UPC Agreement. However in the event that Ireland does enter into the UPC Agreement, a local division will be hosted in Dublin.
State. Technically qualified judges must also have a university degree and proven expertise in a field of technology, and at least one technically qualified judge per field of technology with the relevant qualifications and expertise will be required at the outset.

All cases before the divisions of the Court of the First Instance will be heard by a multinational panel of at least three judges, unless the parties request the case to be heard by a single judge. The panels of the local and regional divisions will include three legally qualified judges, and a technically qualified judge may also sit on the panel in certain circumstances. The panels of the central divisions will include two legally qualified judges from different Member States, as well as a technically qualified judge. Except in limited specified circumstances, the Court of Appeal will sit as a panel of five judges, three legally qualified judges from different contracting Member States and two technically qualified judges.

Staffing of the Court of First Instance is from the pool of all legally and technically qualified judges. The judges will be allocated to the various divisions of the Court of First Instance by the President of the Court of First Instance having regard to their expertise and linguistic skills, with a view to ensuring that all panels are able to provide high-quality decisions. The technically qualified judges will also be available to the Court of Appeal.

The recruitment of the UPC judges began in 2016, but the official appointment of UPC judges has not taken place because of the delays in introducing the UPC. It is difficult to estimate the number of judges that will be required at the outset, given uncertainties surrounding how many local and regional divisions will be set up and the number of cases that will be brought. However, following receipt of judicial applications in July 2016, the intention was to appoint 45 legal and 50 technical judges in permanent positions, and a similar number as ‘reserve’ judges.

iv Role of the CJEU
The role of the Court of Justice of the European Union (the CJEU) in relation to both the UP and the UPC has been one of the most controversial aspects of the new system through its development.

The UP and UPC were both established under the EU’s enhanced cooperation procedure. This mechanism allows a group of Member States to establish legislation between themselves, and also with the involvement of the EU, in certain areas where the EU does not have exclusive competence. The UP is established by way of EU Regulations. The UPC Agreement, however, is an intergovernmental agreement, rather than an instrument of EU law, and so the UPC is not itself an EU institution. Nevertheless, as a result of the history of its development, the UPC Agreement provides that the UPC will apply EU law in its entirety, respect the primacy of EU law and make referrals to the CJEU in the same manner as national courts.

v Language of proceedings
The language of the proceedings will depend on the court in which the proceedings are heard, and there are relatively complex rules governing which languages may be used:

a proceedings in the central division will be in the language in which the patent was granted;

b in the local and regional divisions, the default rule is that the language of proceedings will be an official EU language that is the official language (or one of the official languages) of the contracting member state hosting the division, or one of the official languages designated by contracting member states sharing a regional division. However, local
and regional divisions can also designate one or more of the official languages of the EPO (English, German and French), and it is expected that many divisions will permit proceedings to be conducted in English. There are also a number of circumstances where the proceedings can instead be conducted in the language in which the patent was granted; and

c appeal proceedings will be in the language of the proceedings before the Court of First Instance, unless the parties agree to use the language in which the patent was granted.

vi  Overview of procedure

The procedure of the UPC is a combination of features taken from various European jurisdictions creating a unique system. It is designed to limit the costs of litigation, ensure that parties bring their best case as soon as possible and achieve first instance decisions within one year. However, it is also flexible, giving the judges the discretion to allow a number of procedural tools to be applied if justified for any particular case.

The procedure in the Court of First Instance includes three phases – written, interim and oral:

a the written phase requires ‘front-loaded’ pleadings, which include substantive evidence;

b the interim procedure is governed by a judge on the panel nominated as the ‘judge rapporteur’. The judge rapporteur will consider what further steps need to be taken to prepare the case for the oral stage, which could include, for example, disclosure, experiments, inspections and further factual or expert evidence. An interim hearing will generally be held, as part of which the possibility of settlement should be explored. The judge rapporteur may also meet with any witnesses to determine what oral evidence should be permitted; and

c the oral stage is governed by the presiding judge and will generally consist of an oral hearing, usually limited to a single day, which provides the parties the opportunity to explain their case and, where appropriate, to hear oral evidence from factual and expert witnesses (although this can also take place during a separate hearing before the oral hearing). Because of the time restrictions, the opportunity to cross-examine witnesses will be severely limited.

Although the UPC is supposed to apply a uniform procedure across all divisions, there is the potential for different divisions of the Court of First Instance to apply aspects of the procedure differently and for forum shopping to develop as a result. For example, it is possible that certain local or regional divisions could develop reputations for being particularly patentee-friendly or to be more likely than others to allow interim procedural steps, such as inspections and disclosure.

Whether this happens will be governed by the practice of the judges in the local and regional divisions. Even though local divisions in jurisdictions with high levels of patent activity currently (such as the UK and Germany) will have panels with two legally qualified judges from those countries, and so may be more likely to apply traditional national practices in the UPC courts, there are a number of aspects of the system that should guard against this. For example, UPC judges will move around between courts and will attend conferences and training with other UPC judges at which the application of the procedural rules will be discussed. In addition, early procedural decisions are likely to be appealed, so the Court of Appeal will be likely to play an active role in developing consistent case law.
Fees and costs recovery

The UPC is intended to be self-financing. However, a major incentive for the UPC was the difficulties of SMEs to enforce their patents in the current national system, so it was recognised that UPC fees should not be prohibitively high so as to deny SMEs access to the UPC.

The fees depend on the nature and value of the action. There are fixed fees, which vary depending on the type of action – for example, €20,000 for revocation actions and €11,000 for infringement actions. In addition, value-based fees will also be payable for actions where the value of the action exceeds €500,000, on a scale starting with €2,500 for cases where the value of the action is up to and including €750,000, up to a maximum fee of €325,000 for a value of over €50 million. The value of the action will be determined by the judge rapporteur during the interim procedure.

Fee reductions are available for SMEs and microenterprises, as are partial fee reimbursements where cases are settled or withdrawn prior to the hearing.

As a general rule, the unsuccessful party will bear the reasonable and proportionate legal costs and other expenses incurred by the successful party. However, this is usually limited to a ceiling set out in the UPC Rules.

IV HOT TOPICS

i When will the UPC start hearing cases?

The UPC Agreement will not come into force until four months after it is ratified by at least 13 UPC states, including the UK, France and Germany. In April 2018, and despite previous uncertainty regarding the position that the UK would take in the light of Brexit, the UK became the 16th state to deposit its ratification instrument. Therefore, ratification by Germany is the only remaining step required to enable the UPC Agreement to come into force. Before Germany can deposit its ratification instrument the relevant German legislation implementing the UPC Agreement needs to be signed by the President and published in the Federal Law Gazette, but this is currently on hold in light of a complaint filed with the German Federal Constitutional Court.

The UPC Agreement envisages that the court will be fully operational on the day that it comes into existence. To allow this to happen, a Protocol to the UPC Agreement has been signed, which allows some parts of the UPC Agreement to be applied early. It also permits a 'sunrise' period to allow for opt-outs to be registered before the UPC commences.

ii The German Federal Constitutional Court (FCC) Complaint

In 2017 a complaint was lodged with the German FCC by a private individual against the legislation enabling Germany to ratify the UPC Agreement (case reference 2 BvR 739/17). As a result, the FCC asked the German President not to sign into law the parliamentary Act declaring Germany's accession to the UPC Agreement pending the outcome of the complaint. Full details of the complaint have not been made available to the general public,
but numerous organisations have been provided with a copy to allow them to provide comments. The complaint is understood to be based on grounds that the relevant German legislation exceeds the limits on the transfer of sovereignty under the constitutional right to democracy in Germany. In particular, the alleged breaches relate to the process by which the legislation was adopted by the German parliament, the legislative powers of the organs of the UPC, lack of independence and democratic legitimacy of the judges of the UPC and incompatibility of the UPC with EU law.

There is no certainty as to the merits of these complaints; however, the fact that the FCC took the step of requesting the President not to sign into law the relevant Act suggests that the FCC at least considers the matter worthy of consideration. The court invited submissions from third-party bodies representing German lawyers, government and industry, by 31 December 2017 (later extended to 31 January 2018).

In terms of the next steps, the court will first decide whether the complaint is admissible, before (and only if it considers the complaint admissible) considering the merits of the complaint. At present the court has not made any public pronouncement on this. The case was originally included in the 2018 hearings list, which strongly suggested that the court will hear the matter on its merits. However, the case was not heard in 2018 and has been listed again to be heard in 2019. Such a deferment is not unusual, and indeed there is no guarantee the case will be heard in 2019, although it is prudent to work on the basis that the complaint may be resolved, and German ratification may take place this year. At the same time, there is also the possibility that the court may refer certain issues to the CJEU, which could delay issues even further.

One thing is certain, the complaint will have (and already has had), at the very least, a significant impact on the timing of the UPC Agreement coming into force.

### iii What will the impact of Brexit be?
Notwithstanding that the UK has completed the ratification process, concerns remain as to the UK’s continued involvement in relation to both UPs and the UPC when the UK actually leaves the EU. It is clear that, as matters currently stand, only members of the EU can take part in UPs. For the UK to remain a part of either or both systems when it leaves the EU, amendments to the underlying legislation and agreements will need to dealt with, possibly as part of the Article 50 ‘Brexit’ negotiations. A number of commentators believe that it is legally possible for a non-EU member to remain part of the system. However, a key issue will be whether there is the political will in the UK to be part of a system in which EU law has primacy and referrals can be made to the CJEU. These difficulties are further compounded by the German FCC complaint, which has brought uncertainty as to when the UPC Agreement might come into force, and, in particular, whether it will now be in force before the UK leaves the EU.

### iv What is the likely uptake of the new system?
In terms of future patenting strategies, UPs are likely to be popular, at least for companies that currently seek protection in multiple EPC states, provided that there is confidence in the new UPC system. This is because (1) the renewal fees for maintaining UPs will correspond to the total sum of the renewal fees currently paid for the four countries in which EPs are currently most frequently validated (Germany, France, the UK and the Netherlands) and (2)
Upcoming Changes to European Patent Litigation

UPs can only be litigated in the UPC. Applicants may, however, be put off in the short term by uncertainty regarding how granted UPs will be affected by the UK’s departure from the EU.

For the UPC system, a key issue is the extent to which owners of traditional EPs decide to opt their patents out of the system. As explained above, such opt outs can be filed during the ‘sunrise’ period before the UPC comes into force, to try to ensure that the patents are opted out from day one. If such opt outs are not effective from day one of the new system, and revocation actions are filed in the UPC, it will no longer be possible to opt such patents out. If patents are opted out, then it will be possible for owners to opt the patents back in later on, provided that such patents are not litigated in the national courts. Current expectations are that the extent to which patents are opted out is likely to vary by industry, with the life sciences industry in particular being likely to opt out ‘crown jewel’ patents. However, the practical development of the procedure of the UPC is likely to be shaped by the early cases in the system, so it is hoped that such cases will reflect a broad range of industry sectors.

Will these reforms simplify European patent litigation?

The ultimate aim of these reforms is to simplify patent litigation in Europe, to reduce the costs and complexity that exists under the current system of parallel national actions. If UPs prove popular and the UPC system is successful, these aims should ultimately be achieved.

However, in the short term, with the UPC system and existing national systems running in parallel, it is likely that patent litigation in Europe will become more complex rather than simpler. Patentees will need to decide whether to file applications nationally or with the EPO and, if they go down the EPO route and are successful, whether to seek unitary protection or not. For patentees looking to enforce their patents, they will need to consider the features of the current system and the UPC, and it is likely that litigation strategies for complex products covered by multiple patents will include a combination of both systems.

Whatever the pros and cons of the new system, and notwithstanding the current uncertainty as to whether the new system will come into force, patent litigation in Europe is on the cusp of fundamental and exciting changes, and users of the patent system in Europe need to ensure that they will be ready by getting to grips with the impact of these reforms now.
Chapter 2

BELGIUM

Bernard Vanbrabant and Erika Ellyne

FORMS OF INTELLECTUAL PROPERTY PROTECTION

As a Member State of the European Union, Belgium has transposed into its national legal order the many EU directives adopted in view of harmonising intellectual property law to an ever-increasing extent. The rules on patents, plant variety right, copyright and neighbouring rights (performers, broadcasters, film and phonogram producers), database right and topographies of semi-conductor products, now enshrined in Book XI of the Belgian Code of Economic Law (CEL), implement these directives but still diverge from the law of other EU countries on many aspects as EU harmonisation remains incomplete to date.

As far as trademarks and designs are concerned, the law of Belgium has been unified with that of the neighbouring countries of the Benelux Union (i.e., the Netherlands and Luxembourg) and the main governing text is, hence, the Benelux Convention on Intellectual Property (Trademarks and Designs) of 25 February 2005. Under this unified system, a trademark, or design, may only be registered, assigned, cancelled or forfeited for the three countries together (Benelux trademark; Benelux design). An alternative, though, is to apply for the registration of an EU trademark, or Community design, on the basis of respectively Regulation 2017/1001 or Regulation 6/2002, which have direct effect in all EU Member States: this allows the applicant to obtain a single IP right with uniform effect throughout the

1 Bernard Vanbrabant is of counsel and Erika Ellyne is an associate at Liedekerke Wolters Waelbroeck Kirkpatrick. The authors wish to thank Dorien Taeymans, Laura Tielemans & Peter Decru, colleagues at Liedekerke, for their help in the preparation of this contribution.

2 Where the subject matter is entirely covered by Benelux law, the transposition occurred in the Benelux Convention (see below).

3 Under Belgian law (Book XI, title 5 CEL), and in conformity with Article 5(2) of the Bern Convention, no formalities are required to enjoy protection of author’s rights. The author of literary or artistic works enjoys immediate protection as of the creation of the work, on the condition that the work is original, up to 70 post mortem. The protection consists of property and moral rights.

4 Regulation (EU) 2017/1001 of the European Parliament and the Council of 14 June 2017 on the European Union trademark. Regulation (EU) 2017/1001 confers exclusive rights in all current and future EU Member States. An EU (or Benelux) trademark can consist of signs, words, designs, letters, numerals, colours, shape or packaging of goods, or sounds that are able to distinguish the origin of goods or services and that determine the subject matter of the protection in a clear and precise way. Even though the European track provides for a single request and procedure, due to the principle of uniqueness, a registration can be blocked by a single problem in one of the EU Member States. The registration is to be filed with the European Union Intellectual Property Office (EUIPO) and may be refused based on absolute grounds of refusal, for example, in case the sign is too descriptive, or on relative grounds, upon valid opposition by third parties.

vast territory of the European Union (28 countries, 27 after Brexit). The same possibility – in terms of the scope of protection – does not yet exist for patents, although change appears to be on the horizon with the Unitary Patent Convention, as explained below. Be that as it may, the European Patent Convention provides for an intermediate solution through single application and examination procedure for the granting of a bundle of national patents.

Finally, Belgium is a signatory to several significant international treaties and conventions, which have influenced the national law and are sometimes directly applicable. Depending on where protection is sought, and for which type of IP rights, either Belgian, Benelux, European (whether EU or EPO) or international tracks (PCT, Madrid or The Hague) are available for the registration of IP rights.

II RECENT DEVELOPMENTS

Among the most significant developments in Belgian (and European) IP law in recent years, one should mention in particular:

a the adoption of coherent legislation, harmonised at EU level, regarding the protection of know-how and trade secrets;


c the review of the statutory remuneration scheme for copyright owners for ‘reprography’ (photocopying) of literary (and artistic) works;9

d the enhanced centralisation of IP-related cases before the courts in Brussels;

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6 To name but a few, Belgium is a party to the Paris Convention for the Protection of Industrial Property (Stockholm Act, 1967), the Bern Convention for the Protection of Literary and Artistic Works (Paris Act, 1971), the Agreement on Trade-related aspects of Intellectual Property Rights (TRIPS), the Patent Cooperation Treaty, the Madrid Agreement, and Protocol, concerning the international registration of marks, the Hague Agreement concerning the international registration of industrial designs, the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

7 European Patent Office: see Section III.

8 We refer in this respect to The Trademarks Law Review.

9 Regarding development (d), the evolution was triggered by a judgment of the Court of Justice of the European Union, which had found Belgian legislation on photocopying (‘reprography’) to be irreconcilable with Article 5(2) of EC Directive 2001/29 on the harmonisation of certain aspects of copyright and related rights in the information society, in that it made no distinction, as regards fair compensation, between the making of reproductions by natural persons for private use and the making of reproductions by other categories of users or by natural persons for ends that are directly or indirectly commercial, although the harm caused to the right holders is different. Indeed, in both situations, a levy on the users, proportionate to the number of copies made, was cumulated with a lump-sum levy to be paid, without any reimbursement possibility, by the manufacturers and importers of machines (copiers and all-in-one devices): see Hewlett-Packard Belgium v. Reprobel, CJEU, 12 November 2015, Case No. C-572/13. In March 2017, the Belgian system of remuneration in the case of reprography was adapted to make it (hopefully) compatible with EU law. In particular, the lump sum, *ex ante*, levy on manufacturers and importers was abandoned and the remuneration for publishers is now distinct from that for authors (see Article XI.239 and XI.253, §3, CEL as amended by the Act of 22 December 2016 and the Royal Decree
a ruling of the Court of Justice of the European Union (CJEU) paving the way to a higher recovery of lawyers’ costs for the successful party; and

the evolution in case law regarding the conditions to obtain either a preliminary injunction or a ‘seizure in matter of counterfeit’ (type of discovery procedure, on the basis of a court authorisation obtained ex parte).

III OBTAINING PROTECTION

The Belgian Office of Intellectual Property issues patents without any prior substantive assessment of patentability conditions; it only controls whether the formal requirements are met and the applicable fees paid. Thus, all patent applications are granted in a somewhat automatic procedure\textsuperscript{10} and Belgian patents are issued in a fairly short period of time (20 months), though they are not a guarantee of quality.

That being said, the protection of inventions on the territory of Belgium is most often obtained through the European (EPO) track. The European Patent Convention\textsuperscript{11} (which is an ad-hoc international treaty and not an instrument of EU law) makes it possible to obtain patent protection in up to 40 European countries through a single application and (partly) centralised prosecution procedure. Once granted by the EPO, the European patent (EP) is merely ‘validated’ in each, or some, of these countries (including Belgium) following the payment of a fee and, as the case may be, a provision for the translation of the EP.\textsuperscript{12} The European route is therefore longer but the resulting patent is stronger once granted.

The EPC and Belgian patent law, based on the same sources (in the first place the Strasbourg Convention of 1963), are very similar in terms of patent eligibility and patentability requirements. To be patentable, inventions must meet the traditional triad of patentability: novelty, non-obviousness and industrial applicability.\textsuperscript{13} First and foremost, however, comes the question of patent eligibility (whether or not the subject matter does constitute an invention). In the Belgian preparatory materials to the Belgian Patent Act of 5 March 2017 regarding the remuneration of authors and publishers, respectively). On the other hand, various cases are pending before the Belgian courts whereby manufacturers and importers claim refund to the collecting society Reprobel, which in turn asks the Belgian states to hold it harmless.

\textsuperscript{10} That being said, an anteriority search is conducted, and an opinion on patentability is provided, by the European Patent Office (EPO) acting on behalf of the Belgian Office. This report and opinion are communicated to applicants, who can than assess and determine for themselves, whether they would like to request issuance of the patent, possibly after narrowing their claims. It is also important to keep in mind that the report and opinion are publicly available to third parties.

\textsuperscript{11} The European Patent Convention of 5 October 1973 as revised on 29 November 2000 (EPC).

\textsuperscript{12} In Belgium, translation is required only for those EP’s issued in English, because French and German, the other working languages of the EPO, are official languages of Belgium. Since a judgment of the Belgian Constitutional Court of 16 January 2014 (No. 3/2014, Biopheresis v. Belgian State), the three-month deadline for providing such translation is not sanctioned anymore by the automatic and definitive forfeiture of protection in Belgium.

\textsuperscript{13} Article XI.3 CEL (Code of Economic Law).
28 March 1984 (now codified in Book XI CEL) an invention is considered as an intellectual creation of a technical nature. This aligns with the EPO Board’s approach to patentability and the requirement of ‘technical character’, supposedly inherent in any invention.

Belgian law and the EPC exclude the following subject matter per se, from patent eligibility:

a. discoveries, scientific theories and mathematical methods;
b. aesthetic creations;
c. schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers; and
d. presentations of information.

The exclusion of computer programs (as such) from patent eligibility, which stems from the dichotomy between an invention on the one hand and an ‘idea’ or ‘concept’ on the other, has not stopped the EPO Boards from developing the ‘further technical effect’ doctrine, whereby computer programs that engender ‘further’ technical effect beyond the ‘normal’ physical interactions between the program (software) and the computer (hardware) on which it is runs, are considered patentable. This implies looking at the concrete effects and functions of the computer program, beyond the mere execution of the algorithm or interaction of the code. The software should bring about some sort of useful effect that can be applied outside the program. For example, a computer program that would control an industrial process and could affect the efficiency or security of the process could be seen as having further technical effect.

The second distinction that has raised controversy in patent eligibility is linked to the difference between a discovery and an invention. This pertains particularly to the question of the patent eligibility of DNA sequences and other living materials. Directive 98/44 EC on Biotechnological Inventions (the Biotech Directive), which was transposed into Belgian law, settles the question: biological material that is isolated from its natural environment or produced by means of a technical process may be the subject of an invention even if it previously occurred in nature. On the other hand, plant and animal varieties, as well as essentially biological processes for the production of plants or animals, shall not be patentable. But inventions that concern plants or animals are patentable if the technical feasibility of the invention is not confined to a particular plant or animal variety. Similarly, while it is prohibited to patent the human body, at the various stages of its formation and development, including the sequence or partial sequence of a gene, ‘an element isolated from the human body or otherwise produced by means of a technical process, including the

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16 Article XI.4 CEL.
18 This exclusion, however, does not apply to microbiological processes or the products thereof.
sequence or partial sequence of a gene, even if the structure of that element is identical to that of a natural element; the industrial application of such (partial) sequence must then be disclosed in the patent application.\(^{19}\)

Another restriction on the patentability of living material stems from the basic principle that inventions the commercial exploitation of which would be contrary to public policy or morality are not patentable.\(^{20}\) Applying this principle in the field of biotechnology, the Biotech Directive and Belgian law state that the following shall be considered unpatentable:

\(a\) processes for cloning human beings;
\(b\) processes for modifying the germ-line genetic identity of human beings;
\(c\) uses of human embryos for industrial or commercial purposes; and
\(d\) processes for modifying the genetic identity of animals that are likely to cause them suffering without any substantial medical benefit to humans or animal, and also animals resulting from such processes.

Finally, methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body are not patentable;\(^{21}\) this exclusion, however, does not apply to products, in particular substances or compositions, for use in any of these methods.

**IV ENFORCEMENT OF RIGHTS**

**i Possible venues for enforcement**

The most frequented venue for IP enforcement remains the ordinary courts deciding in civil matters. There are no administrative routes to be considered in Belgium, except in the case of a threat of importation into the European Union of counterfeit or pirate goods. Many of these goods are entering the European Union through the major harbour of Antwerp (the second sea harbour in Europe by size), and to a lesser extent through Belgian airports, and the Belgian customs authorities have proved very keen to intercept such imports: in 2016, they were responsible for almost one-third of the 63,000 customs interventions that took place in Europe (10 per cent in terms of value of the seized products).

Criminal proceedings are also available, though less common.

**ii Requirements for jurisdiction and venue**

Belgian courts have jurisdiction in IP infringement cases if either the defendant has its domicile or registered office in Belgium\(^{22}\) or the harmful event occurs or may occur in Belgium.\(^{23}\) The latter expression is intended to cover both the place of the occurrence of

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19 See Article XI.5 CEL transposing Article 5 of the Biotech Directive.
20 Article 53 EPC; Article XI.5 CEL. It is clarified, however, that such exploitation shall not be deemed to be so contrary merely because it is prohibited by law or regulation (in some or all of the Contracting States).
21 Article 53(c) EPC; Article XI.5, §7, CEL.
22 As far as EU trademarks and Community designs are concerned, the domicile or the establishment in Belgium of the claimant may also secure jurisdiction of Belgian courts (in Brussels) if the defendant is based outside the EU (e.g., a US company).
23 When the defendant has its domicile or registered offices in the EU, this alternative forum is based on Article 7(2) of Regulation (EU) No. 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters; when the defendant is based outside the
the harmful event and, if different, that of the resulting harm, so that the defendant may be sued, at the applicant’s choice, in the courts of either of those places. In the context of online infringement this allows the right holder to sue before the courts of their domicile, provided the illicit content is available and the right is protected there; however, the jurisdiction of the Belgian court will then be limited to the consequences of the infringement that took place in Belgium.24

Belgian courts, like other national courts in Europe, are, however, not competent to decide on the validity of foreign patents, even where issued from one and the same European patent procedures (and thus with identical claims);25 in this respect, the courts of the state of registration have exclusive jurisdiction (Regulation 1215/2012, Article 22).26 Moreover, the courts of the Member State of the defendant do not have jurisdiction to decide (on the merits) on the alleged infringement, by companies of the same group, of foreign extensions of the same European patent.27 This is an obstacle to the enforcement of European patents.

This situation may, however, change if and when the Unified Patent Court (UPC) becomes a reality.28 Indeed, the UPC would have a broad jurisdiction allowing it to render decisions (including injunctions, awards of damages, declarations of non-infringement and patent revocations) covering the territory of all contracting Member States (possibly, but not necessarily, up to the 28 current members of the EU) for which a given European patent (with or without unitary effect) has effect.29 The UPC would have a local division in Belgium.

iii Obtaining relevant evidence of infringement and discovery
Before bringing an action on the merits before court, the owner of IP rights may, on the basis of an ex parte application (i.e., without summons),30 ask the president of the competent court (for patent owners this will be the enterprise court of Brussels)31 to order a seizure of

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24 Hi Hotel HCF Sarl v. Uwe Spering, CJEU, 3 April 2014, C-387/12 (copyright); Peter Pinckney v. KDG Mediatech, CJEU, 3 October 2013, C-170/12 (copyright); Wintersteiger v. Sondermaschinenbau, CJEU, 19 April 2012, C-523/10 (trademarks); Pez Hejduk v. EnergieAgentur, CJEU, 22 January 2015, C-441/13 (copyright, online infringement). For a general comment in the field of copyright, see Vanbrabant and Wautelet, ‘Territorialité et droit international privé’, in 20 ans de nouveau droit d’auteur, Anthemis, 2015, p. 327–381.

25 GAT v. LuK, CJEU, 13 July 2006, C-4/03 (rule applies also when invalidity is requested by way of counterclaim).


27 Roche Nederland v. Primus, CJEU, 13 July 2006, Case No. C-539/03.

28 The text of the UPC Agreement is available at https://www.unified-patent-court.org/sites/default/files/upc-agreement.pdf. At the time of writing, ratification by Germany has not yet taken place, which is a condition precedent for the entry into force of the UPC. Moreover, although the UK has ratified the UPC, the perspective of Brexit has created even more uncertainties regarding the outcome of the project.

29 See https://www.unified-patent-court.org/.

30 Only a third-party opposition is available to the latter, after the order being served on him and the seizure having taken place. During the seizure in matter of counterfeit, the expert must take adequate measures to protect the legitimate interests of the visited party and, in particular, to prevent the undue divulgation of confidential information.

31 Article XI.337 CEL.
counterfeit matter against the alleged counterfeiter. This constitutes an effective measure to gather evidence of a suspected IP infringement. In such proceedings, an expert (e.g., a patent attorney) will be appointed by the judge and will receive the mission of describing any objects, elements, documents or processes that could establish the existence of the infringement as well as its origin, destination and scale. To that end, the expert, accompanied by a bailiff and, as the case may be a locksmith or the police, will be entitled to enter any premises determined by the court, access computer systems, ask questions, take samples, etc.

In principle, two conditions must be cumulatively met: on the one hand there must be a ‘seemingly valid’ patent and on the other hand, there must be an ‘indication’ that there is (a threat of) an infringement of this patent.

Regarding the first condition, there has been interesting developments in recent years. Previously, the Court of Cassation had a very broad interpretation of the first condition: it would have deemed a patent ‘seemingly valid’, and hence allow a seizure in matter of counterfeit, until a final invalidity decision would be rendered regarding such patent. In its 2014 Syral/Roquette, the Court, however, ruled that ‘all facts and circumstances invoked by the parties and related to the validity of the patent should be taken into account’, paving the way for an in concreto assessment of the prima facie validity criterion. Consequently, when validity is seriously debated – for example, because it has been declared invalid in first instance, because it is revoked by the EPO after an opposition procedure or if certain national extensions are declared invalid by the competent national courts – such facts and circumstances cannot be left out of the assessment based merely on the fact that an appeal with suspensive effect has been filed against such decisions.

The second condition for being authorised to seize counterfeit goods (i.e., the existence of indications of infringement) has likewise been interpreted more restrictively in recent years, following the INEOS case. In this respect, it is not sufficient that someone has opposed the patent to demonstrate that this person is using (or will use) the invention and, hence, infringes (or will infringe) upon the patent. Although the purpose of the descriptive measures is to obtain evidence regarding an alleged infringement, concrete indications will already be required to be authorised to collect evidence through a seizure of counterfeit matter. In the event of a process claim patent in particular, this can be rather difficult.

iv Trial decision-maker
The choice of the appropriate court within Belgium to enforce IP rights (or to request a declaratory judgment) was simplified a few years ago: only the Enterprise Courts of Brussels (and, at the appellate level, the Court of Appeal of Brussels) now have jurisdiction regarding patents, as well as EU trademarks and community designs cases. Copyright and Benelux

32 This procedure is described in Articles 1369 bis/1 – 1369 bis/10 Belgian Judicial Code.
33 In Eurogenerics v. Lundbeck (Court of Cassation, 24 June 2013, C12.0450.F/1, Eurogenerics v. H Lundbeck A/S & Lundbeck), for example, it concerned the prima facie validity of a supplementary protection certificate that was declared invalid by a national judge. As an appeal against this decision was launched and such appeal had suspensive effect, the Court of Cassation agreed with the court of appeal that deemed the certificate to be seemingly valid.
34 A recent example of the application of this in concreto analysis is the decision of the Presiding judge of the Comm. Court of Brussels in the Sandoz v. AstraZeneca case: Presiding judge of the Comm. Court of Brussels, 11 March 2016, ICIP 2016, ed. 2, 389 et. seq.
Belgium

Trademarks and designs disputes, like unfair competition cases, may still be litigated before (four) other courts. This centralisation of IP litigation aims to enhance the specialisation of the judges, but this has so far not proven very successful because of the significant judicial backlog in Brussels.

Structure of the trial

A patent infringement case will often start with a seizure of counterfeit goods as described above, aimed at collecting evidence of the suspected infringement. In addition to such evidentiary measures, the right holder may also request the court, by the same petition – and thus *ex parte* – to authorise the actual seizure of all goods suspected to be counterfeited or to prohibit the seized party from moving, altering or disposing of such allegedly infringing goods. For such measures to be warranted, a higher threshold must, however, be met; not only must the IP right invoked be apparently valid but the infringement should not be reasonably contested. A balance of interests should, moreover, be made, also taking into account the general interest of the public.

Following reception of the expert report, or as the case may be, right from the start (in absence of a preliminary seizure in matter of counterfeit), a right holder will consider filing an action on the merits against the alleged infringer. That action may be brought either before the ordinary chamber of the Enterprise Court (where two lay judges will assist the professional judge) or before the President of the Court, as summary cease and desist proceedings. This latter option is a particular Belgian speciality since, like some of our praline chocolates, it is the best of two worlds: it is a summary procedure, namely, fast and simple, but it leads to a decision on the merits, namely, a decision endowed with *res judicata*. This specific avenue may only be used to obtain an injunction (and possibly the publication of the judgment), and is therefore referred to as the cease-and-desist action. If the right holder wishes to obtain damages (or a measure of confiscation or the transfer of the counterfeiter’s profits), it has to revert to the ordinary proceedings (which may also be triggered at a second stage, after the cease-and-desist action; the ordinary court is then bound by the decision of the president of the court regarding the existence of the infringement).

A drawback of the cease-and-desist action before the president of the court is the possibility for the defendant to file a counterclaim for revocation or limitation of the patent (be it a Belgian or the local extension of a European patent); that prerogative is not reserved to the full chamber of the Enterprise Court. For this reason, patent owners – unlike copyright and trademark owners – tend to privilege ordinary summary proceedings (where urgency must be established). In such a case, provided urgency is established (e.g., because the allegedly counterfeited drug is about to be put on the market), the president of the court may take a provisional decision on the basis of the appearance of right. This parallel action results in a kind of (factual) bifurcation between the assessment of infringement (in summary proceedings) and that of validity (by the ordinary court).

Nevertheless, similarly to what has been observed for the seizure in matter of counterfeit, the courts tend to be a little bit more reluctant to grant injunctions when the validity of the patent is uncertain due to decisions taken abroad or by the opposition division of the EPO.

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36 Unlike in other jurisdictions, the President of the Enterprise Court in summary proceedings will not make the grant of an injunction dependent upon the demonstration, by the patent owner, that damages obtained in proceedings on the merits would not constitute a satisfactory remedy.
vi Infringement

When it comes to product patents, patent protection prevents third parties (absent consent of the patent holder) from the making, offering, placing on the market or using a product that is the subject matter of the patent, or importing or storing the product for those purposes.\(^{37}\)

Where the invention is a process, third parties may not (without consent of the patent holder), use a process that is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the patent proprietor, offering the process for use in Belgium.\(^{38}\) Moreover, patent protection over a process that gives rise to a product, patent protection extends to the resulting product.\(^{39}\)

Belgian patent law further prevents indirect patent infringement. A third party is prohibited from supplying or offering to supply, within the territory of Belgium, any person other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.\(^{40}\) This prohibition shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by direct infringement.\(^{41}\)

The limits of patent protection are determined by the claims, which are to be interpreted in light of the description and drawings of the invention.\(^{42}\) Protection further applies to any equivalent elements to those mentioned in the claims.\(^{43}\)

The courts generally follow a four-step process to determine whether or not there is patent infringement.

First, the court distinguishes – from the perspective of a person skilled in the art – the essential elements of the claims from the accessory ones. Second, the court compares the claims to the allegedly infringing object. Third, the court determines if all the essential elements can be found in the allegedly infringing object. An essential element is one that contributes to the technical effect.\(^{44}\) In this respect, infringement does not require an identical reproduction.

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\(^{37}\) Article XI.29 CEL & Article 25 UPC Agreement (the latter not yet in force).
\(^{38}\) The Belgian Constitutional Court has recently held that this (double) territoriality requirement does violate neither the principle of equality before the law (product v. process inventions patentees) nor the protection due to the fundamental right of property: see Const. Court, 28 September 2017, case No. 105/2017.
\(^{39}\) Article XI.29 CEL & Article 25 UPC.
\(^{41}\) Article XI.29 CEL & Article 26 UPC.
\(^{42}\) Article XI.28 CEL and Article 69 & Protocol of the EPC.
\(^{43}\) Article XI.28 CEL.
\(^{44}\) Court of Appeal of Brussels (8th ch.) 28 April 2009, ICIP 2010, 545.
of the invention, it suffices that the essential characteristics of the invention be found in the litigious object. In this regard, any secondary or superficial differences are not of a nature to exclude infringement. These rules also apply to claims that consist of numerical values.

Lastly, as the case may be, the court identifies and assesses the use of any equivalents. An element will be considered an equivalent means to the patent-protected element, if it fulfils the same technical function to achieve the same result in the same manner. The Belgian approach to equivalents is rather large, in that infringement by equivalent means will be found to apply if the technical function of the invention is found in the disputed object and the equivalent means used do not produce any new technical effect.

vii Defences
Typically in patent law, defendants shall dispute the validity of the patent: challenging its novelty, non-obviousness or other characteristic. These defences will not be presented as they are common across all EU Member States. Here below are presented some particularities of the Belgian context.

viii Abuse of rights
Without getting into the details of the doctrine of the abuse of rights, it is worth noting that it has been successfully applied to patent infringement cases. For example, it was judged that it was abusive for a patent holder to demand the immediate cessation of infringement acts that they knew of for years prior to the action and had in fact tolerated until then. In another case the courts found that although in principle infringement was established, the patent holder was abusing of their rights in their claims against the defendant (potential licensee), with whom they had been negotiating an agreement and during that time had in fact incited the defendant to use the invention, by sending them documentation on the commercialisation and implementation of the invention.

ix Defence from patent prosecution
Again similarly to US traditions, the Belgian courts apply a doctrine akin to the prosecution history file estoppel. A patent holder is bound by the interpretation of claims made in the filing process. Often in the filing process, applicants cede much ground (narrow claims) to gain protection. They will not be able to put forward any contrary arguments in the course of infringement litigation as means to justify a particular construction of equivalents.

45 Court of Appeal of Brussels, 28 April 200, cited above; Comm. Court Antwerp, 3 April 2009, Case No. A/08/01025.
47 Court of Cassation, 12 March 2015, cited above.
48 Presiding judge of the Comm. Court of Liège, 28 June 2012 ICIP; 2012, 97
51 Court of Appeal of Mons (1st ch.) 2 December 2013, ICIP 2014, Book 3, 417.
In a recent decision, the Court of Appeals (upheld by the Court of Cassation) applied this defence and rejected a finding of infringement. In this case, the claims of the invention covered ‘covered fibres all having a diameter inferior to 8µm’, the litigious object included both fibres of a diameter inferior to 8µm, but also superior to 8µm. The Court of Appeals interpreted the claims (scope of protection of invention) as only covering fibres of a diameter inferior to 8µm, by reasons of the limitation that was specifically made by the claimant or patent owner in the course of prosecution to the above-mentioned numerical value. Had this not been the case, then there would have indeed been infringement.53

**Patent exceptions**

Articles XI.32-34 of the Code of Economic law, sets out a list of acts not considered to be infringement of patent exclusive rights. This covers, for example:

a acts done privately and for non-commercial purposes, which applies to purely domestic acts carried out by an individual. In this vein, it was found that the state use of an invention, although non-commercial, is of a public nature and thus, is not covered by the exception;54

b medicinal preparations for individuals and activities linked thereto, carried out by a pharmacist on a medical prescription;

c various exceptions to cover uses on, by or in vehicles (vessels, aircraft, land vehicles) as they transit through a country where the invention is protected;55

d acts done for scientific purposes with or on the subject matter of the patented invention;56

e specific exceptions under the Biotech Directive, including the farmer’s privilege; the case law limitation is also important that establishes that the scope of gene patent protection is not absolute and only extends to the material in which the patented product in fact performs its function as a genetic invention;57 and

f Bolar-type exceptions.58

53 Court of Cassation, 12 March 2015 (cited above), p. 22.
55 For exact scope see Article 27 UPC.
56 When transposing the Biotechnology directive, the Belgian legislator adopted a particularly broad formulation to this exception (Doc. Parl., Ch., sess. ord. 2004–2005, Doc. 51, No. 1348/006, p. 12; Doc. Parl., Ch., sess. ord. 2004–2005, Doc. 51, No. 1348/006, p. 59–60). It applies to all ‘scientific purposes’, rather than solely experimental purposes. And moreover, unlike most European Member States, where this exception has been limited to experimentations carried out on the subject matter of the invention, the Belgian exception does cover such cases where the invention is used as a tool for experimentations uses of the invention. Thus, as a consequence toolbox patents (where the invention is a used as a tool for scientific research) are ineffective in Belgium.
57 Monsanto Technology LLC v. Cefetra BV, Cefetra Feed Service BV, Cefetra Futures BV, and Alfred C. Toepfer International GmbH, CJEU, 6 July 2010, Case No. C-428/08.
58 The Bolar exception stemming from the EU Directive on Medicinal products for human use 2001/83 CE is reflected in Article 6 bis §10, of the Law of 1964 on Medicines. It provides that studies, test and trials carried out in order to obtain marketing authorisation will not be considered a violation of patent and complementary certificate protection. Such an exception allows for generic drug companies to carry out tests in view of obtaining marketing authorisation prior to the expiration of patent (or complementary certificate) protection, so that the generic drug would be ready for market once protection had effectively
Another significant limitation to patent rights stemming from EU law is, of course, exhaustion. The exhaustion of rights (akin to the ‘first-sale doctrine’ under US law) is a general exception, applicable to all kinds of IP rights in Belgium. Remarkably, exhaustion occurs only when the products in question have been put on the market, by the right holder or with its consent (including by an affiliate or a licensee) in the European Economic Area (neither worldwide, nor national, but regional exhaustion regime). There is extensive case law of the CJEU regarding the conditions under which exhaustion applies, be it for patents (e.g., when drugs are imported from an EU country where no patent is in force or where commercialisation occurred under a compulsory licence), trademark (e.g., when branded drugs are repackaged) or copyright (where the CJEU notably extended the application of the exhaustion doctrine to the resale of software commercialised online under a click-wrap licence model).\(^{59}\)

## xi Time to first-level decision

A seizure of counterfeit goods allows the right holder to obtain first evidence of the infringement (by means of a bailiff report) within two weeks, and a more extensive report within two months. For cease-and-desist proceedings, an injunction will typically be obtained in three to nine months following the service of the writ of summons. As far as preliminary orders are concerned, the duration of the proceedings may even be reduced to (possibly) two months. A fully fledged procedure on the merits will not take much more time, say one year, unless the parties agree to split the legal questions to be decided (jurisdiction, validity, infringement, damages) or an expert report is ordered (hearing of witnesses is exceptional).

## xii Remedies

Injunctive relief is the first remedy requested by patent owners, generally, as explained above, in summary proceedings. Damages are available but may only be compensatory in nature; no liquidated damages are available, although a transfer of profits may be ordered, exceptionally, in the case of bad faith infringement. Attorneys’ fees have to be borne by the unsuccessful party but, in principle, only up to a limited amount (about €12,000) determined by a Royal Decree (flat-rate scheme). However, in *United Video Properties Inc. v. Telenet*, the CJEU held that Directive 2004/48/EC on the enforcement of intellectual property rights precludes national legislation providing flat rates that, due to the maximum recoverable amounts being too low, do not ensure at the very least, that a significant and appropriate part of the reasonable costs incurred by the successful party are borne by the unsuccessful party.\(^{60}\) This paves the way to a greater recovery of lawyers’ fees in IP, and in particular patent, cases.

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xiii Appellate review

Both judgments and preliminary orders may be appealed (in patent cases, before the Court of Appeals of Brussels). Except for cancellation and revocation decisions, the appeal has, however, no suspensive effect: enforcement is possible pending and despite the appeal, at the risks and perils of the enforcing party.

Against the decisions of the courts of appeal, a recourse is available before the Court of Cassation (judicial review).

xiv Alternatives to litigation

Oppositions against the grant of a European patent or the registration of a trademark are possible, respectively at the European patent Office, at the Benelux Office for Intellectual property (Benelux trademarks) or at the EUIPO (EU trademarks). Belgian patents are granted without any examination by the Belgian IP Office and no opposition is therefore available (only cancellation, or limitation, by the Enterprise Court of Brussels is possible). Likewise, designs rights are not subject to opposition proceedings.

Arbitration is possible but in practice mainly resorted to in disputes between licensors and licensees, or in other contractual disputes.

V TRENDS AND OUTLOOK

The main major development expected in the future is the entry into force of the UPC Agreement and of Regulation 1257/2012 making it possible to give unitary effect to a European patent, see Section IV.ii above. Unitary effect means that such patents would not have to be validated and translated in all individual countries designated in the European patent: one single valid right, with the payment of one fee, would operate for all the EU Member States participating in the system (currently 25 countries).
FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property protection and enforcement in Brazil is highly influenced by international treaties and multilateral agreements, such as:

- the Berne Convention for the Protection of Literary and Artistic Works;
- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS);
- the Patent Cooperation Treaty (PCT);
- the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations;
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- the Strasbourg Agreement Concerning the International Patent Classification;
- the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks;
- the UPOV Convention; and

Brazil has structured a legal framework that provides for intellectual property protection in all its most relevant forms (i.e., copyright, trademarks, patents, industrial designs, trade secrets and software).

In Brazil, the provisions of trademark, patent, industrial design and unfair competition law are collectively set out in the Brazilian Industrial Property Law (BIPL). Of note regarding copyright and software law are the Brazilian Copyright Law (BCL) and the Brazilian Software Law (BSL), respectively.

Copyright and neighbouring rights

Copyright and neighbouring rights are governed in Brazil by the BCL, which establishes that the intellectual works that are protected are creations of the mind, whatever their mode of expression or the medium in which they are fixed, tangible or intangible, known or susceptible to invention in the future. The BCL broadly defines literary, artistic and scientific works as being the subject matter of copyright.
The BCL guarantees authors’ ‘moral’ rights (e.g., the right to claim authorship of the work at any time, and to keep the work unpublished), as well as ‘economic rights’ (the right of economic exploitation of the work), which include exclusive rights to, among others, reproduce, distribute, adapt, perform and display the work.

The economic rights of the author are protected for 70 years from 1 January of the year following his or her death. The ‘moral’ rights involved are inalienable and irrevocable (i.e., they cannot be transferred, licensed or waived).

On the other hand, the Brazilian copyright system presents legal limitations of the author’s exclusive rights. An example of such is the provision of Item VIII, Article 46 of the BCL, which states that it does not constitute violation of copyright to reproduce in any work short extracts from existing works, regardless of their nature, on condition that the reproduction is not in itself the main subject matter of the new work and does not jeopardise the normal use of the work reproduced or unjustifiably prejudice the author’s legitimate interests.

Registration is optional for purposes of protection. Assuming that the work is original, it will be afforded copyright protection irrespective of registration.

Although not mandatory, copyright registration is still recommended as a way to evidence authorship, especially in light of the Brazilian government’s choice to adopt a first-to-create system of copyright protection.

**ii Trademarks**

The BIPL establishes that any distinctive, visually perceptible sign may be registered as a trademark, provided it does not fall within the prohibitions set out in the law. The requirement of visual representation excludes from the scope of protection non-traditional trademarks such as olfactory, sound and gustatory marks. On the other hand, the protection of three-dimensional signs has been admitted in Brazil since the enactment of the current BIPL.

The BIPL sets out, in its Article 124, a list of examples of signs that are not registerable as trademarks. The list includes:

- signs of a generic, necessary, common, usual or merely descriptive character, when related to the product or service to be distinguished, or those commonly used to designate a characteristic of the product or service with respect to the nature, nationality, weight, value, quality and moment of production of a product or provision of a service, save when the sign is presented in a sufficiently distinctive manner;
- signs or expressions used only as a means of advertising;
- colours and their names, except when arranged or combined in an unusual and distinctive manner; and
- names, prizes or symbols of sporting, artistic, cultural, social, political, economic or technical official or officially recognised events, as well as imitations likely to cause confusion, save when authorised by the competent authority or entity promoting the event.

Trademark protection in Brazil is based on the first-to-file system. The BIPL states that the ownership of a mark is acquired by means of a validly granted registration, following which the title-holder has an established right to exclusive use of the trademark throughout the national territory.
Nevertheless, the BIPL also provides protection for the owners of trademarks not yet registered with the Brazilian Patent and Trademark Office (BPTO). One example of this protection is the right of prior use. This right applies to any person who, in good faith, at the date of priority or the filing date of the application, has been using an identical or similar mark for at least six months, in Brazil, to distinguish or certify a product or service that is identical, similar or akin. Such person has a preferential right to registration.

Another example is the protection afforded to trademarks that are well known in their field of activity, as per Article 6 bis (1) of the Paris Convention. Well-known trademarks are given special protection, independently of whether they have been previously filed or registered in Brazil. The BPTO has powers to reject ex officio a trademark application that wholly or partially reproduces or imitates a well-known trademark. On the other hand, in the event of the owner of a well-known trademark filing an opposition or an administrative nullity action based on its well-known trademark, it has a period of 60 days commencing with the filing of the opposition or administrative nullity action in which to file an application for the registration in Brazil of its well-known mark.

The BIPL also prescribes that signs that imitate or reproduce, wholly or in part, a third-party mark of which the applicant could not be unaware, owing to the commercial activity in which he or she engages, are not registerable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark and is likely to cause confusion or association with such third-party mark. As a consequence, the BIPL enables the owner of a trademark that has not yet been filed or registered in Brazil to challenge third parties who attempt to register similar or identical trademarks. Similarly to the situation mentioned in the above paragraph, the owner of the trademark has a 60-day term in which to file an application for registration of his or her mark in Brazil, with said period commencing upon the date he or she filed the opposition or administrative nullity action.

When applying for registration in Brazil there is no need to claim prior use or to submit proof of use of the trademark. Of note is that multi-class applications are not allowed in Brazil.

The trademark registration remains in effect for 10 years commencing with the date of its grant, and may be renewed for equal and successive periods.

### Patents

The BIPL of 1996 establishes two types of patents: patents of invention and utility models.

Further to Article 8, an invention is eligible for patent protection if it satisfies the requirements of novelty, inventive step and industrial application.

An invention will meet the novelty requirement if it is not part of the state of the art. The state of the art consists of everything that became known or accessible to the public prior to the filing date of the patent application, by use or by any other means, in Brazil or abroad, with a few exceptions provided by the BIPL. In addition, an invention is endowed with inventive step if, for a person skilled in the art, the invention does not derive in an evident or obvious manner from the state of the art. Lastly, an invention is capable of industrial application if it can be used or produced in any kind of industry.

An object of practical use or any part thereof is patentable as a utility model, provided it is capable of industrial application, presents a new form or arrangement and involves an inventive act that results in functional improvement in its use or manufacture. The requirement of inventive step in utility models requires a lesser degree of inventiveness.
The term of protection of patents of invention is 20 years and of utility models 15 years, commencing with the filing date of the respective application before the BPTO. The law prescribes, however, that the term will not be less than 10 years for a patent of invention and seven years for a utility model, commencing with the date of granting, save where the BPTO is prevented from carrying out the substantive examination of the application owing to a duly evidenced judicial dispute or for reasons of force majeure.

Inventions that are contrary to morality, customs or public safety, policy and health are not patentable. Neither are the following:

- discoveries, scientific theories and mathematical methods;
- purely abstract concepts;
- commercial, accounting, financial, educational, advertising, raffling and inspection schemes, plans, principles or methods;
- literary, architectural, artistic and scientific works or aesthetic creations;
- computer programs *per se*;
- presentation of information;
- games rules;
- surgical techniques and methods, as well as therapeutic or diagnostic methods, for application to humans or animals;
- all or part of natural living beings or biological materials found in nature, even if isolated therefrom, including the genome or germoplasm of any natural living being, and the natural biological processes;
- substances, materials, mixtures, elements or products of any kind, as well as the modification of their physical-chemical properties and the respective processes for obtainment or modification, when resulting from the transformation of the atomic nucleus; and
- all or part of living beings, save for transgenic microorganisms that satisfy the three requirements of patentability and that are not mere discoveries.

According to the BIPL, a person who, in good faith, prior to the filing or priority date of an application, was using the object of the patent application, is allowed to continue the use, without onus, in the same manner and under the same conditions as before.

A patent confers on its title-holder the right to prevent third parties from, without his or her consent, producing, using, offering for sale, selling or importing a product that is the object of the patent, and a process or a product directly obtained by a patented process.

Finally, the BIPL authorises the patent applicant or title-holder to request a certificate of addition in order to protect an improvement or development introduced into the claimed invention that is the subject of a patent application or a granted patent, provided the same requirements for inventiveness are satisfied.

### Industrial designs

An industrial design is an ornamental plastic form of an object or an ornamental arrangement of lines and colours, which may be applied to a product, providing a new and original visual result in its external configuration, and that may serve as a model for industrial manufacture.

The industrial design is considered new when it is not included in the state of the art. The state of the art consists of everything made available to the public prior to the filing date of the application, in Brazil or abroad, by use or by any other means, with a few exceptions provided by the BIPL.
The industrial design is considered to be original when it results in a distinctive visual configuration, in relation to other prior objects. The original visual result may be derived from the combination of known elements. An application for an industrial design registration must refer to a single object. Multiple designs, however, are admitted under the BIPL. An application may include a plurality of variations provided that they are destined for the same purpose and retain the same predominant distinctive characteristic.

Creations of purely artistic character are not considered industrial designs. Furthermore, the necessary common or ordinary shape of an object or shapes, essentially determined by technical or functional considerations, cannot be registered as industrial designs.

Similarly to patents of invention and utility models, prior rights to users in good faith are also granted in connection with industrial designs.

The term of registration of an industrial design is 10 years from the filing date of the application, extendable for three successive periods of five years each.

v Trade secrets

The nature of trade secret protection in Brazil differs from the protection of trademarks and patents. Whereas owners of trademarks or patents have a property right, the owner of a trade secret has a right against acts of unfair competition. Trade secrets include confidential information related to business or administrative strategies, data submitted as part of an application for approval for the sale of certain types of products, and industrial and technological information.

To prove violation of a trade secret it is necessary to assert that the alleged infringing conduct is exactly that described in the statute, particularly in the BIPL of 1996.

The Brazilian Criminal Code also provides penalties for undue disclosure of a trade secret, and Brazilian employment law entitles employers to dismiss employees for ‘just cause’ (i.e., without compensation) if said employees expose trade secrets. A trade secret remains enforceable for as long as the information remains secret.

vi Software

The BSL states that the protection system for software is the same as that granted to literary works by the copyright statute. Nonetheless, this provision does not preclude a computer program from patent or trade secret protection.

Software is protected for a term of 50 years as from 1 January of the year following its publication or creation. As with any copyright work, software rights arise from creation regardless of registration, although registration is advisable.

vii Other intellectual property statutes and regulations

The regimes described above are the foundation of Brazil’s intellectual property regime. Perceived gaps in the availability of protection for certain creations of the human endeavour have given rise to specific legislation. For instance, Brazil has enacted a law that provides for the protection of intellectual property of integrated circuits (Law No. 11.484/2007), and a Plant Variety Protection Law (Law No. 9.456/1997).

Trade dress can also be protected in Brazil under the unfair competition provisions of the BIPL.

In order to regulate the exclusivities related to intellectual property rights, the Brazilian government created certain administrative bodies. Of particular note related to the pharmaceuticals industry is the National Health Surveillance Agency (ANVISA), the
agency that regulates, controls, and inspects products and services that involve public health. ANVISA issues marketing authorisations for the sale of drugs in Brazil. Additionally, ANVISA is responsible for the examination of pharmaceutical patent applications, along with the BPTO, with regard to safeguarding human health.

II RECENT DEVELOPMENTS

i BPTO’s measures addressing patent applications backlog

The BPTO published, on 30 October 2018, Resolution 227/2018, which establishes pre-examination requirements in an attempt to expedite the technical examination of pending patent applications and thus reduce the backlog. This resolution establishes analysis procedures for patent applications using the results of searches already carried out in other countries’ patent offices.

A new set of claims according to the prior arts already found by other patent offices must be submitted, as well as arguments regarding the pertinence of the cited prior arts, in cases where there are objections to the requirements of patentability in view of those documents.

If a new set of claims is submitted, the applicant must pay attention to the provisions of Article 32 of the BIPL, which states that any amendments made regarding the original application are only allowed when they do not exceed the subject matter claimed at the time of the request for examination of the application.

In order to avoid further technical requirements, applicants should take into account the provisions of Normative Instructions 30/2013 and 31/2013, checking, for example, the correct interconnection of the claims, the presence of the expression ‘characterised in that’ and the presence of the reference signs to the drawings. Moreover, applicants must ensure that the subject matter does not contravene the provisions of Articles 10 and 18 of the BIPL; for instance, claiming in respect of subject matter in the categories of software, computer program or therapeutic method.

It is advisable to present, along with the new claim set, marked-up copies highlighting the amendments, as well as new copies of the specification, abstract and figures, correcting possible translation errors or typos. If the amended claim set exceeds the total number of claims submitted for examination, an extra official examination fee must be paid regarding every extra claim.

Resolution 227/18 applies to patent applications that have not yet been subjected to a first technical examination, have not requested any type of priority examination before the BPTO, have not been subjected to third-party observation or ANVISA’s opinion, and have related prior art searches already been performed by other patent offices or correspondent organisations.

The assignee has a period of 60 days, counted from the publication of the pre-examination requirement in the form of an office action, to present a response and possible amendments to the application and corresponding argumentation. It is important to state that if the applicant does not file a reply to this office action, the application will be definitely shelved.

Once the requirement has been met, the examination procedure continues as usual.

ii PPH pilot programmes with UK, US and Japanese authorities

On 28 March 2018, Brazil and the United Kingdom signed a patent prosecution highway (PPH) pilot programme between the BPTO and the UK Intellectual Property Office
(UKIPO), which came into force in Brazil in the third quarter of 2018. The PPH is a project in which a patent application with claims that have been determined to be patentable in the office of first filing is eligible to go through a fast-track examination in the office of second filing with a simple procedure upon the applicant's request. Its purpose is to speed up the examination of pending patent applications in both countries. An expedited examination before the BPTO based on this PPH programme will be possible for UK patent cases that have received an intention to grant letter or a notification of grant letter issued by the UKIPO. Likewise, cases already granted by the BPTO may also enjoy an expedited examination before the UKIPO.

For the PPH pilot programme between the BPTO and the UKIPO, only 100 applications in Brazil will be accepted per year, and the eligible technical fields for this programme were defined in July 2018 as biotechnology, electrical machines, appliances and energy, audiovisual technology, telecoms, digital communication, basic communication processes, computer technology, information technology management methods and semiconductors.

On 8 May 2018, the BPTO published Resolution No. 218/18, establishing phase two of the PPH pilot project between the BPTO and the US Patent and Trademark Office (USPTO). The second phase extends from 10 May 2018 to 30 April 2020, or until 200 applications have been accepted under the PPH agreement between both PTOs, whichever occurs first. The project now includes the area of information technology, which was added to the already contemplated technologies, namely oil, gas and petrochemical inventions, provided that:

\[ a \] the patent application has been published;
\[ b \] the examination has been requested but not yet started;
\[ c \] annuities are paid and current;
\[ d \] a specific fee has been paid and a specific form filled in; and
\[ e \] the application has not been the object of any litigation in Brazil.

The BPTO also announced, on 12 February 2019, through Resolution nº 235/19, the continuation of the PPH pilot programme with the Japanese Patent and Trademark Office (JPTO) in its phase two, which will run for 2 more years counted from 1 April 2019 until 31 March 2021. Phase two has added four new technical fields to those of phase one, including patent applications related to (1) macromolecular chemistry and polymers, (2) metallurgy and materials, (3) agrochemicals, and (4) microorganisms or enzymes. Applications related to the technical field of ‘drugs’, understood as those applications with main or secondary patent classification A61K, have been excluded. The BPTO will accept a total of 200 applications under this PPH. Furthermore, there will be a limitation of one patent application per applicant per month, except in the last month, with the condition that the total amount of applications has not yet been exceeded. These limitations, however, do not apply to the Japanese PTO processing of Brazilian applications.

iii Fast-track examination – patents related to Zika, Chikungunya and rare diseases

The BPTO also published, on 8 May 2018, Resolution 217/18, which amended Resolution 80 of 2013, establishing that patent applications involving pharmaceutical products and processes (as well as equipment and materials used in these areas) related to Zika and Chikungunya have also become part of the list of patents related to neglected diseases that benefit from fast-track examinations before the BPTO.
This new resolution also included applications for rare diseases, classified by the World Health Organization and by Brazilian guidelines for treatments under the National Healthcare System, as diseases that affect up to 65 people per 100,000 subjects or 1.3 people per 2,000 subjects.

It should be pointed out that this measure demonstrates the BPTO’s alignment with the public healthcare policies of the Brazilian Ministry of Health and with the development of the industrial complex in the area of health.

iv Patent applications – genetic heritage and associated traditional knowledge

The BPTO published a statement that, as of 27 February 2018, a formal office action (code 6.6.1) will be automatically issued in all patent applications, requiring applicants to prove their registration and authorisation to access Brazilian genetic heritage and associated traditional knowledge.

A response will be required only in cases in which samples of Brazilian genetic heritage or associated traditional knowledge have been accessed. In those cases, the applicant will need to file a reply within 60 days from the publication of the formal office action.

If the applicant fails to comply with the formal office action, the BPTO will consider that the subject matter of the patent application has not been obtained as a result of access to samples of Brazilian genetic heritage or associated traditional knowledge and will proceed with the technical examination of the case.

III OBTAINING PROTECTION

The BIPL establishes two types of patents: patents of invention and utility models.

To be patentable, an invention must satisfy the following criteria: novelty, inventive step and capability for industrial application. An object of practical use or any part thereof is patentable as a utility model, provided it is capable of industrial application, presents a new form or arrangement, and involves an inventive act that results in functional improvement in its use or manufacture.

An invention will meet the novelty requirement if it is not part of the state of the art. The state of the art consists of everything that became known or accessible to the public prior to the filing date of the patent application, by use or by any other means, in Brazil or abroad, with a few exceptions provided by the BIPL.

An invention is considered obvious in view of prior art when it is considered that a person skilled in the art would naturally reach the solution proposed in the invention. The basic criteria involves identifying the nature of the problem for which a solution is sought, analysing the solution proposed by the invention in question and determining whether said solution is reached by way of a new or unexpected technical effect. Examples of aspects to be considered include the type of problems encountered in the art, the prior art solutions to these problems, the movement of persons skilled in the art in a different direction from that taken by the inventor, the new technical effect that can be achieved by the invention and commercial success.

The disclosure of an invention will not be considered to be state of the art if it occurred during the 12 months prior to the date of filing or of priority of the patent application, if made by the inventor; by the BPTO, by means of official publication of the patent application
filed without the consent of the inventor, based on information obtained from him or her or as a result of his or her actions; or by third parties, based on information obtained directly or indirectly from the inventor or as a result of his or her actions.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

The BIPL provides that infringement of trademark, design, patent and geographical indication rights and acts of unfair competition constitute both a civil wrong (tort) and a crime. Hence, the injured party is entitled to rely on both civil and criminal measures in order to enforce its rights.

In addition, it is possible to file nullity actions against trademark, design or patent registrations or against administrative acts that annul trademark, design or patent registrations.

Border control mechanisms also feature as part of the Brazilian system of enforcement of IP rights. Federal Decree No. 6759 of 5 February 2009 includes authorisation for the customs authority to seize any products that it considers to bear altered or imitated marks. Furthermore, a trademark owner who has sufficient evidence of the planned import or export of counterfeit goods may request (setting out the facts or circumstances that give rise to suspicion) the seizure of such goods by the customs authority.

ii Requirements for jurisdiction and venue

Infringement actions must be filed before state courts, as the BPTO does not participate in such proceedings, whereas the nullity actions are heard by federal courts. This is because the BPTO is automatically a party to all nullity actions, and whenever a government agency is a party to a lawsuit, the action must be filed before federal courts.

The entry level (first instance) of the Federal Court of Rio de Janeiro has four courts specialising in intellectual property. At the appeal level, the Regional Federal Court of the Second Region, with jurisdiction over the states of Rio de Janeiro and Espirito Santo, has two specialist panels for intellectual property.

As for the civil proceedings, the injured party may file a lawsuit seeking the cessation of the infringing act, coupled with a claim for damages. The lawsuit may also include an ex parte preliminary injunction request, with a view to immediate cessation of the harmful conduct until a decision on the merits is rendered, subject to specific requirements of the Civil Procedure Code (CPC). In order to obtain a preliminary injunction, the plaintiff must demonstrate a prima facie good case (i.e., that there is a likelihood of success on the merits of the case, and that delay in granting the relief sought would be likely to give rise to harm that is irreparable or very difficult to redress).

The plaintiff may also seek the imposition of a daily penalty for failure to abide by the preliminary injunction. If the interim relief sought is granted, the defendant will be restrained from practising the infringing act pending a final and definitive ruling on the substantive lawsuit. In some circumstances, a court will only grant interim injunctive relief if the petitioner posts a bond or a fiduciary guarantee to cover any losses incurred by the respondent.

A criminal action requires the filing of a criminal complaint, save in the case of the crime against armorial bearings, crests or official public distinctions, be they national, foreign or international, in which case the criminal action will be public (i.e., commenced by the public prosecution service).
In terms of criminal proceedings, one very important provision is the possibility of filing a preliminary criminal search and seizure action, aimed at gathering evidence of acts of infringement and avoiding the destruction or hiding of evidence by the infringer. Pursuing a preliminary criminal search and seizure action is normally more straightforward than undergoing the more complicated civil proceeding of early production of evidence. Given that it is possible to rely both in civil and criminal proceedings on the evidence obtained under search and seizure warrant, an application for preliminary criminal search and seizure is frequently a useful starting point for civil infringement proceedings as well as for criminal proceedings per se.

iii Obtaining relevant evidence of infringement and discovery

The CPC states that the plaintiff may draw on all legal and morally legitimate means of proving the existence of the rights asserted. It makes specific reference to ‘personal deposition’ (the giving or oral evidence by the person or persons asserting the rights); the exhibition of documents or other material; witness testimony; expert evidence and court inspections.

In addition, the CPC permits the court to direct early production of evidence. A party is therefore entitled to make an application for the production of expert evidence prior to the filing of the substantive lawsuit (or, post-filing, at an early stage of the proceedings). The plaintiff must demonstrate solid reasons for the application, for example, that there are reasonable grounds for fearing that, in the absence of an order for early production, the evidence in question may be lost or destroyed.

Discovery, in the form that exists in common law systems as a pretrial phase in a lawsuit, is not provided for in the Brazilian legal system.

iv Trial decision-maker

Infringement and nullity actions are heard by a single judge in the first instance. The appeal courts (second instance) consist of panels of three judges.

Experts can be appointed by the judge to assist with any technical issues involved in the case.

v Structure of the trial

Once the initial complaint is filed, the defendant is notified to present his or her response within 15 days. The plaintiff may respond to the defendant’s answer within 10 days. There are usually two hearings at first instance: a conciliatory or preliminary hearing, in which the parties try to settle the case amicably; and an evidentiary hearing, in which the expert and the parties’ technical assistants may be cross-examined as to their findings, in the event of a dispute between them (the relevant questions having been filed and responded to in writing prior to the hearing – the scope of the cross-examination being issues that remain in dispute); depositions are taken from the parties and the witnesses listed are heard. It is important to note that this second hearing occurs only in cases where there is a need for evidence to be produced.

At the close of the hearing, the judge may immediately make a final order (final decision of the first instance) or may direct that the parties submit final briefs. In the latter case, the judge will make the final order following the submission of the briefs and its consideration.

It is possible to file an appeal against this order to a state court of appeal. The final order on appeal of the state court of appeal may be challenged, provided certain legal requirements are met, by a further appeal, known as a ‘special’ appeal, to the Superior Court of Justice, or an ‘extraordinary’ appeal to the Federal Supreme Court.
A final decision on infringement and nullity actions may take between one and two years at first instance. A final decision on second instance may take up to two years. These time frames will vary according to the complexity of the case, and the state and court in which the lawsuit is filed. Preliminary injunctions may be granted immediately, provided the legal requirements are met.

vi Infringement

Patent infringement can be literal or by equivalence.

According to Article 41 of the BIPL, the scope of the protection conferred by the patent shall be determined by the content of the claims, and interpreted on the basis of the specifications and drawings.

Article 42 of the BIPL states that a patent confers on its title-holder the right to prevent a third party from, without his or her consent, producing, using, offering for sale, selling or importing a product that is the object of the patent, and a process or a product directly obtained by a patented process.

The title-holder is further assured the right to prevent third parties from contributing to the perpetration by others of the acts described above.

vii Defences

In a civil infringement action, the defendant in its reply may assert facts that impede, modify or terminate the plaintiff’s right. In addition to its reply, the defendant may also file a counterclaim against the plaintiff, if the legal prerequisites are duly met.

In relation to criminal actions, an allegation of nullity of the registration on which the action is based may be relied upon as a defence. Acquittal of the defendant, however, will not automatically lead to nullity of the registration, which can only be requested in an action before the competent courts.

The most common defences to patent infringement are patent invalidity (e.g., lack of novelty, or part of the state of art) and non-infringement.

With regard to non-infringement, Articles 43 and 45 of the BIPL provide exceptions to patent infringement, such as:

a private acts without commercial purpose, that do not jeopardise the economic interests of the patent holder;
b acts of experimental purposes in connection with scientific and technological studies and research;
c preparation of a medicine in accordance with a medical prescription for individual cases;
d a product manufactured in accordance with a process or product patent that has been introduced onto the domestic market directly by the patent holder or with his or her consent;
e non-economic use of the patented product as an initial source of variation or propagation to obtain other products, in the case of patents related to living material;
f production of data and results of tests with the purpose of obtaining the authorisation for commercialisation of the patent product after the term of the patent expires; and
g use, in good faith, of the object of the patent prior to the priority or filing date of the patent application.
Time to first-level decision

A final decision on infringement and nullity actions may take between one and two years at first instance. A final decision at second instance may take up to two years. These time frames will vary according to the complexity of the case, and the state and court in which the lawsuit is filed. Preliminary injunctions may be granted immediately, provided the legal requirements are met.

Remedies

Civil remedies include: an order for the immediate cessation of the infringing act and damages. The lawsuit may also include an *ex parte* preliminary injunction request, with a view to immediate cessation of the harmful conduct until a decision on the merits is rendered, subject to specific requirements of the CPC.

In order to obtain a preliminary injunction, the plaintiff must demonstrate a *prima facie* good case (i.e., that there is a likelihood of success on the merits of the case, and that delay in granting the relief sought would be likely to give rise to harm that is irreparable or very difficult to redress). The plaintiff may also seek the imposition of a daily penalty for failure to abide by the preliminary injunction.

If the interim relief sought is granted, the defendant will be restrained from practising the infringing act pending a final and definitive ruling on the substantive lawsuit. In some circumstances, a court will only grant interim injunctive relief if the petitioner posts a bond or a fiduciary guarantee to cover any losses incurred by the respondent.

In relation to the quantum of damages payable for infringement, the BIPL applies a triple criteria calculation, so that damages are fixed on the basis of the criterion that is the most beneficial to the injured party, chosen from the following list: the benefit that the injured party would have obtained if the violation had not occurred; the benefit actually obtained by the author of the violation of the rights; or the remuneration that the author of the violation would have paid to the proprietor for a licence for use of the protected rights.

Criminal remedies include: preliminary criminal search and seizure measures, imprisonment of the infringer and fines. The BIPL also establishes that anyone who manufactures a product that is the subject matter of a patent of invention or of a utility model patent without authorisation from the owner, or uses a means or process that is the subject matter of a patent of invention without authorisation from the owner, shall be subject to imprisonment for a period of three months to one year, or a fine.

Additionally, the BIPL establishes that anyone caught exporting, selling, displaying or offering for sale, keeping in stock, concealing or receiving to use for economic purposes a product that is manufactured infringing a patent of invention or an utility model patent, or that is obtained by a patented means or process; or caught importing a product that is the subject matter of a patent of invention or a utility model patent, or obtained by a means or process that is patented in Brazil, to use for an economic purpose, which has neither been placed on the foreign market directly nor with the consent of the patent owner, is subject to imprisonment for a period of one to three months, or a fine.

The same penalty applies to anyone caught supplying the component of a patented product or material or equipment with which to carry out a patented process, provided that the final application of the component, material or equipment of necessity leads to the use of the subject matter of the patent.
Appellate review

The CPC sets out various avenues of appeal, to which parties may resort. There are both appeals on the merits (substantive issue) of a case and appeals on procedural grounds or relating to questions other than the substantive issue. The possible forms of appeal include motions based on conflicting case law, motions for clarification of the ruling and appeals based on internal court rules. The final decision of the first instance court, for example, may be challenged on appeal before the state court of appeal. From the appeal court, a further appeal is possible on issues pertaining to federal law, to the Superior Court of Justice or, in the event of a constitutional issue arising, to the Federal Supreme Court.

The appeal courts consist of panels of three judges. A final decision on second instance may take up to two years. This time frame will vary according to the complexity of the case, and to the court and panels handling the matter. Appeals to the Superior Court of Justice or to the Federal Supreme Court are estimated to take between two and four years to be analysed and have decisions issued.

Alternatives to litigation

The BIPL does not have any provision related to ADR. Arbitration proceedings are governed by the Arbitration Law. Although arbitration is not commonly used in trademark and patent infringement cases, the parties may agree to arbitration instead of resorting to the courts. Among the possible benefits of using arbitration are the comparative speed of proceedings and their confidentiality.

TRENDS AND OUTLOOK

The Brazilian Congress has been discussing the possible accession of Brazil to the Madrid Protocol. In early August 2018, the House of Representatives held a public hearing about the subject in the presence of Luiz Otávio Pimentel, the Brazilian PTO’s President at the time. According to him, the PTO has been working since 2017 to prepare its staff for the implementation of the Protocol. The proposal for Brazil’s accession to the Madrid Protocol is being processed on an urgent basis, and, when the House of Representatives concludes its analysis, it will then be sent to the Senate for discussion.

Also, the PTO has been progressively reducing its backlog. With respect to trademarks, from January to April of 2018, the PTO issued 110,336 decisions, which is 88 per cent more than the number of decisions issued during the same period in the previous year. The PTO estimates that it takes approximately 12 months to analyse a trademark application without opposition and 13 months to analyse a trademark application with opposition.

On 8 February 2018, Decree No. 9,283 was published in the Official Gazette, which establishes measures to provide incentives for innovation and scientific research on the productive environment, and regulates the related Brazilian law, Law No. 10,973/2004. According to the Decree, the public administration will be able to provide incentives for the development of cooperative projects among companies, scientific, technological and innovation institutions, and non-profit private institutions to stimulate the creation of innovative products, processes and services, as well as the transfer and diffusion of technology. In these cases, the parties shall specify in the contract the owner of the IP rights over the creation, and also the percentage of participation in the results of the commercial exploitation of the creation that each party involved will possess. The same rules apply to contracts involving technologies made to order, which can also prescribe rules about the
assignment of IP rights over the creation, licensing and transfer of technology. Moreover, the scientific, technological and innovation institutions shall present an annual report to the Ministry of Science, Technology, Innovations and Communications about their IP policies, the creations developed, the protections required and offered, and the licensing or technology transfer contracts, among others. The President of the BPTO at the time stated that this Decree reinforces the Brazilian innovation system by determining the definition of IP rights in contracts related to partnerships for research and development, as well as to technologies made to order. According to a report issued by the BPTO in early 2018, the number of contracts registered with it decreased 19.1 per cent in 2017 when compared to the numbers of the same period in 2016. This is the third consecutive year in the reduction of requests for the registration of contracts, which is explained by the BPTO as owing to the waiver of the requirement to register contracts involving services of assembling, installing, maintaining and repairing of machines and equipment since 2015. From the 555 contracts registered with the BPTO in 2017, 85 per cent were importation contracts, for which registration is necessary for the remittance of payments abroad and for obtaining tax deductions.
Chapter 4

CANADA

Adam Haller and Kristin Wall

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Canada provides statutory protection for patents, trademarks, copyright and industrial designs, and common law protection for trade secrets and against passing off. The relative importance of each of these rights depends primarily on the type of protection that is required and the kinds of third-party activities that are of concern.

i Patents

Pursuant to the Patent Act, an inventor may obtain a patent for any new, useful and non-obvious art, process, machine, manufacture or composition of matter or any new, useful and non-obvious improvement thereof. Patents are issued by the Canadian Intellectual Property Office (CIPO) and are presumptively valid for 20 years from the date of filing with, historically, no ability to renew or extend. Amendments to the Patent Act that entered into force in September 2017 permit an extension of up to two years for certain pharmaceutical patents in certain circumstances.

A patentee has the exclusive rights to make, use and sell their patented invention. Any act that interferes with these rights constitutes an act of infringement. Infringers are liable for any damages to the patentee or any person claiming under the patentee, as well as for potential equitable relief, such as a permanent injunction or disgorgement of profits.

ii Trademarks

Trademarks find their origin in both common law and statute. Pursuant to the Trademarks Act, the holder of a registered trademark can take action against any person using the trademark or a confusingly similar trademark. A registered trademark may be enforced anywhere in Canada. A registered trademark holder is not required to establish goodwill or a reputation as a prerequisite for enforcement. This is not the case where a party relies on unregistered common law rights and must show a reputation in order to enforce its rights.

A registered trademark holder can also bring an action where use of its trademark by a third party depreciates the goodwill associated with that trademark even in the absence of confusion. This may apply where unauthorised use of the trademark stands to tarnish or dilute its value and is typically alleged in cases of comparative advertising or spoof products.

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1 Adam Haller is a senior associate and Kristin Wall is a partner at Norton Rose Fulbright Canada LLP.
2 RSC, 1985, Chapter P-4.
3 RSC, 1985, Chapter T-13.
Trademark registrations are valid indefinitely, as long as the appropriate renewal fees are paid. If a registered mark is not used in the marketplace for an extended period of time, however, a third party can seek to expunge the registration for non-use.

### Copyright

The Copyright Act\(^4\) prevents the unauthorised copying, performance or publication (where not already published) of original artistic, dramatic, musical and literary creations. Registration of copyright is not a prerequisite for enforcement but provides the registration holder with the presumption of ownership and subsistence of copyright in any eventual enforcement proceedings.

In general, the term of copyright protection is the life of the author plus 50 years. Where the author is unknown, the term is restricted to 50 years after the first publication of the work. In neither case is the term extendable or renewable.

The Copyright Act also grants moral rights to the original author of a work. These rights comprise the right of attribution in association with the work and the right to the integrity of the work, which includes: the right not to have the work altered in some cases; and the right not to have the work associated with a product, service, cause or institution. Moral rights cannot be assigned and remain in the hands of the author even if the copyright has been assigned.

The Copyright Act also contains a reversion provision under which, with some exceptions, any assignment or grant of interest in copyright ends 25 years following the author's death with the rights reverting back to his or her estate.

### Industrial designs

The Industrial Design Act\(^5\) allows for the registration of original visual features of shape, configuration, pattern and ornament that appeal to and are judged solely by the eye applied to a manufactured article. The Canadian Intellectual Property Office recently announced that colour can now form part of a combination of features that constitutes a registrable design. Designs must be registered within 12 months of being published and are valid for 10 years provided that the appropriate maintenance fees are paid. The 10-year term of industrial design registration cannot be extended or renewed.

### Trade secrets

There is no trade secret legislation in Canada. Instead, these rights are protected by contract law (e.g., confidentiality agreements) and in some cases according to the common law relating to fiduciary and related obligations.

### Other IP statutes and regulations

The regimes described above are the foundation of Canada’s IP landscape. Other specific pieces of legislation exist to fill perceived gaps in the availability of protection for certain

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\(^4\) RSC, 1984, Chapter C-42.

\(^5\) RSC, 1985, Chapter I-9.
technologies. For example the Plant Breeders’ Rights Act\textsuperscript{6} provides protection for new plant varieties, while the Integrated Circuit Topography Act\textsuperscript{7} covers the three-dimensional configurations of electronic circuits embodied in integrated circuit products or layout-designs.

\textbf{vii Pharmaceuticals}

Canada has adopted a number of regulations that play an integral role in the protection of IP relating to pharmaceuticals.

The Patented Medicines (Notice of Compliance) Regulations\textsuperscript{8} (the PM(NOC) Regulations) link the patent status of brand-name medicines with the regulatory approval process for subsequent entry products. The PM(NOC) Regulations provide a mechanism whereby a ‘first person’ (typically a brand-name manufacturer) who has received approval to sell a new drug is permitted to identify and enforce certain types of patents against one or more ‘second persons’ (typically a generic drug or biosimilar manufacturer) that files a drug submission for authorisation to market a subsequent entry product based on comparison to the brand. In September 2017, the government amended the PM(NOC) Regulations to alter the procedural and substantive details of disputes under the regulations. Disputes under the old regime were summary procedures that did not result in a final determination of patent infringement or validity. Rather, those cases concerned only a threshold decision of whether the Minister of Health should be prevented from issuing market authorisation to the manufacturer of the subsequent product. As of September 2017, proceedings under the PM(NOC) Regulations can lead to final findings on infringement and validity of a patent. Disputes under the new regime come with enhanced document production obligations and appeal options compared to the prior regime.

Under the old regime, once a first person initiated a proceeding under the regulations, the Minister of Health was automatically prohibited from issuing market authorisation to the subsequent entrant until the case was dismissed or two years had passed, whichever was sooner. A successful subsequent entrant had a cause of action against the first person for damages caused by the automatic delay in its market approval. Under the new regime, the first person has the option to forgo the automatic stay (and the potential liability for damages) and allow the subsequent entrant to enter the market ‘at risk’.

Also particular to the pharmaceutical field is a statutory period of data exclusivity under the Food and Drugs Act and Regulations available for eligible innovative drugs that contain previously unapproved medicinal ingredients.\textsuperscript{9} Under this scheme, a generic drug manufacturer is prohibited from relying on data submitted for the innovative drug directly or indirectly for eight years from the date of first approval of the innovative drug. The data exclusivity period can be extended for a further six-month term for paediatric studies in some cases.

\begin{footnotes}
\item[7] SC 1990, Chapter 37.
\item[8] SOR/93-133, as amended.
\item[9] Food and Drug Regulations, SOR/2006-241, Section C.08.004.1.
\end{footnotes}
II RECENT DEVELOPMENTS

i Legislation and treaties

This past year was particularly active on the legislative and treaty front.

Following the US withdrawal from the Trans Pacific Partnership (TPP), Canada and other remaining TPP countries signed the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP) in March 2018. The CPTPP suspends a number of IP-related provisions that had originally been part of the TPP. Some of the more significant provisions that were suspended as a result of the CPTPP related to: patent term extensions, data protection for pharmaceuticals and biosimilars; the term of copyright; and technological protections measures.

On 30 November 2018, Canada, the United States and Mexico signed the Canada-United States-Mexico Agreement (CUSMA) to replace the existing North American Free Trade Agreement (NAFTA).10 The CUSMA contains a number of provisions relevant to various heads of intellectual property including some provisions that were suspended by CPTPP. The CUSMA will, among other things, require adjustments to patent terms for unreasonable delays by the patent office, extend data protection for biologics, allow authorities to initiate border measures against counterfeit goods that are passing through Canada (existing provisions excluded such in-transit goods) and extend copyright from 50 to 70 years plus the life of the author. The CUSMA has not yet been implemented and the agreement provides many years to implement some of the changes.

In October 2018, the government of Canada introduced a budget implementation act (BIA) that contained a number of procedural substantive amendments to many of Canada’s IP statutes. The legislation received royal assent in December and many of the provisions are now in force. Some of the more significant changes are summarised below.

On patents, the BIA included a new provision in the Patent Act allowing a court to admit the prosecution history of the patent in litigation for the purpose of claim construction in certain circumstances. This modifies long-standing Supreme Court precedent that extrinsic evidence, such as the prosecution history, is not relevant to claim construction. The BIA also broadened the existing experimental use and prior use defences to infringement. To address bad-faith allegations of patent infringement, the BIA created a right of action to persons who receive a demand letter that does not meet requirements to be defined in regulations.

On trademarks, the BIA made a number of procedural changes to opposition and non-use cancellation proceedings. The BIA also inserted provisions into the Trademarks Act allowing parties to assert bad faith as a ground of invalidity and opposition, and placing limits on the enforcement of a registered trademark without use during the first three years of registration.

On copyright, the BIA introduced a new section regulating the content of notices of copyright infringement sent pursuant to the ‘notice and notice’ regime. The BIA also makes extensive amendments to the Copyright Board and its processes.

On 5 November 2018, amendments to the Industrial Design Act and accompanying regulations came into force. These amendments make a number of changes to the process for the registration of industrial designs, including implementing the Hague Agreement in Canada.

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10 This agreement is known in the United States and generally elsewhere as the United States – Mexico – Canada Agreement (USMCA).
Finally, the government announced that a number of changes to the Trademarks Act that were enacted some time ago would come into force on 17 June 2019. These changes include: the implementation of the Nice classification system and Madrid protocol, eliminating filing grounds and declarations of use, expanding protection for non-traditional marks, and allowing priority claims and divisional applications. These changes will have a significant impact on prosecution practice in Canada.

ii Supreme Court jurisprudence
The Supreme Court of Canada issued only one IP decision in 2018. The relatively narrow issue in the case was whether a rights holder or internet service provider (ISP) is responsible for the ISP’s costs in disclosing information to the rights holder pursuant to a Norwich order further to the ‘notice and notice’ in the Copyright Act. The Supreme Court of Canada held that the rights holder was responsible for the ISP’s reasonable costs that did not arise solely by virtue of the Act.

III OBTAINING PROTECTION
i Patents
Patentable subject matter is circumscribed by Section 2 of the Patent Act, which defines an invention as any new and useful art, process, machine, manufacture or composition of matter. Higher life forms, such as plants and animals, are not patentable. Compounds, microorganisms, peptides, proteins or other biological material and their uses are generally patentable, provided that the conditions of novelty, non-obviousness and utility are met.

Similarly, the Patent Act dictates that no patent will be granted for any mere scientific principle or abstract theorem. There is no per se exclusion for business method patents in Canada. However, a mere practical embodiment or application is not a sufficient basis for patentability. Claims to an unpatentable novel formula or abstract idea will not be saved by the fact that they contemplate the use of a physical tool (e.g., a computer) to give the formula a practical application.

At one time, methods of medical treatment were excluded by statute. While that provision was repealed many years ago, courts have continued to invalidate claims to methods of medical treatment, often on the basis that they are in essence directed to the unpatentable exercise of professional skill. These ‘methods of medical treatment’ include surgical techniques and dosing ranges but do not typically capture diagnostic methods. Recent case law and corresponding guidance from CIPO suggest that fixed dosages and fixed dosing schedules are patentable subject matter. In the context of novel pharmaceutical compounds, or old compounds for which a new medical use has been discovered, the prohibition on patenting methods of medical treatment can sometimes be accommodated by claiming the use of the compound for the treatment of a disease or as a Swiss-style use claim.

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11 Rogers Communications Inc. v Voltage Pictures, LLC, 2018 SCC 38.
12 A Norwich order requires the third parties to disclose information about a wrongdoer, often before the issue of proceedings. In this context, the internet service provider would usually be required to identify the individual whose IP address was implicated in the potential copyright infringement.
14 Abbvie Biotechnology Ltd v. Canada, 2014 FC 1251.
The Patent Act provides a one-year grace period in which disclosures made by an inventor or a person who received information directly or indirectly from the inventor will not be citable as anticipatory prior art against the inventor’s own application for the same invention. Any other public disclosure made prior to the filing date (or priority date if applicable) is citable.

**ii  Trademarks**

Statutory trademark rights are obtained through registration. An application for trademark registration may be based on prior use of the trademark in Canada, proposed use in Canada (with the registration being issued once use has been confirmed) or use and registration abroad. As mentioned above, amendments to the Trademarks Act that are coming into force in June 2019 eliminate the need to identify a filing basis in an application for registration. For goods, a trademark is ‘used’ when it is marked on the goods or their packaging, or associated with the goods in any other manner such that notice of the association between the mark and the goods is given at the time of transfer. For services, a trademark is ‘used’ if it is used or displayed in the performance or advertising of the services.

While the majority of registered trademarks are either words or two-dimensional designs, recent amendments specifically contemplate and facilitate the registration of non-traditional trademarks such as scents, sounds, textures and 3D shapes.

The Act prohibits the registration of certain trademarks, for example, trademarks that are:

- a word that is primarily merely the name or surname of an individual;
- clearly descriptive or deceptively misdescriptive of the goods or services for which registration is sought;
- the name in any language of the goods or services; or
- confusing with a registered trademark.

Third parties may oppose an application on a number of grounds including that the trademark is not registrable or that the trademark is confusing with a trademark or trade name previously adopted by the third party.

**iii  Copyright**

Copyright automatically subsists in all original literary, dramatic, musical or artistic works subject to certain requirements relating to the author or creator’s citizenship or residency. Copyright protection attaches to the concrete form of expression and does not extend to protect ideas, opinions, plans, schemes, or methods underlying the particular written expression thereof.

The requirement of originality has been interpreted to mean that the work required the exercise of skill and judgement. Originality may be found in the selection or arrangement of existing works, such as in a compilation. In such cases, copyright may exist in the constituent parts and separately in the compilation as a whole.

**IV  ENFORCEMENT OF RIGHTS**

**i  Possible venues for enforcement**

The Federal Court of Canada shares jurisdiction with the provincial superior courts in most enforcement matters. However, the Federal Court has exclusive jurisdiction to invalidate a
patent or trademark in rem, or to issue a declaration of non-infringement. The Federal Court also has exclusive jurisdiction in other special cases, such as certain stages of litigation under the PM(NOC) Regulations.

While most IP cases are heard in the Federal Court, it has no jurisdiction to hear claims based solely in common law. Therefore, actions related to trade secrets and breaches of confidential information, or ownership of intellectual property, must be brought in one of the provincial superior courts.

ii Requirements for jurisdiction and venue

A patentee or ‘person claiming under the patentee’ may sue for patent infringement. The term ‘person claiming under the patentee’ has been held to include both exclusive and non-exclusive licensees.

While any person sued for patent infringement can allege in defence that the patent is invalid as between the parties, the Patent Act also provides that any interested person can seek a declaration of invalidity that will be effective in rem.

Similarly, if a person has reasonable cause to believe that their actions or proposed actions may constitute patent infringement, that person may seek a declaration of non-infringement in the Federal Court.

iii Obtaining relevant evidence of infringement and discovery

Typically, evidence is collected from opposing parties through documentary and oral discovery proceedings. Whether a party is entitled to documentary or oral discovery, or both, depends on whether a proceeding is brought as an action or an application.

*Anton Piller* orders (i.e., civil search warrants for the purpose of preserving evidence that is in danger of being destroyed) are available in Canada, but the threshold to obtain them is high. Also, the orders must be executed carefully to avoid later scrutiny from the court. These orders are primarily used in the context of counterfeit goods.

iv Trial decision-maker

All matters before the superior courts and Federal Court are heard by a single judge. None of these courts have specialised judges to deal with intellectual property matters. As a result of the focused nature of the Federal Court’s jurisdiction, however, many of the judges of that court have developed considerable expertise in dealing with complex intellectual property matters.

v Structure of the trial

As patent trials are typically complex, the liability and validity issues may be separated from the quantification of damages. If this type of bifurcation is ordered, then document production, examinations for discovery, and the hearing are restricted to issues of validity and liability. If the patent is held to be valid and infringed, then damages are quantified in the second phase of the case.

The general rule in civil litigation is that the party that makes an allegation must prove it on a balance of probabilities. A plaintiff in an infringement action must establish all of the facts on which its claim is based. A defendant raising a positive defence must establish all of the facts on which its defence is based.
Patents and other intellectual property registrations benefit from a presumption of validity. In the case of patents for example, a plaintiff in an infringement action need not prove that the patent is valid as a prerequisite to asserting it.

Expert witnesses are typically called upon to testify in complicated IP cases. While the role of an expert witness is to assist the court, experts are retained by the individual parties. Parties are limited to five experts in most cases.

The Federal Courts Rules allow for jointly appointed experts, conferences of experts before trial and a practice sometimes referred to as ‘hot-tubbing’, wherein experts give their evidence at trial concurrently.

vi  Infringement and defences

Patents

Patent claims must be read purposively in light of the entire specification. The description portion of the specification cannot be used to expand or limit the scope of the claims and extrinsic evidence is inadmissible. The courts have rejected an approach to claim construction based on the spirit or substance of an invention, as this would run counter to the public interest in being put on notice by the patent claims. An unnecessary limiting element in a patent claim may be considered a self-inflicted wound on the part of the patentee. There is no doctrine of file wrapper estoppel in Canada.

Infringement must take place in Canada to be actionable. Infringement is deemed to take place in Canada when an imported product is made abroad by a process covered by a Canadian patent. Similarly, if an important intermediate in a manufacturing process is covered by a Canadian patent, the importation of the final product into Canada will be considered an infringement. A party that knowingly induces another party to infringe a patent is liable for infringement.

A defendant is entitled to allege patent invalidity as part of its defence. While lack of novelty and obviousness are common grounds of invalidity, cases based on lack of utility or sufficiency of disclosure have become more prominent in Canadian jurisprudence.

Other defences to patent infringement provided for in the Patent Act and by common law include prior use, experimental use and repair, and exhaustion of rights, among others.

Trademarks

Infringement under the Trade-marks Act is deemed to take place when a person sells, distributes or advertises goods or services in association with a confusing trademark. In determining whether the use of the trademark would likely lead to confusion, the Court will consider: (1) the inherent distinctiveness of the trademarks and the extent to which they have become known; (2) the length of time the trademarks have been in use; (3) the nature of the goods, services or business; (4) the nature of the trade; and (5) the degree of resemblance between the trademarks in appearance or sound or in the ideas suggested by them. Other statutory and common law causes of action relate to the goodwill associated with a trademark and damage caused to such goodwill by virtue of another party’s use of the exact trademark, or a confusing trademark.

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15 Trade-marks Act, RSC, 1985, Chapter T-13, Sections 6, 20.
Copyright
It is an infringement of copyright for any person, without consent, to do anything that under
the Copyright Act only the owner of the copyright has the right to do. As the set of rights
varies depending on the precise type of work, what constitutes infringement varies from case
to case. In general, infringement occurs where a party copies an original work or a substantial
part thereof. There are a number of exceptions and defences available, notably fair dealing for
the purpose of research, private study, education, parody or satire.\(^{16}\)

vii Time to first-level decision
The time to a first-level decision depends on a number of factors, including: the venue in
which the case is brought; the manner in which it is brought (action or application); the
scope and complexity of the allegations and defences; and most notably, the conduct of the
parties.

Patent cases tend to be complex and are typically decided within 24 to 36 months of
the day the case is filed. Applications and other summary proceedings proceed to hearing
faster than actions, typically in the range of 12 to 18 months.

viii Remedies
Pretrial remedies
Interlocutory injunctions are seldom issued in IP cases as a person must be at risk of irreparable
harm to warrant the grant of an injunction pending trial. This has been very difficult to
establish in IP cases. Two recent cases, however, show that in certain circumstances, the
Federal Court will grant interlocutory relief.\(^ {17}\)

Post-trial remedies
Post-trial remedies typically include damages, permanent injunctions or both, which unlike
interlocutory injunctions are consistently awarded in IP disputes.

Damages are intended to compensate the plaintiff for its lost profits arising from the
infringement of its rights. Damages for convoyed sales and other losses may be recoverable in
some cases. In most cases, the court has the discretion to award the plaintiff an accounting of
the defendant’s profits in lieu of damages.

Punitive and exemplary damages can be awarded in certain IP disputes. While these
remedies are generally considered rare, the Federal Court of Appeal recently upheld an award
of punitive damages in a patent case in which the Court held that a ‘sophisticated’ defendant
had exhibited ‘deliberate and outrageous’ conduct by making an infringing product that it
‘knew or should have known’ was the subject of a patent.\(^ {18}\)

Other common remedies include: declarations of infringement, non-infringement and
invalidity of the applicable registration; delivery up or destruction of offending goods; and
pre- and post-judgment interest on any monetary awards.

In general, a successful party is entitled to its costs of the litigation on a partial indemnity
basis, plus compensation for reasonable disbursements.

\(^{16}\) Copyright Act, RSC, 1984, Chapter C-42, Sections 27, 29.
\(^{17}\) Reckitt Benckiser LLC v. Jamieson Laboratories, 2015 FCA 104 and Sleep Country Canada Inc v. Sears
ix  **Appellate review**

Decisions of the superior courts and the Federal Court can be appealed as of right to the provincial courts of appeal or the Federal Court of Appeal respectively, all of which typically sit in three-member panels. As in the courts of first instance, there are no specialised appeal panels that deal exclusively with IP matters.

The standard of review varies depending on the nature of the decision under appeal. On determinations of fact, trial judges are given significant deference. A factual determination will only be overturned on the basis of a palpable and overriding error. In contrast, legal determinations made by the trial judge are assessed on a standard of correctness. With few exceptions, new evidence is not admissible on appeal.

Appeals from the courts of appeal are available with leave to the Supreme Court of Canada. Leave is only granted in cases of national and public importance.

x  **Alternatives to litigation**

While there are alternatives to litigation, they are limited in scope. The Patent Act does not include a formal opposition procedure. A party wishing to oppose an application may file prior art in protest to an application. Re-examination may also be requested on the basis of prior art. In neither case does the objecting party play an active role.

By contrast, the Trade-marks Act provides for pre-registration opposition proceedings. These oppositions can be far more cost-effective than litigation before the Federal Court. At the opposition stage, the legal onus is on the applicant to establish that its application is in compliance with the Act, whereas once registered, the onus is on the challenger to establish that the registration should be expunged.

V  **TRENDS AND OUTLOOK**

i  **Legislative amendments**

2018 was a busy year on the legislative and treaty front. While the government is focused on ratification of the CUSMA and making any consequential amendments, practitioners are coming to terms with a significant number of amendments that have recently come, or will soon be coming, into force. These changes, across nearly all of Canada’s major IP statutes, will have significant effects on rights holders and the strategies they deploy in Canada.

ii  **Jurisprudence**

The courts have been dealing with the fallout of a 2017 patent law decision of the Supreme Court of Canada in which the court reversed years of jurisprudence and rejected the ‘promise doctrine’, the idea that a patent is invalid for lack of utility where an otherwise useful invention fails to live up to statements in the patent that the invention will achieve a particular result.\(^{19}\) This decision led to a flurry of activity testing whether the Supreme Court’s decision left space to invalidate patents based on promised results under theories of invalidity other than the inutility. These arguments have, for the most part, been unsuccessful.

The first cases arising from the new PM(NOC) Regulations are making their way through the system. The courts have already dealt with a number of novel interlocutory issues arising from the changes. More such decisions and the first decisions on the merits are expected in the near future.

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\(^{19}\) AstraZeneca Canada Inc. v. Apotex Inc., 2017 SCC 36.
FORMS OF INTELLECTUAL PROPERTY PROTECTION

The main types of intellectual property protection in Chile are the following: patents, trademarks, utility models, industrial designs, new plant varieties and copyright. In addition, there is also legal protection for microorganisms, undisclosed information (in the pharmaceutical and agro-chemical fields), appellations of origin and trade secrets.

Intellectual property protection is contained mainly in the Industrial Property Law No. 19,039 of 1970, with amendments in 2005, 2007 and 2012 and in the Intellectual Property Law (Copyright) No. 17,336 of 1970, last amended in 2010. After several attempts over the past few years, this law is supposed to be the subject of a major revision in the not too distant future, which is likely to affect important aspects of its provisions as well as incorporating new features some of which appear to be essential for any modern intellectual property legislation. At the end of this chapter, there is a discussion of the most important aspects of the expected revision.

In addition, Chile is a party to most of the main international treaties and agreements on intellectual property, such as the Paris Convention on Industrial Property, the Berne Convention on Copyright, the Patent Cooperation Treaty (PCT), the WIPO Convention, the TRIPS Agreement (1994) as well as to several trade treaties containing extensive chapters on intellectual property, such as, the free trade treaties with the United States (2004), Canada (1993), Mexico (1999), Australia (2009), Japan (2007), China (2006), South Korea (2004) and the Economic Cooperation Agreement with the European Union (2003).

In recent years, the National Institute of Industrial Property (INAPI), which is the Chilean patent and trademark office, has executed several pilot agreements for a patent prosecution highway (PPH), in order to accelerate the prosecution of patent applications under determined conditions. At the time of writing this chapter, PPHs have been agreed and executed between Chile and Japan, Canada, Peru, Mexico and Colombia.

The following is a summary of some of the main types of intellectual property forms included in the Chilean legislation and practice.

Patents

Chilean law contains a fairly strong protection for patents.

Patents are granted for products and for processes related to a product.

1 Marino Porzio is founding partner of Porzio Ríos García, a firm that was founded in 1993 as Porzio, Ríos & Asociados.
Inventions applying for a patent can refer to any field of technology and are supposed to comply with the traditional patentability criteria of novelty, inventive step and industrial applicability.

Patent applications are subject to examination as to substance, which is a mandatory phase of the proceedings and they are also subject to the possibility of opposition after the publication of the application in the Official Gazette.

Patents are granted for a 20-year term counted from the date of application. Extension of the protection term is possible in very specific cases.

Although patents may be granted for inventions in any field of technology, there are certain cases that Chilean law does not consider ‘inventions’ and therefore they cannot be patentable or, while having all the characteristics of an invention, the law does not allow the granting of a patent.

The main cases of no patentability are the following:

a. discoveries, scientific theories and mathematical methods;
b. plants and animals, except microorganisms. However, it is to be noted that while plants cannot be the subject of a patent, they are nevertheless the subject of special protection under a special law on new plant varieties;
c. systems; methods; and economic, financial, commercial or business principles or plans and those referring to purely mental or intellectual activities or gambling;
d. methods for surgical or therapeutic treatment for human beings or animals, as well as diagnosis methods for the human or animal body with the exception of products designed for implementing these methods; and
e. new uses; changes of shape, dimensions or proportions; changes of material of products.

However, the new use of already known articles, objects or elements, can be the subject of patent protection when such new use may solve a technical problem, which did not have previously an equivalent solution, provided this new use may comply with all patentability requirements. In these cases, the new use is to be proved with experimental evidence included in the patent application.

The Patent Law provides for a special 12-month grace period in favour of novelty and inventive step, when a possible disclosure of the invention or elements of same results directly or has been authorised by applicant or when disclosure results from possible attempts of unfair competition infringement against applicant.

Chile is a full member of the Paris Convention, TRIPS and the PCT.

ii Trademarks

Trademarks are protected by Chilean law upon registration. Registration has a duration of 10 years and it can be renewed indefinitely.

Any sign can be registered as a trademark in Chile provided it can be represented in a graphic form and it can distinguish products or services in the market.

Signs that can actually be registered as trademarks may consist of words, including names of people alive or dead, letters, numbers, figurative elements such as images, symbols, graphics, combinations of colours, slogans, sounds, as well as any combination of these.

Essential requirements for a mark to be registered in Chile are mainly originality and the capability of distinctiveness.

Moreover, there are signs that cannot be registered as trademarks. This is the case of the names of states, flags and other symbols of any state or international organisations; the name
or portrait of a person without authorisation; expression or signs indicating gender, nature or origin of a given product; marks, which are identical or confusingly similar with marks already registered in Chile for the same goods or services, and, if registered abroad, when they enjoy fame and notoriety in the public sector that normally makes use of those products or services in the country of the original registration.

Chile has adopted the Nice International Classification of Goods and Services for the Registration of Trademarks.

Applications for the registration of trademarks may include several classes and will result in a single registration covering all classes.

Chilean law does not provide for the protection of three-dimensional trademarks.

It is interesting to note that Chilean law does not provide for the mandatory use of registered trademarks. Therefore, there is no possibility of initiating a legal action against a registered trademark based upon this circumstance.

iii Utility models

Utility models may consist of instruments, tools, devices, mechanisms, where the shape is instrumental and may thus be claimed either because of its external aspect or because of its working and provided this shape may be useful by providing a contribution to the function they are intended for or an advantage or new technical effect.

Utility models are subject to rules similar to patents although much simpler.

The law provides for a 10-year protection period from the date of filing.

iv Industrial drawings and industrial designs

These two forms of industrial property protection is provided for two-dimensional and three-dimensional shapes, with or without colours, of any industrial article that may serve as a model for the manufacture of similar products, when their shape, geometry, ornamentation or the combination of these may produce a special appearance, resulting in a new physiognomy.

The law further provides that containers can be protected as an industrial design and cloth printing and stamping as industrial drawings.

Protection for these two figures will be granted for a term of 10 years from the date of filing.

v Plant varieties

Plant varieties are not patentable in Chile. In fact, the Chilean Industrial Property Law especially provides among the clauses of ‘non-patentability’, the impossibility of obtaining a patent for a plant. However, the same provision of the Law makes reference to the rights provided for in the Plant Breeder’s Rights Law.

The Plant Breeders’ Rights Law (Law No. 19.342) provides a sui generis kind of protection, plant variety protection, which consists of the registration of the protected plant in the National Register of Protected Varieties, administered by the Seeds Department of the Ministry of Agriculture.

Chile is a member of the UPOV, and adopted the 1978 Act in 5 January 1996, but has not yet acceded to UPOV 1991.

As a member of the UPOV 1978 Act, Chile has adopted all its provisions regarding priority rights (12-month term), novelty (no offer for sale in Chile for more than 12 months, and no offer for sale abroad for more than six years for tree and vine species and for more
than four years for other species), term of protection (minimum of 18 years for vines and trees and 15 years for other species), and scope of protection (restricted to the reproductive material of the variety).

vi Copyright

Copyright in Chile is governed by Law No. 17,336, originally enacted in 1970, which has been successively amended. The last amendment was made in 2010 and this is the text actually in force. Copyright covers moral and economic rights that protect ownership, exploitation and the integrity of a particular work.

The law covers the rights of Chilean authors, performers and producers as well as those of foreign nationals residing in Chile. Foreign nationals not residing in Chile have their protection recognised by the treaties Chile is a party to. These are, among others, the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention (UCC), the Inter-American Convention on Copyright and the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention on Copyright Related Rights) (1961).

In Chile there is an official Copyright Registry, where rights and connected rights may be registered, although actual protection is granted without need of registration. The owner of copyrights or related rights is entitled to file civil or criminal judicial actions in case of infringement and request the ceasing of the infringer’s unlawful activity, as well compensation for the economic and moral damage suffered. Infringers may be condemned to fines and in certain cases even to imprisonment.

vii Microorganisms

Chile is a member of the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure of 28 April 1977, since the publication of Decree No. 81 from the Ministry of Foreign Affairs on 18 November 2011.

According to the provisions of the Budapest Treaty, on 26 March 2012, the Chilean Collection of Microbial Genetic Resources operative unit of the Agricultural Research Institute acquired the status of International Depositary Authority (IDA), being the first one in Latin America.

The Budapest Treaty ensures that an applicant for a patent need not deposit the biological material in all countries where patent protection is sought. The applicant needs only to deposit the biological material at one recognised institution, and this deposit will be recognised in all countries party to the Budapest Treaty.

Having accepted a microorganism for deposit, tested its viability and issued the receipt and viability statement, the IDA is obliged to maintain the microorganism according to the provisions of Rule 9, which states:

Any microorganism deposited with an international depositary authority shall be stored by such authority, with all the care necessary to keep it viable and uncontaminated, for a period of at least five years after the most recent request for the furnishing of a sample of the deposited microorganism was received by the said authority and, in any case, for a period of at least 30 years after the date of the deposit.
viii Undisclosed information

Discussion in the past 10 years has focused mainly on pharmaceutical and agrochemical inventions and their protection, and led to the inclusion of provisions for the protection of undisclosed information in the Industrial Property Law and its several amendments.

This was also the result of more serious and detailed examination related to the issuance of marketing authorisations for new pharmaceutical and agrochemical products by the government authorities in charge, such as the National Health Institute – part of the Health Ministry – for pharmaceuticals and similar services for agrochemical products by of the Ministry of Agriculture. Submission of new products to marketing authorisation implies the filing of sometimes complex, voluminous and expensive scientific or clinical data, normally containing highly sensitive and confidential information, which is essential for the production of the products to be sold. Moreover, this information refers to aspects of a particular product that are not normally disclosed and whose knowledge provides their owners with a competitive advantage that often exceeds the product for which authorisation is requested and may extend to similar products as well.

The law provides several definitions and rules on the normal conduct in these cases and, in particular, eventual misconduct.

Probably the most important aspect of these provisions is that they provide for the obligation to the authorities of not disclosing the information filed in the context of the authorisation proceeding for a particular product, for five years for pharmaceutical products and 10 years for agrochemical products.

ix Appellations of origin

Appellations of origin and geographical indications are subject to special protection. In both cases the law protects a name that identifies a particular product as originating in a country, region, territory, when the quality, reputation or other characteristics of the product can be linked to the geographical origin of same.

The Industrial Property Law has included these two figures in the last amendments of the same and has provided a very similar definition for each without elaborating on the differences or rather, on the rather very special characteristics of each.

Although appellations of origin can be considered an old form of industrial property protection originating mainly in European countries (France, Germany, Italy, Spain, Portugal, etc.) and used mainly for wines, although also for other agricultural products, it was a subject of international discussion at the TRIPS negotiations where it was accepted by some countries but not by others. The compromise seems to have resulted in an attempt to protect geographical indications and to avoid any conflict or confusion with the protection afforded to trademarks.

Chilean law has thus maintained both legal figures, which have been useful in particular for registering a number of new local appellations of origin, as well as for the recognition of well-known foreign appellations of origin and besides, to permit to lawfully deny their registration in Chile as local trademarks.

x Trade secrets

Trade secrets were included for the first time in Chile in Industrial Property Law 19,039, and called ‘enterprise secrets’. A trade secret is any knowledge of products or industrial processes that when maintained a secret, gives its holder a competitive advantage.
There are few other provisions directed mainly at the violation of the secret and the unlawful acquisition of the same.

The Criminal Code of Chile contained a provision since its very first version, namely the 1874 text (Criminal Code, Article 284). The application of such a provision together with the provision contained in the Industrial Property Law, is the subject of litigation, especially in cases of actions related to labour law and specifically to cases where an employee has left a company. Most of the cases, however, end up in settlement, and do not reach final decision of the Courts.

II RECENT DEVELOPMENTS

In the past 10 years, intellectual property policy and administration has reached a good professional level in Chile. Decisions and policies when in line with the obligations of the TRIPS Agreement and thereafter with the several negotiations Chile has undertaken in the framework, in particular of new free trade agreements, has certainly resulted in an important modernisation of the country’s intellectual property system in every respect.

This can be noticed in amendments to legislation, in the strengthening and improvement of the administration, in the incorporation of the customs authorities in the struggle against counterfeiting, and in the creation of special branches of the national police to address counterfeiting. These measures have certainly contributed to create better knowledge at the national level of intellectual property and its importance for development, trade and have provoked a broader public discussion on the main intellectual property issues.

On the improvements of the administration of intellectual property, it is interesting to point out two significant facts.

Chile acceded to the PCT in March 2009. On 4 October 2012, the Chilean Patent and Trademark Office was designated as International Searching Authority of Patents and International Preliminary Examining Authority of Patents by the Treaty’s General Assembly in Geneva.

When Chile acceded to the Budapest Treaty for the Protection of Microorganisms, the operative unit of the Ministry of Agriculture in charge of the Chilean Collection of Microbial Genetic Resources acquired the status of IDA, being the first in Latin America to be entrusted with these responsibilities.

The above two facts have and are certainly contributing to the further improvement of the country’s administration and also to the improvement of the general atmosphere for the respect of intellectual property.

Finally, as indicated above, Chile has agreed several PPH protocols in order to accelerate the examination of patent applications.

III OBTAINING PROTECTION

As explained in the section on patents, Chilean law provides for the protection of inventions in all fields of technology, with the exception of cases where the law does not consider the subject matter an invention or does not consider the subject matter as patentable.
IV ENFORCEMENT OF RIGHTS

One of the most important innovations of the last amendment of the Industrial Property Law was the inclusion for the first time of the possibility to file civil actions for breaches of rights protected by the Industrial Property Law. In fact, the last two laws on industrial property, the first dating back to 1931, originally only established the possibility of filing criminal proceedings that proved to be ineffective for the type of problems arising from the field of industrial property. This happened in part as a result of the drafting of the legal provision as well as of the lack of interest and sophistication of the courts in dealing with these cases. The provisions on the matter were further weakened by the modification introduced by Law 19,039 of 1991 that imposed on the claimant the obligation to prove the breach itself and also the fraud incurred by the defendant, which unnecessarily hindered the possibility of an effective proceeding.

If these matters were less important in the 1930s, when the above first law was promulgated, the development of the industrial and commercial activities in recent years urgently required more efficient legal provisions for the enforcement of industrial property rights.

The provisions of the new law represent evident progress in this field and the practical application thereof should result in the more effective protection of industrial property rights in relation to the increased number of infringements.

The legal framework established by the new law is discussed below.

i Civil actions

In case of infringements to industrial property law rights, according to Article 106 of the new law, holders of these rights shall be entitled to file a civil complaint requesting:

a cessation of the acts that breach their rights;

b recovery of damages; and

c the adoption of necessary measures to avoid the continuance of the breach.

The legislator included a complete array of measures to provide a solution to the problems resulting from a breach. In this respect, the possibility to claim damages is established, which in the past was impossible unless the defendant had first been convicted or at least indicted after a long criminal proceeding.

To improve the effectiveness of these actions, in Article 107 of the new law the legislator provided that these actions will follow the rules of a 'summary proceeding' stipulated in the Code of Civil Procedure that is submitted to substantially shorter terms than those of an ordinary proceeding, and whereby results would be obtained within a reasonable time. This aspect is especially relevant when considering that breaches are normally related to economic or commercial activities, when a late decision, even if it is favourable, can become completely useless.

Regarding compensation of damages, Article 108 of the new law entitles the claimant to elect one out of three possible systems for determining its amount, namely:

a the profits that the claimant has ceased to receive as a consequence of the breach;

b the profits obtained by the infringing party as a consequence of the breach; or

c the price that the infringing party would have had to pay to the holder of the right by the granting of a licence, considering the commercial value of the infringed right and the contractual licences that could already have been granted.
The new law also contemplates the possibility of obtaining all kinds of precautionary measures in these proceedings; this involves a clear signal regarding the importance the legislator attaches to this matter that should serve as a support to the courts. The law especially refers to five precautionary measures:

\[ a \] order for the immediate cessation of the acts constituting the alleged breach;

\[ b \] seizure of the product that is the object of the alleged breach and the materials and means used to commit it. In the case of trademarks, this measure would comprise the seizure of packaging, labels and advertising material containing the trademark that is the object of the alleged breach;

\[ c \] appointment of one or more auditors;

\[ d \] prohibition to advertise or promote the products that are the cause of the alleged breach in any manner; and

\[ e \] retention by a loan institution or a third party designated by the court of the assets, funds or securities originating in the sale or marketing of the products that are the cause of the alleged breach.

The precautionary measures can be required within the framework of the same breach proceeding or as prejudicial measures; in addition, with the same character and by express decision of the law the measures set forth in the Code of Civil Procedure can be applied for.

This set of provisions, which is entirely new in the industrial property legislation, constitutes a sound basis for ensuring the observance of rights regulated by this law and its practical application is expected to demonstrate its effectiveness.

\section*{ii Criminal actions}

Following the model of the previous laws, the new law also provides rules for a criminal action in case of infringement of property law rights.

As in Law 19,039, the application of these provisions requires in most cases the existence of fraud or the intention to defraud on the part of the assumed infringing party as a circumstance that the holder of the infringed right should first prove, in addition to the breach itself.

As has been mentioned, it is difficult to imagine cases of infringement of industrial property rights, especially patents and trademarks, wherein the assumed transgressor is not clearly aware that his or her action constitutes a breach of a third party's right.

In addition to the above situation, it is pertinent to state that the fines being contemplated, which can be between approximately US$1,700 to US$57,000, are virtually symbolic in the business and industrial world, even if the court applies the highest stipulated bracket.

Notwithstanding the foregoing, the new law includes some additional provisions that improve those previously existing and that, in view of their strictness, the absence of exceptions and material consequences could have some dissuasive effect in these cases. There is an express provision in the hypothesis of a breach of patents, whereby the objects illegally produced shall be destroyed and, assuming infringement of a trademark, the objects bearing the forged trademark shall also be destroyed.

However, as already pointed out, the introduction of the possibility to file a civil action and an immediate claim of damages in cases of breaches of industrial property rights are likely to limit the application of the above-described penal actions to cases of a criminal nature.
V  TRENDS AND OUTLOOK

Chilean intellectual property law is undergoing a major revision. On 26 April 2013, the government submitted a new complete draft Law on Industrial Property to Congress, covering every aspect of the law and introducing several entirely new matters. An initial discussion on this new draft took place mainly during 2014 and 2015, but it is still uncertain when it will be completed. Discussion on the draft law in recent years has been almost non-existent, and the draft is still waiting in Congress for an official commencement of its complete discussion.

However, the government decided in 2018 to draft a partial revised text of certain provisions, in an attempt at least to revise some important aspects of the IP legislation that are badly in need of amendment. This new draft was filed with Congress on 20 September 2018 and Congress is expected to start the discussion of this new text, possibly at some point in the next two years.

It is a rather extensive text with a combination of substantive provisions and a large number of provisions of an administrative nature. We list, very briefly, the provisions likely to be more important in the context of the overall substantive revision of the legislation:

a. the elimination of the special trademark classes of industrial establishment and commercial establishment that Chile had included since its very first Trademark Laws;

b. (at long last) provisions for the protection of three-dimensional trademarks;

c. better provisions on collective marks and certification marks;

d. the mandatory use of registered trademarks, with failure in five years resulting in cancellation;

e. the provision for restoration of priority in the field of patents;

f. the establishment of provisional patents;

g. limitations on the supplementary protection of patents to five years as a maximum; and

h. improvements in the protection of trade secrets.

The discussion of this new text will have to be watched carefully since the position of Congress on its different matters will show what can be expected when the major revision on the overall intellectual property system is discussed.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Almost all kinds of intellectual property rights are available in China except some minor aspects that may not be fully recognised and protected, such as data exclusivity.

China joined the World Intellectual Property Organization (WIPO) in 1980 and the Paris Convention in 1985, and is now a member of TRIPS and all other major IP conventions and treaties.

The current Trademark Law entered into effect on 1 May 2014 (i.e., the third amendment of the 1982 Trademark Law, which replaced the early 1950 trademark regulations and was modified twice in 1993 and 2001). Approximately 200,000 trademark applications were filed in 2000, and about 7.371 million trademark applications were filed in 2018, and by the end of 2018, the total remaining valid registrations were 18.05 million. China is a member of both the Madrid Protocol and the Madrid Agreement, and the China-originated international applications totalled 6,594 as filed in 2018, an increase of 37.1 per cent from 2017, being ranked the third of the Madrid Protocol. About 30,000 trademark cases were handled by AIC (i.e., the Administration of Industries and Commerce), in 2017, of which about 27,000 were trademark counterfeiting cases, a reduction of 4.3 per cent from 2016.

The Patent Law was adopted in 1985 and was modified in 1992, 2000 and 2009. The fourth amendment is open for public comment and will come into effect in 2019. The Law includes three categories of patents: a patent for invention, a patent for utility model and a patent for industrial design. Total 4.323 million patent applications were filed in 2018, of which 1.542 million were inventions, 2.072 million were utility models and 0.709 million designs. By the end of 2018, total valid invention patents were 2.366 million, total valid utility models 4.404 million and total valid designs 1.611 million, and still the retention rate of foreign-owned Chinese patents is higher. China is a member of the Patent Cooperation Treaty (PCT) and had 55,000 PCT applications filed in 2018, of which about 52,000 were domestic and about 3,000 foreign. About half of the PCT applications (about 25,300) were from Guangdong Province, while Beijing had about 6,500, Jiangsu had about 5,500, respectively, filed in 2018.

The Copyright Law was adopted in 1990 and modified in 2000. Copyright registration is optional under the Berne Convention but good evidence is needed to prove authorship and ownership, which is now especially useful in challenging some trademark disputes. The Protection of Integrated Circuit Layout-Design Regulations were adopted in 2001, and since then, a total 23,194 applications were filed and 20,528 certificates issued, of which 4,431
applications were filed and 3,815 certificates were issued in 2018. The first infringement case regarding Integrated Circuit Layout-Design was decided in 2018. The Protection of Geographic Indications was adopted in 2005. Until 2018, a total of 2,380 geographic indications are approved, and a total of 4,867 geographic indication trademarks are registered. In 2018, 67 geographic indications products were approved and 961 geographic indication trademarks were registered.

The Law Against Unfair Competition was adopted in 1993 and includes a provision for trade secrets, and a provision for restriction of using registered or well-known marks (e.g., in corporate names). The Law Against Unfair Competition was amended and promulgated on 4 November 2017, and came into force on 1 January 2018. The Regulation of Customs Protection of Intellectual Property was adopted in 2003, after China joined the World Trade Organization in 2002 and was modified in 2010; it offers protection of IP rights at the border.

The Anti-monopoly Law was adopted in 2007, providing regulatory means for a better environment of commerce and trade, under which a few cases were concluded preventing some transactions from going through, and there were various antitrust cases, some involving foreign parties, in areas of beverages, auto parts, telecommunications, in which the imposed administrative fines may be as high as US$800 million. The Technology Import and Export Regulations (2001) specify requirements for prohibited, restricted and normal technology in cross-border technology transactions, which require the local recordation of normal technology transfers (which should mean both of assignment and licence), even if they are not prohibited or restricted (as seen in a list being updated from time to time). At the least, Chinese licensees may need approvals of the recordation of technology transfers as one of the documents for sending out the royalty payments in foreign currency from Chinese banks.

The Law Against Unfair Competition (effective 1 January 2018), as amended, defines more clearly what constitutes the respective unfair means or activities. Article 6 defines ‘acts causing confusion’ as using the influential marks, names, or domains of others, without permission, so as to mislead people to think of the others’ goods, or think that the user of the influential mark, name or domain had a particular relationship with the owner of the mark, name or domain. Article 7 sets out anti-bribery provisions. Articles 8 and 11 specify acts of misrepresentation and misleading or fraudulent statements or libel damaging the reputations of competitors. Article 9 defines ‘trade secret violation’ in more detail. Article 10 provides that sales promotions with prizes should be clear without any deception and limited to 50,000 yuan. Article 12 sets out detailed guidance for online sales and operations restricting any unfair competition.

Hong Kong standard patents may be based on the corresponding Chinese patents, as well as UK patents and European patents designating the UK, through two-step processing. Hong Kong short-term patents and design patents are also available and can be filed directly there. Macau patents may be based on the corresponding Chinese patents, which need to be requested for registration after grant of the Chinese patent.

Further, the Supreme Court has occasionally issued judicial interpretations of various laws, for example, provisions regarding Several Issues of Application of Laws in Handling Patent Dispute Cases (2001), which was amended in 2013 and 2015; Measures for Civil Disputes of Registered Trademarks, Trade Names with Prior Lawful Rights (2008): Interpretations of Several Issues of Application of Laws in Handling Infringement of Patent Right Cases (2009, effective 2010) and its updated version Interpretations II (effective 2016), which handle complicated legal issues regarding patent infringement; and Measures for
Administrative Appeal Cases of Determination of Registrability of Trademarks (2016). These provisions, measures or interpretations provide more guidance for resolving disputes that are not clearly provided for in the laws.

Intellectual property is recognised as an asset or commodity. Regulations of Patent Pledge Registration were adopted in 2010, replacing the previous Measures for Registration of Patent Pledge Contracts of 1996. Likewise, trademarks may also be pledged as collateral for security interests as specified in the Regulations of Registration Procedures of Registered Trademarks of 2009.

IP transactions are still developing, especially for patent or non-patent technologies and trademarks, which may be because of inadequate ‘platforms’ or ‘evaluation systems’. For instance, some reports say generally that the number of trademark transactions or assignments may be assessed at about 342,506 in 2017 with a steady increase of 13 per cent annually in the past decade; and there were about 2,000 or more entities involved in patent pleading in 2017 as reflective of the security interests of IP assets. Copyright transactions or licensing should be better, especially in photograph, literature, arts, video, and software because there are some formal copyright transaction agencies or centres. Still, copyright piracy is severe. In any event, copyright registrations and software registrations were about 2.14 million in 2016, about 2.8 million in 2017 and about 3.46 million in 2018. In 2018, the total export-import volume of the IP licensing fee is over US$35 billion. However, bear in mind that many of the ‘transactions’ regarding Chinese IP assets may need to be officially recorded to be effective for some benefits, although any private agreements should be effective between the contracting parties.

II RECENT DEVELOPMENTS

There were significant structural changes in the government in 2018. The Patent Re-examination Board, which was independent from the Chinese Patent Office before 2018, was incorporated into the Chinese Patent Office under the State Intellectual Property Office (SIPO) to be its internal department at the end of 2018. However, the functions of the Patent Re-examination Department did not change, and it still performs patent re-examination and invalidation review. Furthermore, the Chinese Trademark Office under the State Administration of Industry and Commerce, the Trademark Adjudication and Review Board and the Trademark Examination Assistance Centres were integrated to form the Chinese Trademark Office under SIPO. Since SIPO is now managing more IP rights (patents, trademarks, geographical indications, layout designs of integrated circuits) than before in a centralised manner, it was renamed as the China National Intellectual Property Administration (CNIPA) in 2018. CNIPA is established to centralise the management of patent, trademark and other IP rights. CNIPA is supervised by the newly integrated State Administration for Market Regulation (SAMR). The administrative enforcement of patent and trademark law is within the remit of the market supervision and comprehensive law enforcement team. CNIPA issued the ‘Internet Plus IP Protection Work Plan’ in July 2018, planning to make the most of IT technology to fight against IP infringement on the internet by creating technological counterfeit trace detection network.

No new changes were made on trademark law or interpretations. However, the trademark sector is not silent. Some first instance judgments in high-profile trademark infringement cases were given in 2018. Two popular cake factories respectively from Beijing and Suzhou had disputes on the trademark ‘DaoXiangCun’. Each factory won the trademark
infringement case in its hometown to obtain an injunction against the other side. This dispute was on appeal. The famous herbal tea factories JiaDuoBao and WangLaoJi have been in dispute throughout 2018, with the result of WangLaoJi being awarded damages of 1.4 billion yuan from JiaDuoBao.

The Supreme Court judicial interpretations regarding intellectual property cases have continuously and effectively guided the courts in handling IP cases, especially the Second Interpretations of Several Issues of Application of Laws in Handling Infringement of Patent Right Dispute Cases 2016, which made the guidance clearer on claim construction (Articles 4–13 thereof); the concept of contributory and inducement infringement (Article 21); and the calculation of damages and evidence associated therewith (Articles 18, 19, 27, 28). The 50 million yuan damages award for patent infringement of Chinese Patent No. ZL200510105502.1 was on appeal, which considers damage calculation and attorney fees. However, this case was dismissed by the second instance court since the patent was invalidated by the Patent Reexamination Board. The other judgment, for patent infringement of Chinese Patent No. ZL02139508.X, was on appeal and affirmed by the second instance court, the Beijing High Court, in 2018, which reflected damage calculation based on reasonable royalties and the indirect infringement. In fact, this case and other cases relate to standard essential patents, and this issue became a hot topic, along with other topics, such as trade secrets. In 2018, some cases were awarded with high damages of over 10 million yuan, such as the infringement of Chinese Patents No. ZL201520103318.2 and ZL201520847953.1.

Standard essential patent infringement cases and ‘fair, reasonable and non-discriminatory’ rules attracted attention from the public because of some high-profile patent infringement cases between international telecommunication giants in China. Guangdong High Court and Beijing High Court respectively issued guidelines on how to evaluate SEP-related disputes, including injunctions, royalty rates, negotiation rules and so on.

The fourth amendment on the Patent Law is open for public comments at the end of 2018. Its main purpose is to strengthen patent protection. The highlights include:

- the increase of statutory damages from 1 million yuan to 5 million yuan and quintuple damages in cases of willful infringement;
- the additional joint liabilities of internet service provider; the newly established open licensing system to facilitate patent monetarisation;
- the extended protection period for design patents from 10 to 15 years;
- the high-level rule on the abuse of patent right and bad faith in the application of the patent;
- the burden of proof regarding damages shifted from patentee to the accused infringer in the case of solid preliminary evidence from the patentee; and
- improved patent administrative enforcement proceedings.

The fourth amendment is expected to come into effect in 2019.

The Supreme Court issued Interpretations of Several Issues of Application of Laws in Handling Requests for Preliminary Injunctions in IP Dispute Cases in 2018 to take effect on 1 January 2019. ‘Preliminary Injunction’ indicates the injunctive relief before the judgment, court ruling or arbitration ruling become effective, such as before the case is formally tried or during the process that the court is reviewing the case. This Interpretation summarised the precedent two Interpretations in 2001 and 2002 and some detailed regulations in the amended Civil Law 2013 to provide clear and strict guidance for the courts on whether to issue preliminary injunctions. Articles 2 to 6 specify the procedural rules such as the parties...
qualified to apply for the injunction, the competent court, the formalities required and the
detailed procedures of the courts. Articles 7 to 10 set out detailed considerations for the
court to evaluate. Article 11 specifies the bond necessarily provided as security depending on
potential financial lost suffered by the other side. Articles 16 and 17 specify the compensation
when the injunction is wrongfully made to balance the interests between the two parties.
The purpose of this Interpretation is to strictly control preliminary injunctions since this
generally has great influence on the other side, and this is consistent with international
treaties. In the patent infringement cases of Chinese Patents No. ZL201520103318.2 and
ZL201520847953.1, preliminary injunctions were issued based on the bond of 2 million
yuan.

Ever since the establishment of three special intellectual property courts in Beijing,
Shanghai and Guangzhou on 6 November 2014, about 105 more special intellectual property
tribunals had been established in the intermediate courts in major cities or regions, such as
Nanjing City and Suzhou City, owing to the increase of intellectual property cases. From
2017 to 2018, 18 IP specialised tribunals out of these 105 tribunals were selected to broaden
their territorial jurisdiction to cover IP cases in the province in which the city belongs
or to its neighbouring cities. These 18 IP specialised tribunals include Nanjing, Suzhou,
Wuhan, Chengdu, Hangzhou, Ningbo, Hefei, Fuzhou, Jinan, Qingdao, Shenzhen, Tianjin,
Zhengzhou, Changsha, Xi’an, Nanchang, Changchun and Lanzhou.

At the end of 2018, an IP Tribunal in the Supreme Court was established to have the
jurisdiction over first instance judgments or rulings in IP infringement and administrative
lawsuits involving relatively strong technical backgrounds, including disputes on patents, new
varieties of plants, layout design of integrated circuits, technical secrets, computer software
and anti-trust. The main purpose of this new mechanism is to unify the criteria of IP trials,
strengthen judicial protection of IP rights, and enhance the quality and efficiency of IP trials.
This IP tribunal started to operate from 1 January 2019.

Administrative enforcement of patent rights was also active in 2018, about 77,000
cases, including 35,000 patent disputes and infringements, an increase of 22.8 per cent from
the previous year; and 43,000 patent passing-off cases, an increase of 15.9 per cent. This may
reflect the tendency for the local office of the SIPO to function as a quasi court system. In the
pending fourth amendment version of the Patent Law, significant patent infringement cases
with nation-wide influence may even be handled by CNIPA..

The Anti-monopoly Law has been implemented for 10 years, during which the courts
have accumulated extensive experience on reviewing administrative enforcement cases and
monopoly civil cases. Guidance on vertical agreements and collaborative monopoly acts are
becoming clearer. In 2018, 25 monopoly agreement cases, 36 abuse of market dominance
cases and five anti-monopoly administrative cases were concluded.

The Electronic Commerce Law was approved in 2018 and came into effect on
1 January 2019. This laws handles issues regarding the obligations of internet platforms,
anti-unfair competition, the environmental obligations of e-commerce business entities, etc.
The ‘red flag test’ and the ‘safe harbour principle’ are specified in this law. The e-commerce
platform operator is required to take necessary measures to protect IP rights by deleting,
blocking, disconnecting, and terminating the online transaction and service in the case of
infringement or after receiving the infringement notice. Otherwise, operators shall be jointly
and severally liable with infringers.
III OBTAINING PROTECTION

This section focuses on major issues related to obtaining patent protection in China, namely patent preparation and prosecution, and also briefly touches on trademark applications and prosecution.

i Patentable subject matter limitations

Article 25 of the Patent Law specifies non-patentable subject matters in China, which include scientific discovery; rules and methods of mental activities; methods of diagnosis or treatment of diseases; animal and plant varieties; and substances obtained by means of nuclear transformation.

Accordingly, computer software or business method-related inventions are limited to the extent that they may not be viewed as ‘mental activities’ as so claimed. Generally, it requires the ‘3T test’ for determination, to see if a claimed subject can be defined as a technical solution, resolving a technical problem and achieving some technical effects. Pure computer software or a recorded medium per se is still not patentable subject matter, but a claim may pass if a claimed method (based on flow charts) meets the 3T test, or a claimed system (based on functional modules, not necessarily hardware) meets the 3T test. This is similar to European practice, but much stricter. With the modified Examination Guidelines (effective as of 1 April 2017), a claim may contain computer software or program, or business method, features, and will not be rejected right away as non-patentable subject matter (it would have been rejected in the past), and the claimed subject matter will be examined as a whole to see if any of the inventive features as identified over the prior art are technical features or directed to resolve a technical problem, or both, with technical effects under the current practice. A medium only with a recorded or embedded computer program per se will still be non-patentable subject matter, but any other technical feature may render it a patentable subject matter (e.g., a computer-readable medium plus computer program flowchart).

A method of diagnosis or treatment of diseases claim is not acceptable, but a Swiss-style claim may be.

Animal or plant varieties are not patentable subject matter, but a separate Regulation for Protection of New Plant Varieties (1997) offers protection for plant varieties, which are registered at an office under the Ministry of Agriculture.

Generally, biological material (meaning any material containing genetic information and being capable of reproducing itself or reproduced in a biologic system) is a patentable subject matter. A microorganism may be patentable only if it is isolated into pure culture and has an industrial use, while a natural microorganism without any artificially induced treatment is not patentable.

A gene or DNA fragment and a process for obtaining the same may be patentable subject matter if it is isolated or extracted for the first time from nature, and its base sequence is unknown in the prior art and can be definitely characterised. Further, a gene (or DNA fragment), vector, recombinant vector, transformant, polypeptide or protein, fused cell, monoclonal antibody, inter alia, may be patentable if it involves technology for manipulating genes artificially through, for example, the recombination of genes or cell fusion.

In any event, both an embryonic stem cell from human beings and the preparation thereof are not patentable subjects. The following are also not patentable: the human body at various stages of formation and development, including germ cell, oosperm, embryo and the entire human body.
Deposition of genetic material must be made before filing the first patent application anywhere in the world and the resulting certificate should be submitted in the Chinese patent application.

ii Sufficient disclosure and support (enabling requirement)
Sufficient disclosure or support objections often appear in Chinese patent prosecution. Such objections are not easy to overcome because no substantial amendment can be made, nor can any embodiment or example or experimental data be added once the application has been filed, even if it was first filed in a foreign country. Therefore, it has drawn the attention of patent practitioners around the world to find some strategy to overcome this when preparing the first or home-country filing.

One aspect is formal support as some examiners may require the same language of claims to be used in the description or specification, which may be known as literal support. Another aspect is sufficient disclosed embodiments or examples, not just one, in order to support any broader term used in the claims, which may be known as substantive support. This means a person skilled in the art may foresee any extension of the embodiments as so disclosed, which may not be the same as the enabling requirement in the United States though it is similar. It is the foreseeability that matters, namely any broader term or terms or descriptions in the claims may be directly or unambiguously derived from the disclosed embodiments or contents. The other aspect is the experimental data for chemical and pharmaceutical-related inventions, that is, qualitative and quantitative data are both required, in addition to any statement of properties of compounds or composition. If any experimental data is left out, it may result in a final rejection. The claimed invention may be limited to whatever has been disclosed, narrowing down to the disclosed embodiments only, if experimental data or examples are not sufficiently presented to prove any technical effects so stated. Affidavit (or inventors’ or experts’ declaration) may now be accepted for consideration of any foreseeable effects. Under the Examination Guidelines 2017, it is required that the examiner shall examine the supplemental experiment data submitted after the filing date (i.e., post-filing data), but the technical effect or effects the supplemental experiment data tend to prove shall be obtainable or derivable by the persons skilled in the art from the disclosed contents of the patent application. Again, it should still be foreseeable.

In practice, there may be more complicated situations. Some predictive statement may be used in the specification as a normal way of stretching the scope of the patent claims. However, such stated features may not be claimed if there are no corresponding examples to be at least indicative of being foreseeable for persons skilled in the art. Nonetheless, such statement would still be disclosure, even if not being claimed, and could be ‘prior art’ for any subsequent development or inventions that completed such predicted features.

iii Absolute novelty and limited grace period (lost novelty exception)
China adopted the ‘absolute novelty’ standard on 1 October 2009 (the effective date of the third amended Patent Law), and the Law has a definition of ‘prior art’, taken from the previous Implementing Regulations, as such the ‘double or dual filing’ of a Chinese invention and utility model patent applications by the same applicant must be filed on the same day, otherwise, one would be ‘prior art’. It means that any public disclosure, as well as publication anywhere in the world, will constitute ‘novelty bar’ for late-filed applications. In consideration of the absolute novelty standard, applicants should be careful about making any initial disclosure or release of information in trade shows or websites or even sending blueprints for
casting modes or for samples or further development. We recommend that firms keep any possible records, which may be relied upon later, and do not release information regarding the invention without restrictions.

There is no unrestricted grace period for claiming the lost novelty exception as there is in some countries, such as the 12-month grace period in the United States, or a relatively unrestricted grace period of six months, such as in Japan and Korea. For disclosure in exhibitions or conferences to qualify for the lost novelty exception, such exhibition or conference must be sponsored or recognised by the Chinese government, which requires proof of a high-level government official document, certificate of the organiser of the exhibition or conference, and supporting documents. The third possibility is unauthorised disclosure, which requires proof that a party learning of the invention confidentially should have kept it in confidence, but instead disclosed the invention without authorisation of the applicant (the owner). The period for lost novelty exception (grace period) is six months.

iv Utility model patents

China is known for its large number of utility model patents, which make up more than one-third of its total new filings (2.072 million utility models, 47.93 per cent of the total of 4.323 million in 2018); and the total of valid utility models was 4.404 million by the end of 2018. The proportion of utility model patent applications from non-Chinese entities applicants is still low at 0.46 per cent of the total, but the number still increased, mainly because of the increasing level of interest from foreign-owned entities in China. The uses of utility model patents may vary, but technically they protect any ‘tangible’ subject for its structural improvement, and the requirement for inventive step is lower than that of invention patents. Registration may be completed, without actual substantive examination, in about six months, thereby offering quick patent protection. Nonetheless, some kind of novelty check may be carried out to avoid certain apparent copying and so on, at least as so proposed. Also, utility models may serve as preliminary patent protection for an invention if there is a dual filing (on the same day) of both, up until the grant of the invention patent, at which time the utility model patent is required to be expressly withdrawn as a condition for granting the invention patent. Therefore, there should be some value for utility models. The patent term for utility models is 10 years from filing as opposed to 20 years for invention patents. A Chinese utility model patent can be based on a regular foreign patent (such as a utility patent in the United States), and it can be filed, on the same day, together with an invention application from the same foreign patent application within the 12-month conventional priority term so long as the subject matter is suitable for both. A PCT application can be chosen to file as a utility model patent application in China rather than a regular invention patent application so that it may be granted quickly without substantive examination, especially if the International Search Report has cited some pertinent prior art references (i.e., the inventive-step may not be so great). However, the Chinese invention patent and utility model patent cannot be converted from one to the other. Nonetheless, a first-filed Chinese invention or utility model patent application can be replaced by a later-filed Chinese invention or utility model application, claiming ‘domestic priority’ within 12 months of the ‘first filing date’ and before the publication of the first-filed utility model application because a utility model patent may be granted within approximately six to nine months. It still leaves certain possibilities to have both a utility model patent and invention patent from the same application, as long as the filing procedure is complied with, and the claimed subject matters of the two applications are different although the two applications originate from the
same application document (either from China as a domestic filing or from the same foreign application), such as apparatus claims versus process or method claims, or apparatus claims defining different inventive aspects of the disclosed invention.

v  **Other prosecution tips**

Other prosecution tips are as follows:

a  Divisional application may be filed voluntarily or required by the examiner, and voluntary filing of any divisional application is limited by the termination (either granted or rejected) of the first parent application. A further divisional application may be filed only if the examiner raises a unity objection to the already filed divisional application. Therefore, it may limit the possible use of the divisional application as a ‘continuation’ practice as in the United States, once the first parent application is terminated.

b  Information disclosure is not required in China as it is in the United States, but the examiner may require any material that is not readily available or the translation of any foreign language prior art reference.

c  A translation error cannot be corrected after filing a Chinese application, unless it is an obvious clerical error that the persons skilled in the art may recognise and know the correct alternative, nor may any missing elements be submitted late, such as sequence listing.

d  Late filing of formal documents is permitted, such as power of attorney, certified copy of priority document and any assignment for claiming priority (applications of US origin), the term for which is roughly within three months of filing or within the term specified in the official notification of missing parts. At present, an electronic copy (rather than original) may be acceptable if the application is filed electronically, but the original one should be kept on file for any possible verification. Actually, almost all patent applications are filed electronically at least by professional firms.

vi  **Secrecy examination**

Under the Patent Law, any invention (or utility model) should be subject to secrecy examination before filing a patent application in foreign countries, if substantive contents of the invention or utility model are made or completed in China regardless of the nationality of the inventors. It can be an absolute ground of invalidation of any Chinese patent granted from such an invention, if so challenged. At present, no retroactive secrecy examination is formally or officially recognised in order to make up ignorance (i.e., unintentional filing of a foreign application without a secrecy examination). Therefore, it is advisable to request secrecy examination before any foreign filings. In case of a joint invention, it is also advisable to do so even if an inventor outside China contributes to any content of the invention to be claimed, or even if it is hard to determine the percentage of contributions to the claimed subject or subjects from inventors in China or outside China. This is similar to ‘foreign filing licence’ practice in the United States. Such secrecy examination request should be supported by a relatively detailed description of the subject invention, more than just an abstract, but not necessarily the full specification of a patent application, and the inventors’ names should be furnished as well. Now, it may take less than a week, but it may be up to two to four weeks to get approval, depending on the workload.
Trademark practice – short period to reply or to act

Chinese trademark examination involves a lot of work with respect to the description of goods or services in accordance with the Chinese version of the International Classification Table that lists goods or services as translated, with some additions of Chinese goods or services. It uses subclass headings and has indications of similar subclasses among certain subclasses that may be used to determine the ‘similarity’ of goods or services, and it does not require too much detailed description of goods or services or allow too much derivation from the standard terms unless they can be proved as very specific unambiguous terms of goods or services. Subclass headings cannot be used as a description of goods or services as they are viewed as overly broad. Electronic filing of trademark applications for registration was available after 1 May 2014, and the descriptions of goods or services are limited strictly to the listed goods or services on the Classification Table for electronic filings. An application for multiple classes may make the formality examination of descriptions of goods or services even stricter. It is now limited to just one official action dealing with the description of goods or services or formalities, while there could be several official actions of formality examination in the past (i.e., objecting to the goods or services, with a non-extendable one-month term to reply), because the Trademark Law requires the various office procedures to be finished in nine or 12 months and the application will be rejected if the amended goods or services are still unacceptable. This means less chance to modify any ‘non-standard’ or ‘overbroad’ terms or descriptions. Therefore, the practice (as of March 2016) indicates that an official action for modification of the terms of goods or services may contain an explanation of what the examiner wants or even suggestions as to how to modify the terms. Moreover, the examiner may issue an official action before refusal or rejection as set forth in the new Trademark Examination Standards, which may be the case for some applications, and through which the examiner may communicate with the applicant any explanation or reasoning, etc. We will see how this practice will develop from now on.

Some restrictions are introduced for using names or logos of countries or international organisations as trademarks or parts of trademarks, unless there is some permission or authorisation, and restrictions on using names or logos of well-known foreign geographic places, or geographic symbols that may be misleading. Sound marks have been open to registration in China from 1 May 2014, along with 3D and colour marks, where the colour marks are at least two colours in combination rather than a single colour or blended or mixed colours. The new sound mark requires it to be distinctive in the relevant fields as specified in the new Examination Standards of 2016.

Once a trademark application is rejected outright or partially, there are only 15 days to submit a review request to the Trademark Review and Adjudication Board instead of submitting a response with arguments to the Trademark Office for reconsideration. For refusal of an international application, the time is 15 days from receipt (proof required), or 30 days from the mailing date on the WIPO notification, whichever is longer. A division of a multi-class application is only available when it gets partial refusal for one or more classes in such a multi-class application so that a registration may be made for those non-refused classes, and those refused classes may be appealed or requested for review as a divisional application with the Trademark Review and Adjudication Board with a new application number. It should be noted that there will be just one registration certificate for all classes of a granted multi-class application, and a new registration certificate may be issued in case one or more classes of such a registration are declared invalid. Registration of multiple classes may
be inconvenient in case of assignment if only some of the classes are subject for assignment, but not all of them. This is because of the specific requirement to assign all similar marks together in China.

The current Trademark Law of 2014 has improved the efficiency of the Trademark Office expediting office procedures to less than nine months, while the official fees are reduced and online applications are acceptable. ‘Measures of Oral Hearing of Trademark Review and Adjudication Cases’ was adopted on 4 May 2017, and the very first two oral hearings were conducted, respectively, on 21 and 25 August 2017. Moreover, the decisions of the Trademark Adjudication and Review Board (TRAB) will be published or made publicly available online in about 20 working days after the decisions are made, which is said to be more transparent to the general public. Decisions of the TRAB may be appealed to the Beijing IP Court, which has jurisdiction over the TRAB; and it may be troublesome to obtain formal documents notarised and legalised for foreign parties in the non-extendible short period for appeal. All appeal cases will require oral hearings before the court; and can be further appealed to the Beijing High Court. Every year, 15 March is ‘consumers’ day’ in China, and an internet platform and smartphone app are provided for any complaints from consumers. In 2018, five examination assistance centres were established, respectively, in Guangzhou, Shanghai, Chongqing, Shandong and Henan; 105 receiving offices were opened; and 49 offices for recording pledged trademarks were established throughout China. Following the structural changes in the government, all of these have been consolidated into the Chinese Trademark Office under CNIPA.

IV ENFORCEMENT OF RIGHTS

The Chinese court system has four levels, the Supreme People’s Court, the High People’s Courts (one in each province), the intermediate people’s courts (for regions or districts) and the basic people’s courts. There are some special regulations for the second instance appeal for patent cases after the establishment of the IP Tribunal in the Supreme Court. For patent infringement cases based on invention patents and utility model patents, the second instance court shall be the IP Tribunal in the Supreme Court, while for those based on design patents, the second instance court shall still be local high courts. For patent administrative cases against invalidation decisions on all these three patents, the second instance court shall only be the IP Tribunal in the Supreme Court. Out of approximately 400 intermediate courts, about 80 or more are designated as trial courts for patent cases (including invention, utility model and design patents), and a few basic courts are designated as trial courts for design patent cases. Increasingly there are special IP tribunals within the courts for civil cases. As of 2018, there are 18 special IP tribunals established and this figure is sure to be on the rise in 2019. These specialised IP tribunals are still part of the local intermediate courts, but are separate from normal civil cases. A case can be tried at a higher-level court if the damage claim reaches a higher amount depending on the nature of the case and local rules.

Since 6 November 2014, three special IP courts have started working, respectively, in Beijing, Shanghai and Guangzhou. As of the end of 2018, these three IP courts has accepted a total of 90,578 cases and concluded 74,007 cases. The IP cases of the first instance for the new IP courts include: (1) patent, new plant variety, integrated circuit layout, technical know-how, and computer software, either civil or administrative cases, (2) administrative cases (i.e., appealed from the administrative decisions of the departments or agencies of the State Council or local government authorities above county level regarding copyright,
trademark, unfair competition, etc.), and (3) civil cases relating to recognition of well-known trademarks. The intermediate courts in Beijing and Shanghai no longer accept new IP cases (i.e., serving trial court), and all IP cases there should be filed directly with the new IP courts. Guangzhou IP court now has jurisdiction over Guangdong Province, but for the subject matter of IP cases in points (1) and (3), while other intermediate courts therein will no longer accept new IP cases of these types, those intermediate courts (or basic courts for some cases) should have almost finished cases that were accepted earlier. The Beijing IP court has the special subject matter jurisdiction over the administrative decisions made by the agencies of the State Council (i.e., the Patent Office and the Trademark Office and its internal functional departments such as the Patent Re-examination Board and the TRAB), regarding the granting or determination of rights of patents, trademarks, new plant varieties, integrated circuit layout, decisions about compulsory licences or royalties thereof, and any other administrative decisions relating to the determination of IP rights.

A patent trial is a bench trial in China, consisting mostly of a panel of three judges, and maybe five judges if it is an important case. The trial will be conducted, according to the Civil Procedure Law, briefly in an order of opening statement, examination of any evidence for truthfulness and relevance, case presentation and argument and a closing statement. The chief judge of the panel guides the progress of the trial. The panel will not normally deliver the judgment at the end of the trial, but have parties review and verify the trial records by signing the record papers at the end of trial, and it may take one or more months for the court to either mail the judgment, or to have another court session for delivery of the judgment.

The alternative to the aforesaid judicial route, the local administrative authorities for patent affairs (AAPAs), may have the power to receive and try various patent cases, not only infringement cases, but also disputes of patent ownership, via quasi-legal proceedings, similar to the above judicial trial procedures. AAPAs are local governmental agencies. AAPAs will not decide any compensatory or monetary damage at present (but possible monetary damage may be awarded by such authority as specifically set forth in the proposed amendment of the Patent Law), but AAPAs will issue injunctive orders. However, if compulsory execution of the administrative orders is required, the party or AAPA should submit a petition to the local court for enforcement of the administrative order (but the proposed amendment of the Law may give the authorities more powerful means to enforce their administrative order). The documentation and formalities of AAPAs are similar to trial courts and proceedings may be a little quicker.

The modified Patent Administrative Enforcement Regulations came into force on 1 July 2015 in order to strengthen the administrative enforcement. Basically, they target patent infringement acts at trade shows or exhibitions and at the e-commerce platforms, as well as ‘passing-off’ patent acts. They require the administrative authority to conclude a case within three months of the case being accepted for processing and arranging a mediation session promptly (i.e., within five working days of receipt of a written statement from the party expressing willingness of settling the case). And at the trade show, the enforcement officer may order the exhibitor to remove the infringing products on display; destroy or seal any promotional material; and exchange or cover up the corresponding display board or panel at the show, and as to the e-commerce platform, the enforcement officer shall order the e-commerce platform provider to take necessary measures to cancel the relevant website or block or remove the relevant links. In the case of a ‘passing-off patent’, the administrative enforcement authority may impose a fine on the infringer once the infringement is confirmed in addition to the aforesaid measures at the trade show or on the e-commerce platform.
i  Possible venues for enforcement

A patent case should be brought to a court where one or more defendants reside or are located, and where any infringing act occurs, which means making, using, selling, offering to sell, or importing a patented product; or using a patented process; or using, selling, offering to sell, or importing a product that is directly obtained from a patented process, for business purposes, without authorisation of the patentee (Article 11 of the Patent Law). Likewise, the requirements of venues for AAPAs are the same. The same rules of jurisdiction or venue apply to other IP cases. The modified Supreme Court Interpretation regarding patent infringement of 2015 specifies (Article 5, Paragraph 2) that the places of infringement include: (1) the places of manufacture, use, offer for sale, sale, importation of the infringing products (for invention and utility model patents; (2) the place the patented process or method is used, offer for sale, sale, importation of the products directly made from the patented process or method; (3) the place of manufacture, offer for sale, sale, importation of design patent products; and (4) the place of the infringing act of passing-off another’s patent, as well as the infringement results of the aforesaid infringing acts. It also defines that the offer for sale means advertising, display in store windows, or display or demonstration at any exhibitions or trade shows with any indication that the products or goods are for sale.

ii  Requirements for jurisdiction and venue

A declaratory judgment case can be brought to a court where the alleged infringer resides, or where any alleged infringing act occurs. Article 18 of the Judicial Interpretation of the Supreme Court of 2009 for patent infringement cases (see Section I) requires that a party being warned of a potential infringing lawsuit or an interested party send a written demand of non-infringement in reply to the patentee (or other holder of rights) who sent the warning or cease-and-desist letter. The party being warned or an interested party may start a declaratory judgment case at the court, if the patentee or other holder of rights does not withdraw the warning or bring a lawsuit within one month of receipt of the demand.

A more practical issue is to determine what act constitutes an ‘infringement’ that would qualify for proper jurisdiction away from the residence or location of an alleged infringer. Such an act should be at the place of the direct infringement. The act of making the patented products is direct infringement, and the place of making is where the alleged infringer is, and thus it is not a desired venue. Moreover, the act of making and providing parts for use by others in a patented process or to make the patented products is likely to be indirect infringement, and the place of making the parts may not be a proper venue. The place of using the parts is a proper venue, but not a convenient one because it would bring an end user into a lawsuit that did not necessarily aim to sue a potential end user. An ‘offer to sell’ is direct infringement, and it may be on a website or on paper or simply over the telephone and may, therefore, not be readily affixed in tangible form to qualify as admissible evidence, and, thus, it may not secure a proper venue.

The act of ‘selling’ or ‘importing’ may not be just a single act but several acts and the several acts may not always occur at the same place. For instance, placing an order or signing a purchase agreement and acts of remitting and receiving a payment would constitute the complete act of selling or importing. Therefore, it would be at the judges’ discretion to determine whether or not all the acts need to be present at the same place to qualify for proper jurisdiction. Most courts may require that the payment element should be present. In any event, this was not always clear, and each of provincial-level high courts may have their own guidance for local courts with respect to the jurisdiction and venue issues.
The Second Interpretations of 2016 (Article 19) says, however, that the court should confirm that a lawfully formed purchasing and sales contract should qualify as an act of ‘sales’ under Article 21 of the Patent Law. It may mean that the place of formation of such a sales contract may be a proper venue, and it may indicate that the complete or series acts of contract formation and remittance or payments may be no longer required to be present for determination of proper venue.

iii Obtaining relevant evidence of infringement and discovery

There is no US-style discovery procedure in China, and, thus, it is always advisable to obtain some admissible evidence that may secure a chance of winning an infringement case before starting the lawsuit or even before sending a cease-and-desist letter to the alleged infringer as alleged infringers may hide their infringing acts once they learn that a potential lawsuit is imminent. The prospect of a case may become relatively clear through investigation in advance and secured evidence that may be obtained as witnessed by notaries public who should not be identified as such.

For any evidence that may be difficult to obtain or may be lost, one can petition the court to conduct a preservation of evidence action before filing a complaint. The court should decide whether or not to issue such an order within 48 hours of receipt of the petition. Within 15 days thereafter, the plaintiff must start the case, and if not, the order will be void (Article 67 of the Patent Law).

Some of the evidence may need technical tests or an appraisal report from a competent authority if the actual substance or contents of the products of the evidence cannot be determined directly. The court may decide or designate an authority if the credibility of a test or appraisal report submitted by a party is challenged.

In view of the difficulty of collecting evidence, the proposed amendment of the Law has added certain power to courts (and perhaps also to the administrative authorities) to order the alleged infringer or infringers to provide or furnish bookkeeping or accounting records and any relevant material, and may impose sanctions for hiding, transferring or destroying evidence. Recent developments show that the Chinese judicial authority and legislators are indeed taking such issues seriously and trying to institute rules to impose more severe sanctions against anyone who commits perjury or otherwise creates obstacles or resists the process of collecting evidence, or any other act that would be disruptive or destructive towards the evidence.

iv Trial decision-maker

Trial is by a panel of judges without a jury, and normally there are three specially trained IP judges in a panel. It would be much better now for the cases before the new special IP courts in Beijing, Shanghai, and Guangzhou since the judges there are all experienced IP judges. Usually the court will not accept party-appointed technical experts. When the court has technical questions, the court may ask each party to explain, or some courts may ask independent experts for their opinion. If the parties so request, the court may introduce a technical appraisal agency to give reports for specific technical questions. In any event, the judges will decide for themselves after considering all the facts and experts’ opinions.
v  Structure of the trial

Most trials last just one day or less as the chief judge controls the progress of the trial, and usually the trial may be held within six months, or at the latest a year, of the filing of the complaint, unless there are complications. Sometimes there may be a pretrial hearing for examination of evidence if there is too much to check during a one-day trial.

The exhibiting of evidence may be by various means, such as a projector for slides or movies, or a display of real articles, but most of the time the judges will consider documentary evidence, rarely relying on expert witnesses. The burden of proof is on the party making the claim. There is no clear rule as to what evidence may not be admitted. Both parties may raise an objection to any evidence as to the truthfulness and relevancy of the evidence for the judges to consider. The evidence may not be admitted if truthfulness or relevance are missing or doubtful, but usually the judges may not give their opinion clearly about the admissibility of any particular evidence during the trial, or any analysis of a presumption the parties may present in the arguments.

The aforesaid procedural matters and issues or similar things should apply to other IP cases, and basic people's courts may have jurisdiction over trademark and copyright cases, if the amount of damages claimed is low. Similar to patents, administrative routes for enforcement are available, respectively, for trademarks and copyrights. However, the trend is that the Supreme Court may designate more courts to be first instance or trial courts for patent infringement cases, and it means some basic courts may be designated as patent trial courts too.

Trademark infringement cases or any dispute relating to trademarks can be handled by local offices of the Administration of Industry and Commerce (AIC), where all local business should obtain registration, and thus local AICs are quite powerful with respect to trademark cases. AIC procedures are very quick and AICs have the power to investigate infringing acts, seize infringing goods and, most importantly, impose fines on infringers. An AIC injunctive order is very effective because the local AIC may suspend the business registration if the infringer does not obey the order. In practice, the new Trademark Law that came into force on 1 May 2014 may have changed some aspects of trademark enforcement.

vi  Infringement

Almost all principles of claim construction are available in China, or at least may be considered by Chinese judges if they have received suitable training. To determine the scope of a claim or claims, the first approach must always be that of literal construction. The language in Chinese claims is often vague in various aspects, for example the words for singular or plural are not always present. Also, some technical terms are new or not customarily used or not standard. In these cases, the judges may look at whether there is a definition or description in the specification, or whether there is any description implying some meaning. This means the description may be used to construe any ambiguous claim language, and thus may also be used to limit further expansion of the claim scope. The Supreme Court Second Interpretations of 2016 make it even more clear regarding the construction of the claim or claims that the preamble and characteristic portions of independent claims and dependant claims should all read together as limitations (Article 5); and, in case of any ambiguity in the claims, description or drawings, the only possible understanding an ordinary person skilled in the art may get through reading should be adopted by the court (Article 4).

Further, the disclosed embodiments may also be used to limit the expansion of any claim construction if there is a question as to the sufficient support of a broad term used in
the claims, while there is only a limited number of examples or embodiments, namely the insufficient disclosure or support issues the examiner may have missed during the prosecution. If the alleged infringing technical solution has additional features as compared with those defined in a close-end composition claim, the court should confirm it does not fall within the scope of the claim, unless the additional features are such unavoidable or inevitable normal impurity (Article 7 of the Second Interpretations).

File wrapper (prosecution history) estoppels are also known in China and so is the doctrine of equivalents. File wrapper estoppels may be more likely to be considered by judges than the doctrine of equivalents, regarding which there were differing opinions among the judges and members of the IP community in China. The 2015 amended Supreme Court Provisions for patent infringement cases states that the scope of patent protection should be determined on what the claim or claims state as a whole (i.e., including all technical features thereof) and may also include any equivalents of those technical features, and the equivalent features means substantially the same technical means, realising substantially the same functions, and achieving substantially the same effects, which may be conceived by ordinary persons skilled in the art without any inventive work or effort, at the time the infringement occurred. The judges are likely to use the doctrine of equivalence from now on.

Now, the Supreme Court Second Interpretations of 2016 makes both doctrines more specific, that is, the court may consider any records of patent examination files of any divisional applications, the effective judgment confirming the grant of the patent to construe the claims and the patent examination files include any written documents submitted by the applicant or patentee during patent examination, re-examination, invalidation proceedings, etc. (Article 6); while any functional features should be those technical features that have functions or effects on the claimed invention in connection with structures, ingredients, steps, conditions, and the relationships thereof, except those that cannot be directly derived or understood through reading, in view of the ordinary skilled person in the art at the time of the alleged infringement (Article 8). Further, in case any restrictive amendment made by the applicant or patentee to the claims, specification and drawings was denied or refused during the prosecution, as a rightful owner may prove so, the court should confirm that such restrictive amendment has not lead to an abandonment of the technical solution (Article 13).

The Second Interpretations of 2016 also specify the construction of the scope of design patent in view of ordinary consumers in consideration of ‘design space’ (Article 14), meaning how much further design may be done in a particular area, and the court should confirm that the alleged infringing design falls within the patent scope if it is considered similar to: one of the patent designs of a set of products (Article 15); the patent design of the only possible assembled product (Article 16); and the dynamic state of the patent design (Article 17).

Moreover, Article 21 of the Second Interpretations of 2016 specifies that the court should confirm the act of assisting another to infringe, under Article 9 of the Law of Infringement Liability, if a supplier provides, knowingly without authorisation of the patentee, any material, equipment, parts, intermediate components, etc., to the other to carry out the infringement for the purpose of production and business; and likewise, the court should confirm the act of instigating others to infringe, under Article 9 of the Law of Infringement Liability, if someone knows the patented product or process and still induces, without authorisation of the patentee, the other to carry out infringement for the purpose of production and business. The indirect infringement acts are now more specified as contributory and inducement, but it is not clearly specified as to whether such an indirect infringing act may be actionable alone (i.e., without bringing proceedings against the direct infringer with the indirect infringer as a
joint defendant). In the infringement case of Chinese Patent No. ZL02139508.X, the court found that the indirect infringer was liable regardless of the user or users, that is, the direct infringer should be liable so long as the direct infringement existed. However, on appeal, the second instance court denied this finding and held that the direct infringement should be proved by solid evidence especially for a system involving the co-operation of three entities.

As to any act during the provisional protection period from the publication of the application to the grant of the patent, the court shall confirm that the subject invention has been exploited (i.e., infringed), so long as the alleged infringing technical solution falls within both scopes of the claim as published and granted, even if the two scopes may not be consistent; otherwise it should be considered that the subject invention has not been exploited, provided the alleged infringing act falls only in one of the aforesaid claim scopes (Article 18, paragraphs 1 and 2 of the Second Interpretations of 2016), especially only falling in the published claims, but outside of the granted claims.

vii Defences

The available defences in patent infringement cases are: (1) non-infringement (not within the scope of claims as construed and using a process different from the patented process (Article 61 of the Patent Law)); (2) using prior art technology (Article 62); (3) exceptions to infringing acts listed in Article 69; and (4) innocent user or seller with proof of obtaining products legitimately and not knowing about the unauthorised manufacture of the patented products (Article 70).

The Supreme Court Second Interpretations of 2016 set forth the following situations under which an alleged infringing technical solution may not fall within the scope of the claims: (1) if it is not suitable for use in the environments as defined as environmental limitations in the claims (Article 9 thereof); (2) the process for making the alleged infringing products is not the same as, nor equivalent to, the process as defined in the product by process claims (Article 10); and (3) any method steps are different in sequence or order from the sequence or order of the method steps that can be directly derived and clearly confirmed from the description, etc., that set forth the limitations to the claimed process, even if the claim itself is not so clear about such order (Article 11). Still further, such terms of ‘at least’ or ‘no more than’ should be construed as the ordinary person skilled in the art may understand them through reading of the application, and any contradicting explanation offered by any patentee should not be accepted (Article 12 of the Supreme Court Second Interpretations).

Invalidity of a patent is not a defence in China, as patent invalidation is handled by the Patent Re-examination Board, not by any courts, and the Board decision of validity or invalidity should be appealed to the Beijing IP court because the SIPO is located within its jurisdiction and can be further appealed to the Beijing High People’s Court.

Accordingly, no prior art references may be considered by other courts for validity of a patent, but may be considered by the courts for the prior art defence to determine if the alleged infringing product or process is closer to the prior art references. In the case of invention patents, the prior art will most likely be a combination of one or more new prior art references since the patent is granted after full examination, and in case of utility models or design patents, the alleged infringing product may be completely based on a single piece of prior art, and in this case, the utility model or design patent is apparently not novel, or at most two pieces of prior art references for inventive attack against a utility model patent as specified in the Examination Guideline, and the court will likely stay the court proceeding,
waiting for the invalidation decision of the Board, in most infringement cases of utility model and design patents if either the patent is clearly invalid or there is a likelihood of non-infringement.

The Supreme Court Second Interpretations of 2016 states that the prior art defence should refer to the prior technology or design at the time of filing the patent application (Article 22 thereof), and it should not be a non-infringement defence by claiming own later obtained patent rights so long as the alleged infringing technical solution or design, even patented, falls within the scope of the prior patent at issue (Article 23).

As to the innocent user or seller defence, the Second Interpretations of 2016 states that the court may still order to stop a party from using, offering to sell or selling the infringing products, if the patentee demands so, if the party uses, offers to sell or sells the infringing products for the purpose of production or business, actually not knowing the products were made and sold without the authorisation of the patentee and may prove a legitimate source of products, unless it can be proved that reasonable fees have been paid (Article 25).

viii Time to first-level decision
Patent litigation in China moves relatively quickly since the trial will usually be held about six months after the filing of a complaint as mentioned above. The trial normally lasts just one day and only some complicated cases (such as chemical or pharmaceutical cases) may have several days of trial, either consecutively or separately. In terms of the trial decision, however, it may take a few months for most cases and potentially much longer for some important cases, on which the three judges of the panel may need to consult with other judges or even a committee formed specifically for such cases.

ix Remedies
Pretrial or pre-lawsuit injunctions are available as preliminary measures to prevent the alleged infringer from continuing the infringing acts. A petition may be filed before filing a complaint and the court needs to decide whether to issue a preliminary injunction within 48 hours and whether a bond should be paid, which could be a rather large amount – probably 1 million yuan, mostly in cash, with no bank guarantee note or any kind of collateral. The complaint must be filed within 15 days, if the preliminary injunction is issued, otherwise the injunction will be released (Article 66 of the Chinese Patent Law). The third amendment of the Trademark Law has introduced a similar procedure for trademark cases. Detailed regulations are updated in the newly issued Interpretations on Preliminary Injunction in 2018 with the purpose of limiting such pretrial or pre-lawsuit injunctions.

Reasonable compensatory or monetary damages may be awarded if the plaintiff wins, including reasonable ‘litigation cost’ and certainly some of the attorneys’ fees. The compensation will be calculated or determined on the basis of: (1) actual loss of the plaintiff, if proved; (2) the illegal gain or profits of the infringer, if quantifiable; (3) a multiple (perhaps three times) of the ‘reasonable’ royalty (consideration may be given for applicable royalties in the relevant fields in China), if any; or (4) statutory damages from 10,000 to 1 million yuan, as provided in Article 65 of the Patent Law. The third amendment of the Trademark Law has introduced a similar way to calculate damages. The principle for damages is compensatory and thus there are no punitive damages for patent cases in China at present. However, punitive damages (of up to three times) have been mentioned in the proposed amendment to the Patent Law, and the triple damage has been written in the new Trademark Law, as mentioned above.
Moreover, Article 62 provides for the confiscation of goods passing-off as patented products, and imposes fines of up to four times the illegal profits, or if there are no goods to be confiscated, imposes fines of up to 200,000 yuan, as well as possible criminal sanctions, if the infringing acts are serious and subject to criminal law. A similar provision is introduced in the third amendment of the Trademark Law.

The 2015 amended Supreme Court Provisions regarding several issues of handling patent dispute cases states clearly the way damages are calculated:

- the actual loss of the patentee may be based on the total of reduced sales of the patentee times reasonable profit of each patented product or the total of sales of the infringing products times the reasonable profit of each patented product, if the reduced sale of the patentee cannot be easily determined;
- the illegal gain or infringing profit may be based on the total of sales of the infringing products times reasonable profit of each infringing product, and the profit obtained by the infringer from the infringement is normally calculated according to the business operation profit of the infringer, or may be the sales profit, if the infringement is the only business; and
- if both the actual loss or illegal profit can be hard to determine, the damage may be based on multiple times the patent royalty, if there is a royalty to be used as a reference, in consideration of factors such as, the type of the patent, nature and situation of the infringement, kind of patent licence, scope and time thereof, and may also be determined based on the factors, such as, type of the patent, the nature and situation of the infringement, if there is no patent royalty as reference or there is a royalty, but unreasonable. In the aforesaid case of patent infringement of Chinese Patent No. ZL02139508.X in March of 2017, the Beijing IP Court granted a damage award of 9.1 million yuan, as calculated on the basis of three times reasonable royalties, which was affirmed by the Beijing High Court at second instance.

The Supreme Court Second Interpretations of 2016 states that the court may first ask the patentee to prove the illegal profit of the infringement, and then ask the alleged infringer to provide the relevant bookkeeping records or material since those are under the control of the alleged infringer, if the patentee has provided initial evidence of the illegal profits of the infringement, and the court may rely on the evidence submitted by the patentee to decide the monetary damage or compensation if the alleged infringer refuses to provide the bookkeeping records or material (Article 27). In the recent case of patent infringement of Chinese Patents No. ZL201520103318.2 and ZL201520847953.1 mentioned above, the Guangzhou IP Court assessed 30 million yuan damages based on the way of calculation offered by the patentee since the evidence from the patentee was more reliable than that submitted by the defendant. This case also raised a new way of calculating damages: ‘if the accurate calculation is feasible, then make the accurate calculation; if only an estimation is feasible, then take the estimation’.

Nonetheless, the court shall not support the patentee’s claim for infringement after the grant of patent, if a party used, offered to sell or sold, during the provisional protection period after publication, for the purpose of production and business, without authorisation of the patentee, the products that were made, sold, or imported by the other, and the other already paid or promised to pay, in writing, any reasonable fees to the patentee (Article 18, paragraph 3 of the Second Interpretations), that is, exhaustion of the patent rights.
The statutory damage may be used if none of the actual loss, illegal profit or reasonable royalty can be determined. Besides, it is stated clearly in the 2015 amended Supreme Court Provisions that the reasonable expenses the patentee incurred in litigation may be calculated separately, in addition to the damage calculation. This has been applied in the patent infringement case of Chinese Patent No. ZL02823458.8, awarding 1.5 million yuan attorney fees based on the hourly rate work.

When finding the infringement, the court may enjoin any infringing acts of the infringer. There may, rarely, be judgments where the court considered public interests and did not issue a permanent injunction. However, the Supreme Court Second Interpretations of 2016 make it clear that the court may order for monetary compensation in lieu of permanent injunction in consideration of national or public interests (Article 26).

### Appellate review

The judgment of the trial court can be appealed within one month to a court one level higher and the appellate court will review not only the legal issues, but also the facts with a procedure similar to the trial. The appellate court’s decision should be final. However, a petition for reconsideration or retrial may be submitted to the Supreme Court, which will review the case and will make a decision as to whether a retrial is necessary with a hearing or without a hearing, and if necessary, remanding the case back to the original court for retrial. Owing to the establishment of the three new IP courts, a judgment of the IP court for the first instance may be appealed to the High Court where the IP court is located or the IP Tribunal in the Supreme Court; and the IP court shall serve as appellate court (i.e., the second instance) for any of copyright, trademark, technology contract, unfair competition cases handled and tried by basic courts at the city where the IP court is located.

### Alternatives to litigation

The Chinese legal system lays emphasis on mediation and thus the judges or AAPA officials may first ask the parties whether they are willing to settle and, if they are, the judges or officials may let the parties talk or help the parties to talk to see if they can reach an agreement. This means there may be a private settlement outside the courtroom or a court-monitored and issued mediation, which is recommended because the court mediation may have an effect of judgment, and can be readily enforced.

Arbitration is available if so chosen by the parties. It is advisable for foreigners not to choose local arbitration bodies for lack of language capacity or experience in dealing with foreign parties, but to choose some reputable arbitration bodies, such as the Hong Kong International Arbitration Center (HKIAC) or the China International Economic and Trade Arbitration Commission (CIETAC).

Customs IP protection is another effective route to protect IP rights. Customs authorities can prevent the infringing products from being exported or imported. For example, in 2018, Qingdao Customs found 192 IP infringement cases, freezing 1 million infringing goods worth over 21.8 million yuan. IP right holders are permitted to record their rights in the customs record system, which is valid for 10 years and extensible. When IP rights are recorded, customs authorities should actively make routine inspections on goods to check infringement. When potential infringement is found, the IP right holder should be notified. IP right holders are also permitted to initiate customs checks for potential infringement if the IP right is not recorded. Easily identifiable IT rights such as design patents and trademarks gain advantages in customs IP protection.
V TRENDS AND OUTLOOK

In 2019, the protection of IP rights will be further strengthened. The establishment of the IP Tribunal of the Supreme Court optimises the legal environment to stimulate and protect technological innovation. China is the first country worldwide to establish an IP tribunal as a standing judicial organ in the Supreme Court, showing the resolution of the government on strong IP protections. The current IP protection system already has advantages over other systems in the world: fast legal proceedings within one year at first instance level; the issuance of injunctions as a general practice; increasing the level of damages; equal protection for both domestic and international companies; a high win rate for patentees, especially foreign patentees; and specialised courts and judges. Moreover, considering that China has a huge market, more and more international companies are choosing China as one of most favourable jurisdictions to solve their IP disputes, for example the patent disputes of Samsung v. Huawei and Qualcomm v. Apple. The main characteristics of such patent disputes in China are the involvement of at least 10 patents and, in general, the damages claimed are over 100 million yuan. With growing confidence in the IP protection system, more and more companies are expected to have an interest in launching patent claims in China. From the perspective of administrative enforcement, the supervision of the State Administration for Market Regulation will strengthen the intensity and effectiveness of patent and trademark law enforcement. Moreover, owing to an innovation-driven development policy, there will be more patent filings in 2019 than before, since more and more hi-tech companies are investing capital on scientific research.

The process of collecting public comments on the proposed fourth amendment of the Chinese Patent Law was completed at the beginning of 2019. It is expected that fourth amendment will be approved by the legislative committee before the end of 2019. Hopefully, punitive damages awards (likely increasing damages by up to five times) will be available as under the Trademark Law. The enhanced power of the administrative authority to enforce patents is still key, such as the power to conduct investigations and collect evidence as well as the power to issue damages awards as courts do. The proposed amendment may also give more power to courts, inter alia, to order alleged infringers to provide records of sales and relevant materials as evidence; to impose sanctions if the alleged infringers hide, destroy or transfer any evidence or assets; to impose punitive damages of up to five times in cases of serious and willful infringement, to synchronise the trials on validity and infringement by the IP Tribunal of the Supreme Court so as to speed up litigation and administrative enforcement cases; and to establish an open licensing system to promote IP transactions. These measures are sure to strengthen IP enforcement in China.

Further improvements to the Chinese IP systems are likely to result from the influence of certain industries (such as those in the e-commerce and pharmaceutical sectors, or artificial intelligence or robotics) and for the benefit of capital investment with regard to intellectual property assets. IP transactions will be more active than before.

In the anti-monopoly sector, some influential cases may have first instance decisions in 2019. The anti-monopoly dispute between Apple and Qualcomm will be a landmark case for standard essential patent cases. Some disputes on the abuse of market dominance related to copyright concern the Chinese internet companies Netease and CNKI database. All these influential cases in patent, trademark, copyright and anti-monopoly will probably bring lots of changes of practice in relation to intellectual property laws in China in 2019.
Chapter 7

CYPRUS

Maria Ch Kyriacou

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Cyprus has a strong legal framework for the protection of intellectual property, through national laws as well as international treaties that have been ratified domestically. There is specialist protection for copyright, trademarks, geographical appellations, plant varieties, design rights, patents, and unregistered rights via the tort of passing off. Several pieces of domestic legislation emanate from EU directives, thus rendering our IP legal landscape on a par with EU standards. Such protection, along with the protection offered by the international treaties, helps to position Cyprus on an equal level with other signatory parties as regards the level and type of IP protection, thereby enhancing its attractiveness as a trading and commercial centre.

i Copyright

The main piece of legislation for the protection of copyright is the Copyright Law, Law 59/1976, which has been amended numerous times over the years to update the law (e.g., there was no copyright protection over software) and to bring it in line with EU directives (e.g., 2014/26/EU).

The Copyright Law defines ‘copyright’ as ‘any literal, dramatic, musical or artistic work, sound recordings, films or broadcasts and the typographical arrangement of published editions’. The definition is broad enough to encompass computer software (it being considered a form of literary work) and databases.

To invoke such protection, the work must satisfy two requirements: (1) to be in written form; and (2) to be an original piece of its creator. Both requirements are interpreted according to the meaning generally ascribed to them.

1 Maria Ch Kyriacou is a senior associate at Christodoulos G Vassiliades & Co LLC.
2 Moral rights in Cyprus are protected pursuant to the relevant provisions contained in the Berne Convention.
3 Other relevant provisions include the Protection of the Commercial Exploitation of Cinematographic Films, the Berne Convention, the Universal Copyright Convention, the Paris Convention, the Rome Convention and most importantly the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
4 Copyright Law L59/1976, Article 3(1).
5 Copyright Law L59/1976, Article 2(1)(b).
6 Copyright Law L59/1976, Article 3(1)(a)(vi).
7 Copyright Law L59/1976, Article 3(2)(b).
8 Copyright Law L59/1976, Article 3(2)(b).
The duration of protection is determined by reference to the nature of the author (whether it is a legal or a natural person) as well as the type of work under protection. For example, copyright protection over a literary work created by a natural person, subsists for 70 years from the end of the calendar year of the author’s death.9 If the author of the work is a legal person, protection would subsist for 70 years from the end of the calendar year of the time that the work was first published. By contrast, broadcasts are protected for 50 years from the date of the broadcast.

There are numerous statutory provisions regarding the infringement of copyright. Copyright disputes involving an alleged copyright infringement are dealt with by civil courts, as there are no specialised courts to handle especially intellectual property disputes. As there is no rich case law on copyright disputes, courts resort to English law when it comes to interpreting concepts such as ‘originality’ and ‘substantial part’ (e.g., see the judgment in Costas Socratous v. Gruppo Editoriale Fabbri-Bompiani and others10).

ii Patents
In 1998, Cyprus passed the Patent Law, Law 16(I)/1998, which has been amended subsequently at various points. The law recognises as a patentable invention one which fulfils the following three criteria: novelty, inventive step and industrial application.11 Importantly, the Cyprus Registrar (the public body with the authority to register patents) does not carry out this examination itself as it lacks the technical and scientific means and know-how to do so. Instead, these checks are carried out by the European Patent Office.

The duration of protection is 20 years.12 For every year a patent is renewed the annuity due increases in a proportional manner.

As far as infringement is concerned, the relevant law provides for specific rights for the patent owner.13 Whether or not the rights are infringed depends on the decision of the court.

Cyprus is a party to the Patent Cooperation Treaty as well as to the European Patent Convention, thereby rendering valid patents under those agreements in Cyprus.

iii Industrial designs14
Industrial designs are protected by Law 4(I)/2002, the Paris Convention and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

For an industrial design to be eligible for protection, the design must be new and present individuality in such a way that the informed user will not consider the design as similar to a design that is already known to the public.

Protection may be renewed for a period of 25 years15 upon payment of a relevant fee.

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9 Copyright Law, L59/1976, Article 5.
10 (1997) 1 JSC 1204.
11 Patents Law, L16(I)/1998, Article 5(1).
12 Patents Law, L16(I)/1998, Article 26(2).
13 Patents Law, L16(I)/1998, Article 27(1), (2), (4).
14 Utility models have no relevance in Cyprus.
iv  **Plant varieties**

It is widely acknowledged that Cyprus has a strong piece of legislation in place for the protection of plant varieties, Law 21(I)/2004. The requirements for protection are that the variety be new, distinctive, homogenous, stable and have a name.\(^{16}\)

The duration of such protection is 20 years from the date of grant in case of a creator and 25 years in case of trees and vines.\(^{17}\) However, the validity of the grant of protection remains at the discretion of the Registrar even after its grant. Thus, the Registrar has the right to revoke protection if the variety does not remain homogenous or stable or when the holder has failed to keep the variety for the entire duration of the right of the creator.

v  **Geographical indications and appellation of origin**

The law governing geographical indications and appellations of origin is the Law on Appellations of Origin and Geographical Indications of Agricultural Products or Foodstuffs,\(^ {18}\) and the relevant ministry responsible for processing and examining applications under that law, is the Ministry of Agriculture, Natural Resources and Environment. The Ministry is responsible for the appointment of a committee of five members whose task is to advise the Ministry on matters related to geographical indications and appellations of origin.

vi  **Trademarks**\(^ {19}\)

Trademarks are governed by the Trademarks Law, Chapter 268. This is a law that was enacted in 1960 upon the proclamation of the Republic of Cyprus. The law has since its enforcement undergone numerous amendments, most importantly in order to align it with the European Trade Marks Directive (2008/95/EC).

For a trademark to be registrable, it has to satisfy both absolute as well as relative grounds of refusal. There is a two-step process, the first entailing an examination of the application by the Registrar of Trademarks against both absolute and relative grounds of refusal and the second being the opposition period, during which oppositions may be filed by third parties on relative grounds. The Registrar’s examination involves, among others, the assessment as to whether the applicant mark may indeed ‘function’ as a trademark, namely, that it is capable of distinguishing goods or services of one undertaking from those of another without being identical or confusingly similar to an earlier mark or goods in such a way that the relevant public might consider the marks as coming from the same or economically linked undertakings.

The opposition period lasts for two months from publication. If no opposition is filed, the mark proceeds to registration and is valid for an initial period of seven years. After that, the mark may be renewed for 14-year periods.

II  **RECENT DEVELOPMENTS**

In line with modernisation efforts that have been underway for the last few years, a draft bill for a new framework for trademark protection has finally been completed. The bill is expected

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\(^{16}\) Plant Variety Law, L21(I)/2004, Article 5(1).

\(^{17}\) Plant Variety Law, L21(I)/2004, Article 17(1).

\(^{18}\) Law 139(I)/2006.

\(^{19}\) Trade names are protected under different legislation, namely the Partnerships and Business Names Law.
to be put before the House of Parliament for approval within the upcoming months. The Registrar of Trademarks has recently unveiled the main pertinent provisions of the draft bill, in an effort to keep professionals and industry aware of developments and educate them of the new changes in a timely manner. It is important to note that the new bill has benefited from the expertise and know-how of former officials of the European Union Intellectual Property Office (EUIPO) and in many parts shares common features, especially when it comes to simplified, fast, transparent procedures. It is expected that the new law will render the trademark administration system much more efficient than the current one, operating on the basis of streamlined procedures.

The new trademark law has been designed to harmonise national law with EU Directive 2015/2436, to simplify the registration, opposition, revocation, cancellation procedures and to enrich the current substantive provisions. Some important new provisions to feature in the new law include the following:

a. an electronic trademark registration system – a brand new electronic platform has been created for this purpose, customised accordingly;
b. the graphical representation of a mark will no longer be a requirement for the registration of a mark;
c. new types of marks will be introduced, such as sound marks, multimedia marks, and motion marks;
d. the introduction of a multi-class system, as opposed to the current single class system;
e. trademark protection will last for 10-year periods;
f. a single fee for the entire registration process (as opposed to the current step-by-step fee payment from the moment of filing until registration);
g. the representation of the mark cannot be amended following the filing of the trademark application;
h. the possibility of division of the trademark application;
i. the use of a classification system with ‘clarity and precision’;
j. the simplification of the recording of assignment;
k. the replacement of use of powers of attorney with ‘solemn declarations’;
l. the protection of plant varieties;
m. the increased protection of geographical appellations and designations of origin;
n. the use of friendly mediation during the opposition procedure; and
o. the proof of use to be used as a measure of defence (in opposition and cancellation proceedings);

In addition, the law has been designed in such manner as to create, as much as possible, a written procedure, with hearings to form the exception rather than the rule. Further, emphasis has been placed on creating stringent deadlines to which users of the system must adhere to, in an attempt to create certainty and efficiency. Any extensions would be granted only exceptionally. The usual time period given at any given step will customarily be two months, apart from the opposition period, which shall be open for three months.

Another important feature to be created by the new law, is the extensive use of standardised forms and letters in communications with the Trademarks Registrar, designed to render communications clearer, more transparent and faster (owing to the efficiency resulting from the use of standardised forms).

The Cyprus trademark community is eagerly awaiting for the new law to be passed as it is a quite promising and ground-breaking piece of legislation, designed to tackle long-standing
problems, such as backlogs in the examination and processing of forms, ambiguities and superfluous features in the registration process, etc. It remains to be seen whether the promised goods of efficiency, transparency, certainty and simplicity shall be delivered.

III OBTAINING PROTECTION

In this section, we shall concentrate on the steps involved for the securing of trademark, patent and industrial designs protection in Cyprus.

Generally, the procedure by which a mark is granted protection is divided into four main steps, described below.

If a potential applicant would like to increase the possibility of a smooth registration procedure, it is usually recommended that he or she, via a representative, submits a request for a search either in the Trademark Department’s database, TM View or via e-search plus, the trademarks database of EUIPO (formerly known as the Office for Harmonisation in the Internal Market), in order to be reasonably certain that the applicant’s mark would have a *prima facie* strong case for registrability.

The second stage is the submission of the actual application, which requires the details of the owner and a graphical representation of the applicant mark. The application is *ex officio* examined for both absolute as well as relative grounds of refusal, with the Trademarks Department having discretion to impose registrability requirements it may think fit, having regard to the particular merits of each application.

The third stage is publication, which marks the beginning of the opposition period. Any third party may, within two months of the date of publication, oppose the registration of the applicant mark on the basis of relative grounds of refusal. In the absence of such opposition, the application is approved and a registration certificate is issued, which marks the official grant of protection status to the mark. The date of protection is the filing date of the trademark application.

Similarly, in patents, the relevant application form requires, *inter alia*, a description and a summary of the invention and a clear and precise description of the claims involved. In order for an application to be regarded as having been submitted, all relevant documents must be accepted by the Registrar. Once submitted, a search report is required. This is an expert’s report that confirms the patentability of the invention while verifying that a person skilled in the art would not consider the invention ‘obvious’. When these requirements are satisfied, the Registrar proceeds to publication of the application along with the search report in a timely manner, within 18 months of the date of submitting the application. Nonetheless, the relevant legislation provides that a person who – by means of a written statement – requests the publication of an application that has complied with the submission requirements but has failed to satisfy publication requirements, still has an undeniable protection of the patent.

As with patents and trademarks, industrial designs also need to satisfy the particularities of the law as these are found in Article 4(1) of the relevant legislation: namely, that they are novel and have an individual character. An application regarding industrial designs must satisfy formal requirements within four months of the initial submission. The date of filing of the application is considered the date on which all relevant documents have been properly submitted to the Registrar.

IV ENFORCEMENT OF RIGHTS

Traditionally, the courts are the proper venue before which infringement proceedings may be brought. Article 60 of the Patents Law 1998 defines the rights acquired with the grant of a
patent, while Article 61 sets out the civil actions and remedies available to the right holder. If an infringement is proved in court, the court may rule for an injunction, damages, account of profits and other appropriate remedies. Should a court order be disobeyed, the infringer may be found liable in damages for up to €59,850. The burden of proof in such cases is on the plaintiff.

Similarly, with regard to industrial designs, rights conferred upon protection are defined in Article 18 of the 2002 Industrial Designs legislation. The difference is that breach of Article 18(1) confers criminal liability on the infringer, which is punishable with two years of imprisonment or a fine of €85,500, or both.

As far as trademark infringement is concerned, the appropriate venue for such proceedings is yet again the civil courts. The remedies available are the ones as in the case of patents and industrial designs, applying *mutatis mutandis*.

Enforcement of rights could also be a reference to the opposition proceedings during the application stage as well annulment proceedings, after the registration of a mark.

### Opposition proceedings

If an opposition to a trademark application is filed, the parties involved will be invited to present their case before the Trademark Registrar. Each party has the right to present their respective submissions either in writing, which will have to be accompanied by a sworn affidavit confirming the truthfulness of the content submitted, or to present his or her case orally. The Registrar then issues its decision, which may be appealed before the administrative court.

### Annulment proceedings

The post-registration opposition procedure is the annulment procedure, also known as expungement. The procedure for expungement is identical to the pre-registration opposition procedure, albeit a different form has to be submitted.

To date, most expungement cases have either been suspended owing to the excessive length of the procedure or are still pending the final decision of the Registrar. The minimum length of time before a final decision is five years, which makes this process very time-consuming, relatively costly and not worth pursuing. However, this is expected to change radically upon the passing and implementation of the new trademark law outlined above.

### V TRENDS AND OUTLOOK

The illustration in Section II of the new features of the draft trademark law is only indicative, as the final text to be approved by the House of Parliament and remains to be seen. There is a widespread consensus that all the drastic changes to be introduced can only be an improvement to the current state of affairs, that they are long overdue and are enthusiastically anticipated. These changes will render Cyprus as a more user-friendly jurisdiction and may render it an attractive option to be used as a ‘home application’ in any international application filed using the Madrid system.

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Last and most importantly, and as elaborated upon further below, the Organisation for Economic Co-operation and Development (OECD) results and the Base Erosion and Profit Shifting (BEPS) Action 5 initiative (BEPS 5) resulted in the Cyprus IP Box Regime being extensively scrutinised and amended on 27 October 2016.

i The IP Box regime

In May 2012, Parliament, recognising the significant potential of intellectual property (IP) marketing, introduced what became known as the Cyprus IP Box Regime (the Regime). Its main provisions consisted of an 80 per cent tax exemption on profits from the exploitation of IP rights, an 80 per cent exemption on profits accruing from the disposal of IP rights and a five-year amortisation period.

The most important advantages of the Regime were threefold. First, it applied to net profits. Second, it was not restricted to patents; IP rights have been broadly defined to include trademarks as well as marketing intangibles. Third, the holder of such IP rights did not have to pay the research and development expenses of the right nor to have been actively involved in the management of the right. The acquisition of such rights via an assignment agreement sufficed for the right to fall within the scope of the Regime.

These advantages, in conjunction with the fact that the corporate tax rate in Cyprus was as low as 12.5 per cent, meant that any tax-deductible income could be subject to a tax rate of just 2.5 per cent; currently one of the lowest in Europe. It used to be the case that the advantages of the Regime were combined with the fact that dividends distributed by Cyprus companies to non-Cyprus residents were exempt from withholding tax along with the numerous double taxation treaties established over the years.

However, after BEPS 5, the Regime came under considerable scrutiny; it was regarded as having the sole purpose of attracting investment, thereby potentially eroding tax. As a result, the Cyprus tax authorities were called to rectify the situation by adapting the provisions of the Regime to ensure that it is compliant with the OECD guidelines.

In light of the above, the Regime has undergone a transitory period whereby new entrants and current entrants with new IP rights entered the Regime. Those who were eligible and managed to enter the Regime will continue to enjoy the advantages of the Regime up to and including 30 June 2021 – this will be the last day of the Regime as it currently

22 A lot of countries have chosen to introduce an IP box regime. The numerous IP box regimes currently applicable lead to doubts regarding their effectiveness and to suspicions of competitiveness between the different countries in soliciting market support. However, the Cyprus IP Box Regime is arguably one of the most attractive currently in force; See Lisa Evers, Helen Miller, Christoph Spengel, 'Intellectual Property Box Regimes: Effective Tax Rates and Tax Policy Considerations' (Discussion Paper No. 13-070, Zentrum für Europäische Wirtschaftsforschung GmbH, Centre for European Economic Research, November 2013 http://ftp.zew.de/pub/zew-docs/dp/dp13070.pdf).


26 Law on International Trust, No. 69(I)/92 as amended by N.20(I)/2012.


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stands, provided that the IP rights satisfy certain requirements. The IP rights must have been acquired before 2 January 2016 or they must have been acquired directly or indirectly from related persons during the period 2 January 2016 until 30 June 2016.

According to the latest legislation introduced on 27 October 2016, 80 per cent of the qualifying profits derived from a qualifying intangible asset will be considered a deductible expense. Qualifying intangible assets include patents, computer software and other protected intangible assets protected by law. Importantly, the current regime does not apply to commercially generated rights, such as trademarks and designs. Further, the new Regime is based on the ‘modified approach based on a causal link’ (modified nexus approach). This means that a direct link must exist between the IP rights that generate the income and the activity that contributed to that income. Under the new legislation, certain transitional provisions have been introduced that enable business with IP assets already within the existing Regime, under certain conditions, to continue benefiting therefrom until 30 June 2021.

The new legislation provides that 80 per cent of the qualifying profits derived from a qualifying intangible asset will be considered as a deductible expense. If a loss arises when calculating the qualifying profits, the amount that can be surrendered and carried forward is restricted to 20 per cent. In the case of an intangible asset falling under both the provisions of the existing and the new Regime, the existing regime will apply until this is fully phased out. The taxpayer has the right for every tax year not to claim all or part of the deduction offered by the new Regime. The new provisions of the Law are effective as of 1 July 2016. For the new provisions of the Law to be applied effectively, the Council of Ministers has issued regulations in relation to the calculation of the taxable income and has provided definitions for terms such as ‘qualifying intangible assets’, ‘qualifying persons’ and ‘qualifying profits’. A formula has been introduced to calculate what is considered to be qualifying profits. The persons who may benefit from the new Regime are Cyprus tax residents, tax-resident permanent establishments of non-tax-resident persons and foreign permanent establishments that have chosen to be subject to tax in Cyprus.

ii  Cyprus as a one stop-business destination and the accommodation of IP rights

The legislative and business structure of Cyprus has always been commercially oriented. It is no secret that the island’s economy is based on two main pillars: tourism and financial services. Currently, with the new explorations taking place in the Mediterranean sea for natural gas and petroleum, a new sector seems to be opening up for Cyprus.

Given the solid Cypriot legal system, the membership of Cyprus in the EU, the alignment of the legislative framework with EU IP laws, and the IP Box Regime, it is no surprise that we have been witnessing an increased demand in Cyprus-incorporated companies developing and creating IP protectable works, such as software and patented inventions. The level of protection, the stable legal and political environment of Cyprus, and the attractive corporate tax of 12.5 per cent are conducive in attracting investors to Cyprus to create an IP holding entity and in rendering Cyprus an one-stop business destination.

iii  Conclusion

Cyprus is a promising and constantly evolving financial centre, fortified by a common law legal system, a strong legal framework meeting international standards in the protection of intellectual property and a highly qualified professional force. The island’s legislative and business structure and geographic position make it an ideal setting in which a successful business strategy may be realised and serve as a gateway to Europe.
Chapter 8

DENMARK

Rasmus Munk Nielsen

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The most important forms of intellectual property protection available in Denmark are patents, utility models, copyright, designs and trademarks. Trade secrets are also protected, but are not generally (and historically) regarded as being a form of intellectual property right per se under Danish law (contrary to the legal practice in many other countries).

The Danish legal system is based on the civil law system. Traditionally, legislation related to intellectual property rights, including the Danish Patents Act, has been based upon a rather close cooperation between the other Nordic countries. Case law from the other Nordic countries relating to intellectual property rights has therefore played a noteworthy part in determining Danish intellectual property law for many years (and still does).

Denmark has been a Member State of the European Union since 1973. As a consequence hereof, legislation from the European Union has been playing an increasingly important role in the intellectual property field of law for quite some time. This is, in particular, the case in relation to the protection of trademarks and designs as well as in relation to the enforcement of intellectual property rights in general.2

Of specific relevance with regard to patents, Denmark is a party to several international treaties concerning patents, including the Patent Cooperation Treaty, the Patent Law Treaty and the European Patent Convention. As further commented on in Section V, Denmark has also decided to join the European Unified Patent Court system.

It seems fair to conclude that the Danish legislative framework for the protection of intellectual property rights is well developed and offers a level of protection that is quite similar to the protections that are offered in comparable civil law legal systems of other countries in western Europe.

II RECENT DEVELOPMENTS

In terms of legislative initiatives, one of the most important recent developments is the creation of a special enforcement unit as part of the Danish Patent and Trademark Office aimed at strengthening the fight against counterfeiting and piracy. The enforcement unit shall act as a point of contact, where private citizens, businesses and authorities can receive information and guidance in specific cases about the enforcement of intellectual property rights. The new legislation was adopted in December 2016 under the explicit purpose of

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1 Rasmus Munk Nielsen is a partner at the law firm Clemens Advokatpartnerselskab.
2 Directive 2004/48/EC.
enhancing the protection and lawful exploitation of intellectual property rights. The new rules came into force on 1 January 2017, and the practical long-term effects of the new enforcement unit, therefore, remain to be seen. Also, the adoption of a new and separate act on trade secrets, and several significant changes to the Trademarks Act, are notable and recent developments with the regard to the Danish legislative framework concerning intellectual property rights.

A number of interesting judgments and orders relating to patents have recently caught the attention of the intellectual property law community. Of particular interest are two recent patent decisions from the Maritime and Commercial High Court (of which one was appealed to the Eastern High Court) given that these decisions were the first to be handed down after the competence to decide preliminary injunction cases was moved from the bailiffs’ courts to the Maritime and Commercial High Court (or the district courts in some instances) in 2013. In both of the cases, the Maritime and Commercial High Court carried out a comprehensive and quite extensive examination of the validity of the patents in question and the evidence regarding prior art submitted to the court even though the cases were being dealt with on a preliminary basis. Therefore, it seems reasonable to expect that preliminary patent cases may receive a more thorough treatment at the Maritime and Commercial High Court compared with the way these types of cases were dealt with previously.

A recent decision by the Maritime and Commercial Court in a case initiated by several well-known Danish design companies against one of the largest internet providers in Denmark caught the attention of copyright holders. The case concerned whether the court should grant a preliminary injunction against the internet provider according to which the internet provider should prevent its customers from getting access to certain websites selling infringing furniture and other design and copyright-protected products. The court found in favour of the design companies and issued an injunction against the internet provider.

In relation to trademarks, the most notable recent development has been the adoption of a number of significant changes to the Danish Trademarks Act, which implements the provisions of Directive (EU) 2015/2436. The new rules, which came into effect on 1 January 2019, are inter alia concerned with the registration of untraditional types of trademarks (i.e., sound or movement marks), the codification of existing rules regarding the establishment of unregistered trademark rights and a number of procedural changes to the registration process.

With regard to trade secrets, the European Parliament and the Council adopted a new directive on the protection of trade secrets in May 2016. The goals of the directive are to ensure that the rules regarding trade secrets are harmonised and strengthened throughout the European Union by making the EU Member States adopt uniform national rules on unlawful acquisition, use and disclosure of trade secrets. The directive has now been implemented in Denmark in a new and separate act on trade secrets, which came into force on 9 June 2018. This will likely lead to a stronger protection of trade secret rights in Denmark.

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3 The Maritime and Commercial High Court’s decision of 8 July 2014 in case No. A-0017-13 and the Eastern High Court’s decision of 14 August 2015 in case No. B-146-15 (following an appeal from the Maritime and Commercial High Court).
4 The Maritime and Commercial High Court’s decision of 21 February 2018 in case No. A-51-17.
5 Act No. 309 of 25 April 2018.
III OBTAINING PROTECTION

i Patent protection

Patent protection is obtained by filing a patent application either directly to the Danish Patent and Trademark Office or by designating Denmark in an international patent application under the Patent Cooperation Treaty. Patent protection may also be obtained on the basis of an application to the European Patent Office in accordance with the provisions of the European Patent Convention.

According to the Danish Patents Act, patent protection shall be granted for all inventions that are: new (at the time of filing the application, and subject to the principle of global novelty); involve an inventive step (essentially different from the prior art); and are susceptible to industrial application. Inventions may be patented within all areas of technology and may be granted for products, methods, apparatuses and applications.

The Danish Patent and Trademark Office will perform both a novelty search and a patentability examination when examining a patent application.

ii Utility models

Utility models may be obtained through the filing of a utility model application with the Danish Patent and Trademark Office. A creation must be: new (at the time of filing the application, and subject to the principle of global novelty); distinctively different from any prior art; and industrially applicable, to qualify for protection as a utility model. Utility models can be registered for products, apparatuses and applications.

The exclusive right granted via the registration of a utility model applies from the date of filing the utility model application onwards for up to 10 years. The exclusive right granted by a patent applies from the date of filing the patent application onwards for up to 20 years.

iii Trademark rights

Trademark rights may be obtained either through registration or by use. With regard to registered trademarks, protection may be obtained via a national registration, an EU registration or by designating Denmark in an application made via the Madrid Protocol.

iv Design protection

Design protection may be obtained through four different channels: by filing an application for a Danish design registration to the Danish Patent and Trademark Office; by filing an application for an EU design to the European Union Intellectual Property Office; as a non-registered EU design in accordance with the provisions of Council Regulation (EC) 6/2002; or via an international application in accordance with the provisions of the Hague Agreement Concerning the International Registration of Industrial Designs.

v Copyright protection

Copyright protection applies from the moment of the creation of a work that is protected under the Danish Copyright Act. It is not possible to register a copyright in Denmark. Examples of protected works under the Danish Copyright Act are literature, music, theatre, film, the visual arts – including photography, architecture and decorative arts – as well as computer programs (software).

Under the Danish Copyright Act, it is the originator of the work who holds the copyright for that work. Compared with the protection of copyright holders in other countries, the
Denmark

Danish Copyright Act contains several mandatory provisions that provide protection for the originator in relation to agreements on the transfer of copyright. The copyright protection lasts from the date of the creation of the work in question until 70 years following the death of the copyright holder.

An intellectual property right holder must pay special attention if protection in Greenland and the Faroe Islands is relevant, as protection may not automatically be granted in these parts of the Kingdom of Denmark even though protection has been obtained in Denmark proper.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

The most important venue for enforcement of intellectual property rights in Denmark is by far through the judicial court system. However, administrative departments and agencies also play a part in the enforcement of intellectual property rights (primarily via actions taken by the Danish customs authorities or through administrative proceedings lodged with the Danish Patent and Trademark Office).

In matters relating to the infringement of intellectual property rights, it is often crucial for the right holder that the infringing actions are stopped very quickly. Therefore, right holders often initiate preliminary measures, for example, in the form of applications for injunctive relief. Danish courts have many years of experience in dealing with these preliminary measures and are generally quite effective in doing so.

Preliminary injunction applications may be submitted to one of the district courts seated in the district in which the alleged infringer is domiciled or where the alleged infringing actions are taking place. However, unless the parties have agreed otherwise, which would seldom be the case in an infringement case, the right holder may also submit its preliminary injunction to the Maritime and Commercial High Court in Copenhagen in most types of intellectual property infringement cases. In practice, the Maritime and Commercial High Court acts as Denmark’s specialised intellectual property court.

The Danish Maritime and Commercial High Court has specific importance in relation to the enforcement of EU trademarks as well as EU designs given that the court has the sole jurisdiction in first instance to grant provisional and protective measures in respect of these forms of intellectual property rights with effect for all EU Member States (the competent court of second instance in these matters is the Danish Supreme Court).

ii Requirements for jurisdiction and venue

The Maritime and Commercial High Court has specific competence and jurisdiction to deal with intellectual property matters, although infringement actions (both preliminary and non-preliminary actions) may also be brought before district courts. In practice, it will often be up to the right holder to choose whether an action should be initiated before the Maritime and Commercial High Court or one of the district courts.

Infringement actions typically start with the right holder sending a cease-and-desist letter (or warning letter) to the alleged infringer. If the parties cannot reach an amicable settlement at this stage, the case may be left for the courts to decide. In this respect, an infringement action may be initiated if an infringement has already occurred or if it seems probable that an act of infringement will soon occur.
In relation to trademarks and patents, both the licensee and the owner of the intellectual property right in question (i.e., the patentee or the trademark licensor) are entitled to bring an infringement action before the courts. If a licensee brings an infringement action, he or she is obligated to notify the licensor hereof.

Though it is possible to initiate court proceedings with a view to obtaining negative declaratory judgments (i.e., non-infringement judgments), it is not clear whether a negative declaratory claim may be filed as a preliminary measure.

iii Obtaining relevant evidence of infringement and discovery

There are a number of ways in which a right holder may seek to obtain relevant evidence of an alleged infringement of its intellectual property rights.

For instance, the right holder may apply for a search and seizure order in accordance with the provisions of the Danish Administration of Justice Act. The option to apply for a search and seizure order is available in relation to most types of intellectual property infringements. The search and seizure provisions were adopted in 2001 as a fundamentally new set of rules for obtaining relevant evidence of infringement in intellectual property matters following an official review in 2000 of Denmark’s fulfilment of its obligations under the TRIPS Agreement.\(^6\) The main purpose of the new rules was to make it possible for the right holder to obtain and secure evidence of an alleged infringement of a very broad range of intellectual property rights by applying for a search and seizure order through the bailiff’s court (as a preliminary measure). The rules have been amended several times since 2001 – primarily as a result of the implementation of Directive 2004/48/EC on the enforcement of intellectual property rights in 2006 – and are today being widely used.

Also, the right holder may take advantage of the provisions set forth in the Danish Administration of Justice Act, Chapter 29(a), which apply to almost all types of intellectual property rights. The provisions were adopted in 2006 with the aim of implementing Directive 2004/48/EC on the enforcement of intellectual property rights in the national legislation of Denmark.

It follows from these provisions that an intellectual property rights holder may request the courts to order that information on the origin and distribution networks of the goods or services, which infringe the right holder’s intellectual property right, be provided by the infringer.

The information may comprise: 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.

Neither the preliminary measure of search and seizure nor the order for certain information related to the infringement of an intellectual property right as provided for in the Danish Administration of Justice Act may be used in relation to the violation of trade secrets.

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iv Trial decision-maker

In intellectual property-related proceedings that are being dealt with at the Maritime and Commercial High Court, the panel of judges will typically consist of one legally qualified judge and two technically qualified judges (with specialist knowledge within the intellectual property field in question).

The panel of judges in other courts will most often only consist of one or more legally trained judges (without any technical expertise). This is also the case at the Supreme Court.

The use of court-appointed experts in intellectual property matters is very common in court proceedings, including in proceedings before the Maritime and Commercial High Court. In 2014, the judicial rules regarding the use of court-appointed experts underwent a liberalisation, following which the parties are allowed to ask the experts almost any kind of question as long as the subject matter of the question is relevant to the proceedings.

v Structure of the trial

Civil proceedings are commenced by the plaintiff’s submission of a statement of claims (and payment of the required court fees).

When the court is satisfied that certain formalities with regard to the submission of the statement of claims have been met, the court will take steps to ensure that the statement of claims is being served on the defendant (accompanied with a letter from the court setting a deadline for the defendant to file a statement of defence).

Shortly after the statement of defence has been submitted, the court will often arrange for a preparatory court hearing (held as a telephone conference) in which a plan for the remaining part of the preparatory process is discussed, including whether it is relevant to appoint a survey expert to deal with certain technical matters of the dispute and the extent to which the parties shall submit further written statements to the court. If a survey expert is appointed, which is often the case in proceedings concerning the infringement of intellectual property rights, this will normally result in a considerable extension of the length of the proceedings.

In an intellectual property infringement case, the burden of proof with regard to whether the defendant has infringed the intellectual property right in question lies with the plaintiff.

Danish courts follow the principle of free evaluation of evidence, and basically all forms and kinds of evidence are admitted – as long as the evidence is relevant to the proceedings in question. Traditionally, the courts do not distinguish between public and private documents in relation to evidence – but the way in which the evidence has been produced or obtained may be taken into consideration by the courts when deciding the case. Unilaterally obtained expert opinions are normally admissible provided that they were obtained prior to the commencement of the court proceedings. However, the courts may be reluctant to rely upon such expert opinions – especially if the evidence of the case also includes a report prepared by a court-appointed survey expert.

The Danish court system is currently undergoing a comprehensive digitisation process, which ultimately will result in the establishment of a digital platform making digital communication possible for all users of the courts in civil proceedings. The aim is to make the whole preparatory process digital – from the beginning of the process when the statement of claims is filed to the time the court’s decision is handed down and communicated to the parties – and, thus, rendering it possible for a civil case to be handled purely digitally without
any physical papers being exchanged between the parties and the court. Almost all of the Danish courts are now taking part in the digitisation process, and the majority of new cases are now being handled and prepared through the courts’ digital platform.

**vi  Infringement**

As a clear starting point, the burden of proof with regard to whether an infringement has occurred lies with the plaintiff (i.e., the right holder). However, in civil proceedings concerned with whether a specific product has been manufactured by infringing a process patent, the burden of proof is reversed – meaning that the alleged infringer must prove that the product in question has not been manufactured using the patented process. This is one of very few exceptions to the general rule of the burden proof.

**vii  Defences**

In intellectual property infringement cases, the first line of defence will often be to question the very existence and protection of the intellectual property rights in question. For instance, a defendant may argue that a patent is invalid because it is based on prior art, or that the alleged infringing product or process does not infringe the patent claims relied upon by the right holder.

A defendant may also question the plaintiff’s rights to the intellectual property – thus, making it necessary for the plaintiff to produce clear evidence for plaintiff’s title to the rights in question.

**viii  Time to first-level decision**

Danish courts are generally considered to be quite effective. Following several reforms of the judicial system in the past few years, the courts have been focused on reducing case processing times and achieving consistent processing times in similar cases.

The pendency of an intellectual property case very much depends on the complexity of the case in question, the international aspects of the case (e.g., one or more foreign defendants) and the necessity for the appointment of a survey expert to prepare a report on certain technical aspects of the case.

Civil cases pending at the Maritime and Commercial High Court are on average decided within two years of the statement of claims being submitted. However, it is far from uncommon that complex intellectual property proceedings last for much longer. Patent infringement cases will almost always involve the appointment of a survey expert and in these situations the average pendency time is more than three years.

**ix  Remedies**

Remedies available in intellectual property infringement cases are stipulated in the Danish Administration of Justice Act as well as in the different acts pertaining to each of the main intellectual property rights.

The most commonly used remedies include injunctions (both final and preliminary), financial compensation (in the form of damages and reasonable remuneration) and border control measures.

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7 According to the yearly report from 2015 from the Maritime and Commercial High Court.
The rules regarding preliminary measures have recently been revised and now allow the right holder to apply for a preliminary court decision ordering an alleged infringer to actively perform or accept the performance of certain acts as opposed to simply refraining from performing infringing actions.

According to the Danish Administration of Justice Act, there are three fundamental requirements for the grant of a preliminary injunction, namely: that the right holder’s intellectual property right in question is indeed in existence and valid, and that the right is being infringed; that the defendant’s actions or behaviour make it necessary to grant a preliminary injunction; and that the right holder’s possibilities for enforcing the intellectual property right in question will be lost if the right holder must await the court’s decision under ordinary court proceedings.

In line with the legal principles governing preliminary measures in many other countries, a right holder is not compelled to prove that the defendant has infringed its rights to succeed in obtaining a preliminary injunction (or other preliminary measures) – it is enough for the right holder to render it probable that an infringement has occurred to meet the requirements for the courts to issue a preliminary injunction.

If the court reaches the conclusion that the conditions for issuing an interim injunction are met, the right holder will have to provide a security (e.g., in the form of a bank deposit or guarantee) for the defendant’s financial loss if, at the conclusion of the following case on the merits, it becomes clear that the right holder’s intellectual property rights have not been infringed. However, no security is required in those cases where the court finds that the right holder – already at the preliminary level – has proved that an infringement has taken place.

In addition to preliminary injunctions, a right holder may also apply to the court for a search and seizure order.

Search and seizure orders are formally submitted to the bailiff’s courts but if a right holder submits both a search and seizure application and a preliminary injunction application, both measures will in practice often be dealt with by the same judge.

In addition to permanent injunctions and financial compensation as briefly mentioned above, permanent remedies include publication of a judgment regarding infringement, and the return, destruction and withdrawal from the market of the infringing goods and equipment used in the production of such goods.

In severe infringement cases criminal sanctions may also be relevant. Generally, criminal sanctions will be in the form of fines, but imprisonment is also a possible sanction in the most serious cases. As a starting point, it will be up to the right holder (as opposed to the public prosecutor) to bring forward a claim for criminal sanctions, which is probably one of the reasons why many intellectual property infringement cases are being decided without the court considering a possible criminal liability.

Appellate review

The Danish court system is based on the principles of a two-tier system, meaning that the decisions handed down by a court of first instance in almost all cases may be appealed to a higher court.

Hence, judgments handed down by districts courts in the first instance can automatically be appealed to either the Western High Court or the Eastern High Court.

The Maritime and Commercial High Court’s judgments may be appealed to either the Western High Court or the Eastern High Court, or directly to the Supreme Court (depending on whether the matter in question is regarded as being of general importance to the development and application of the law or whether certain other special criteria are met).
Alternatives to litigation

Arbitration and mediation

The initiation of arbitration proceedings requires that an agreement thereon has been concluded between the parties. If the parties did not have a contractual relationship prior to the occurrence of the matter in question (e.g., an alleged infringement of a trademark or patent), arbitration will usually not be available (unless both parties agree to arbitration when the dispute arises). However, if the matter in question is concerned with the violation or breach of a licence agreement concerning intellectual property rights, arbitration could be relevant as these types of agreements often contain an arbitration clause.

The most popular and important arbitration tribunal in Denmark is the Danish Institute of Arbitration, which is a non-profit private institute. It was founded in 1981, and has considerable knowledge and experience in dealing with both national and international arbitration.

Denmark is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which, *inter alia*, means that arbitral awards handed down by Danish arbitration tribunals may be enforced in other countries subject to the provisions of the convention.

As an alternative to arbitration or continued litigation, parties to civil court proceedings may agree on making a request to the court to appoint a mediator. This option is, however, very rarely used in the context of intellectual property proceedings (instead, it happens more often that the parties reach an amicable settlement without requesting for the appointment of a mediator).

If the parties choose to enter into mediation, each party may at any point in time decide to end the mediation, in which case the litigation will resume.

V TRENDS AND OUTLOOK

Most political parties in Denmark acknowledge that it should be competitive to remain among the wealthiest countries in the world, and that a well-developed system for the protection and enforcement of intellectual property rights is a significant factor in reaching this goal. Danish businesses rely heavily on innovation, creativity, and the development of new and complex technologies as opposed to, for instance, the exploitation of natural resources. Therefore, it must be expected that the Danish government and parliament will continue to adopt legislation aimed at enhancing protection for intellectual property right holders and implement new EU legislation swiftly within the field of intellectual property.

In May 2014, a referendum was held in Denmark concerning the question of whether Denmark should join the Unified Patent Court (UPC). More than 60 per cent of the votes cast were in favour of Denmark joining the UPC, thus making it possible for the ratification of the agreement on the UPC. The Danish legislation on the UPC is already in place, but will (for obvious reasons) not come into effect until the UPC has come into existence, which will happen when certain criteria set forth in the UPC Agreement are met.

In addition to the expected establishment of the UPC, the European Union’s patent reform also consists of two regulations aiming to facilitate the creation of a unitary patent protection system within the European Union.
Chapter 9

FRANCE

Stanislas Roux-Vaillard

I  FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property protection and enforcement in France is heavily affected by international treaties and multilateral agreements.

French law on intellectual property rights is the result of national statutory and regulatory provisions, statutory provisions implementing international and multilateral agreements and European regulations having direct effect in France as a Member State of the European Union.

In this respect, France is a party to the Paris Convention for the Protection of Industrial Property of 20 March 1883, which introduces key mechanisms such as the priority right. France is also a party to the Berne Convention for the Protection of Literary and Artistic Works of 9 September 1886.

Under these two main international conventions, France is a party to a number of special agreements. Some of these allow for an international filing of application for registered intellectual property rights: for patents, the Patent Cooperation Treaty (PCT) of 19 June 1970; and for trademarks, the Madrid Agreement concerning the International Registration of Marks of 14 April 1891 and the Madrid Protocol of 27 June 1989.

France is also a party to regional agreements. The substance of the Strasbourg Convention on the Unification of Certain Points of Substantive Law on Patents for Invention of 27 November 1963, drafted under the authority of the Council of Europe, is found in the Munich Convention on the Grant of European Patents of 5 October 1973, also known as the European Patent Convention and revised in the EPC 2000, which entered into force on 13 December 2007. Under these conventions, European patents administered at the European Patent Office (EPO) may designate France and be enforceable in France. Since 1 May 2008, because of the entry into force of the London Protocol, a French translation of the description of the patent is no longer required, provided that it is available in one of three official EPO languages (German, English and French).

As a Member State of the European Union, France implements and enforces EU legislation, for example Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trademark, which sets a unitary trademark protection for all the Member States. Directives also aim at harmonising national laws and in this respect, Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights has notably helped improve means of enforcement of intellectual

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2 Other ratified conventions are: regarding designs, the Hague Convention of 6 November 1925; and regarding the filing of microorganisms, the Budapest Treaty of 28 April 1977.
3 The claims are still available in three official languages of the EPO.

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property rights in France. France is also a party to the enhanced cooperation that led to establishing a European unitary patent system including a unitary patent and the Unified Patent Court (UPC). Ratification by Member States is ongoing. The UPC is a specific supranational jurisdiction for existing European patents and for future Community patents litigation and this jurisdiction will have its own set of procedural rules.

Under the World Trade Organization, France also implemented the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) signed on 15 April 1994.

The implementation of these international rules and the articulation of French law and notably French intellectual property law with these international rules is codified with French national substantive law in the French Intellectual Property Code (CPI).

French law as codified in the CPI provides for specific provisions regarding several intellectual property rights, among which are utility patents, supplementary protection certificates for some utility patents, utility certificates, trademarks, designs, semiconductors, plant varieties, geographical indications, manufacturing secrets, authors’ rights, neighbouring rights and database producer rights. Trade secrets law is codified in the French Commerce Code.

The intellectual property rights most commonly relied upon are utility patents, designs, trademarks and authors’ rights.\(^4\)

i Patent protection

Subject to registration, utility patents allow for obtaining exclusive rights over a new invention showing the inventive activity of the inventor and allowing for industrial application. Utility patents are aimed at protecting technical features. National French patents and European patents designating France have effect in France from their date of application and for a period of 20 years.\(^5\) The main counterpoise for granting exclusive patent rights to a patent holder is the disclosure of the content of the patent application and the granted patent to the public. After the 20-year term, the patent rights expire and the patent content falls in the public domain.

ii Design protection

Subject to registration, designs allow for protecting new forms showing new and individual character. Designs aim at protecting the appearance of the whole or a part of a product. Registered national, international and Community designs are protected for a period of five years as from the date of the filing of the application. The term of protection may be renewed for one or more periods of five years each, up to a total term of 25 years from the date of filing. Unregistered Community designs are protected for a period of three years from the date of first disclosure of said design. Registered and unregistered designs may also enjoy protection under authors’ rights, given that they meet the specific requirements under authors’ rights in France.

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\(^4\) Geographical indications, such as appellations of origin are also widely used almost exclusively for foodstuffs, given that the specificities of the land of their region of origin provide some of their characteristics.

\(^5\) According to the statistics made available by the French patent and trademark office (INPI), the EPO and the World Intellectual Property Organization (WIPO), 16,250 national French patents were applied for in 2017. During the same period, French entities applied for 10,559 European patents (directly at the European Patent Office or through the PCT route). Further, of the 243,500 international applications filed under the PCT, 8,012 were filed by French entities.
iii Trademark protection
Subject to registration, trademark law allows for reserving a sign with distinctive character for identifying a good or a service. National, international and Community trademarks have effect in France and allow for reserving a right over a sign on their date of application and for a term of 10 years renewable without limits. Trademarks may consequently remain valid and enforceable for an unlimited period of time. Trademarks may, however, become generic or be revoked for non-use.

iv Authors’ rights protection
There is no copyright per se in France, only authors’ rights. There are no formalities of registration required with any French office to enable an author to protect his or her work and benefit from the exclusive rights over such a work. Authors’ rights result solely from the creation of the work itself. The work must be an original work of authorship. Authors’ rights combine both proprietary economic rights and moral rights. The proprietary economic rights last for the entire life of the author and end 70 years after the year of his or her death. The moral right is imprescriptible. Authors’ rights may be difficult to evidence owing to the lack of formal requirement for their protection.

v Trade secrets protection and other exclusive data
Trade secrets are defined and protected under specific statutory provisions in France. There are no registration formalities required with any French office to enable a party to enjoy protection for its trade secrets. To be eligible for trade secrets protection, one needs to be able to show that a piece of information (1) is not, in itself or in the correct configuration and assembly of its elements, generally known or easily accessible to persons familiar with this type of information because of their sector of activity, (ii) has commercial value, actual or potential, because of its secrecy, (iii) is subjected by its legitimate holder to reasonable protective measures, to maintain secrecy. Trade secrets may enjoy protection as long as information meets the above listed three criteria. Trade secrets may consequently remain valid and enforceable for an unlimited period of time.

Other specific regulations allow for protecting specific valuable data such as data found in marketing authorisations.

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6 Notably the rights to perform, copy, display and adapt.
7 Mainly the right to disclose the work or right of withdrawal, the right to be named as the author and the right to have the work and its destination unaltered.
8 Since Law No. 97-283 of 27 March 1997.
9 The current regime on data exclusivity and market exclusivity in marketing authorisations is governed by Directive 2001/83/EC of the European Parliament and of the Council, of 6 November 2001, as amended by Directive 2004/27/EC of the European Parliament and of the Council, of 31 March 2004. For medicinal products authorised by the French health authorities with application for authorisation submitted after 30 October 2005, Article 10.1 of Directive 2001/83/EC as amended by Directive 2004/27/EC and as implemented into French law grants the holder of the marketing authorisation of the reference medicinal product at least eight years of data exclusivity: protection over the results of the holder’s preclinical tests and clinical trials from the initial authorisation of the reference medicinal product, which means that the applicant for a marketing authorisation of a generic product cannot rely on them until that period has elapsed. The same articles provide for a 10-year period of market exclusivity protection during which the generic product cannot be launched onto the market. The market exclusivity period can be extended to a maximum of 11 years under specific requirements.
II RECENT DEVELOPMENTS


Article L151-1 of the French Commercial Code provides, in particular, for the protection of information that (1) is not, in itself or in the correct configuration and assembly of its elements, generally known or easily accessible to persons familiar with this type of information because of their sector of activity, (2) has commercial value, actual or potential, because of its secrecy, and (3) in the circumstances, has been the object of reasonable protective measures undertaken by its legitimate holder to maintain its secrecy.

This Law strengthens the protection of trade secrets in France notably by allowing easier gathering of evidence of an unlawful disclosure and by allowing interlocutory measures for preventing or stopping any unlawful disclosure. Courts deciding trade secrets cases may limit the disclosure of a piece of evidence, hold hearings behind closed doors and redact decisions to ensure confidentiality.

III OBTAINING PROTECTION

Article L611-10 CPI provides that inventions that are new, that show inventive activity and that are susceptible of industrial application are patentable. There is, however, no general positive definition of the ‘invention’ under French law.

In practice, products and processes that provide technical means for solving a technical problem are, as a general rule, patentable. Nevertheless, some subject matters are excluded from patentability.

Article L611-10, Section 2 CPI provides a list of what are not inventions: discoveries, scientific theories and mathematical methods; aesthetic creations; plans, principles and methods applied to intellectual activities, games or business as well as computer programs; and presentations of information. Article L611-10, Section 3 specifies that exclusion should apply only when the subject matter of the patent is one of the above \textit{per se}. When the same is included in a larger array of patentable means, then the exclusion to patentability does not apply.

In this respect, pure business methods are not patentable in France. However, a larger process including a business method may be patented if the means other than the business method are claimed and patentable.

Similarly, computer software \textit{per se} is excluded from patentability and is protected under authors’ rights in an amended version as compared to literary and artistic works.\textsuperscript{10} However, nothing precludes obtaining a patent for a process including the use of software or a programmed computer to enable its implementation.\textsuperscript{11}

\textsuperscript{10} Law No. 85-660 of 3 July 1985 codified in the CPI allows the application of authors’ rights protection to computer programs.

\textsuperscript{11} As decided by the Court of Cassation: ‘A process cannot be denied patentability on the sole basis that one or more of its steps are performed by a computer controlled by software.’ Moreover, the court held that ‘excluding the patent field processes involving the execution of a computer program would “exclude from the field of patentability most important recent inventions”’. Court of Appeal of Paris 15 June 1981, PIBD 1981. 285, III., 175.
Article L611-19 CPI excludes from patentability plant varieties that may be protected by a special title under Regulation (EC) No. 2100/94. Animal breeds are also excluded. Inventions involving plants and animals but not limited to a particular variety or breed are patentable except products obtained from biological processes for obtaining plants and animals, as well as their parts and genetic components. Furthermore, it is stated that processes involving microorganisms and products obtained through such processes are patentable.

In the field of genetics, Article L611-18 CPI\(^{12}\) states, as a principle, that the human body itself or the mere discovery of a part of the same cannot be patented. Processes for cloning humans, processes for modifying the genetic identity of mankind, the commercial or industrial use of human embryos, and gene sequences cannot be patented. This nevertheless allows for patenting the vast majority of biotechnology-related inventions (both processes and products). As an example, a patent over ‘cloned DNA sequences, hybridisable with genomic RNA of the LAV’ has been held valid.\(^{13}\)

As to methods for treating patients, Article L611-16 CPI states that they are not patentable. The same Article makes it clear that products for implementing methods for treating patients are patentable.

Where a patent application is for military or mixed civil-military subject-matter, the applicant must notify the Ministry of Defence within eight days of filing.\(^{14}\)

As to the nature of the rights vested in the patent holder, it is a right to exclude others from doing a certain number of actions, including manufacturing, importing and selling products or processes listed on the claims of the patent.\(^{15}\)

Patent rights are granted for 20 years from their date of filing. However, in some limited cases, the protection conferred by the patent may be extended.

In this respect, under Regulation (EC) No. 469/2009 of 6 May 2009 patents over drugs are subject to a possible extension of protection in the form of a supplementary protection certificate (SPC).\(^{16}\)

Besides the above tentative list of patentable subject matters, most inventions nowadays are improvements rather than pioneering inventions; in a 2011 decision, the Court of Appeal of Paris\(^{17}\) held that an improvement patent is one reproducing an ‘essential feature’ of a prior invention.

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\(^{13}\) Court of Cassation, 23 November 2010, Case No. 1194, Institut Pasteur v. Chiron Healthcare & Novartis Vaccines & Diagnostics.

\(^{14}\) Decree No. 2017-553 of 14 April 2017.

\(^{15}\) Article L613-3 CPI.

\(^{16}\) SPCs allow for compensating the time lost between the filing of a patent and the grant of a marketing authorisation needed to put the drug on the market (up to five years).

\(^{17}\) Court of Appeal of Paris, Division 5-1, 30 March 2011, No. 09/06333, Conté, PIBD 2011, 940-III-340.
IV  ENFORCEMENT OF RIGHTS

i  Possible venues for enforcement

Patent enforcement in France is for courts to ascertain. The civil First Instance Court of Paris has exclusive jurisdiction over patent cases.18 This allows for some harmonisation of case law in patent cases at first instance level.19

Actions for nullification of a decision of the INPI (an administrative decision) remain the exclusive jurisdiction of the Court of Appeal of Paris.

In theory, upon a showing of intent, patent infringement amounts to an offence,20 allowing a case to be brought before the criminal courts.21

Patent holders may voluntarily limit the scope of the claims of their title, notably post-grant.22 The limited patent retroactively becomes the only patent that ever existed. The application for voluntary limitation has to be filed with the INPI. The INPI decides on the grant of the voluntary limitation within a few months.23

When civil proceedings on the merits regarding the validity and possibly infringement of a patent as granted are pending, the initiation of a limitation procedure at the INPI does not automatically trigger a stay of the civil proceedings. The Court of Appeal of Paris,24 made clear, in one of its first decisions on voluntary limitation post-grant, that despite statutory uncertainty, voluntary limitation application before the INPI is available both for national French patents and for European patents designating France.25

Voluntary post-grant patent limitation has proved to be a valuable strategic tool for patent holders involved in litigation over the validity of a patent.

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18  Decree No. 2009-1205 of 9 October 2009, which entered into force on 1 November 2009, states that disputes regarding patents are now the exclusive jurisdiction of the First Instance Court of Paris and on appeal the Court of Appeal of Paris. (See Article L615-17 and Article D631-2 CPI.)

19  Such exclusive jurisdiction of the Paris courts does not extend to trade secret cases (see Court of Cassation, 16 February 2016, Case No. 14-24.295).

20  See Article L615-14 CPI; however, this route is almost never used, mainly because: (1) a criminal case is not controlled only by the parties but also by the French state, which is a party to the proceedings, independently deciding its own behaviour in the case; and (2) criminal courts are not used to grant high damages in patent cases.

21  A criminal and a civil case over the same facts may be brought in parallel but the procedural interaction of the two may bring much complexity to the case; see: Court of Appeal of Paris, Division 5-1, 12 February 2014, No. 11/01882, Donerre v. BOS.


23  Cumulating several voluntary limitations is allowed; see: Court of Appeal of Paris, Division 5-1, 12 February 2014, No. 12/16589, Anne Duquesnoy v. Hermès Sellier.

24  Court of Appeal of Paris, Division 5-2, 21 October 2011, Ateliers LR Etanco SAS v. SFS Intec Holding AG.

ii Requirements for jurisdiction and venue

For patent matters, exclusive jurisdiction is vested in the First Instance Court of Paris. Civil actions over patents include infringement actions, nullification actions and declaratory suits for non-infringement.

To sue for infringement, a patent holder must notably evidence that it has title, ownership and that the patent is enforceable by payment of maintenance fees. An exclusive licensee may also, upon authorisation by the patent holder, initiate a patent infringement case. A non-exclusive licensee may join the procedure initiated by the patent holder to recover damages for its own loss.\(^{26}\) To sue for patent nullification a third party must show that it has a personal interest in seeking patent nullification (e.g., being a competitor on the French market needing freedom to operate).\(^{27}\) To initiate a declaratory suit for non-infringement, a party must show that it is using its invention industrially in the European Union or that it is effectively and seriously preparing to do so.\(^{28}\)

iii Obtaining relevant evidence of infringement and discovery

Under French civil procedure, the burden of proof regarding the facts on which a claim is based lies on the claimant.

Infringement may be proved by any evidentiary means. This includes bailiff reports, bailiff purchases (i.e., purchases made by an independent party under the scrutiny of a bailiff reporting under oath on the actual sale on the market) and documentary evidence.

There is no equivalent to the US discovery in France, but as regards intellectual property rights and trade secrets, French law provides for a specific means of obtaining evidence, the infringement seizure. The infringement seizure is a highly effective evidence-gathering mechanism whereby a patent holder, suspecting an infringement of its rights, applies \textit{ex parte} for an order of the presiding judge of the First Instance Court of Paris authorising a bailiff and possibly an independent person knowledgeable in the art, to enter any premises where the evidence of the infringement could be found (notably the premises of a competitor) to seize the allegedly infringing product, or to describe, take pictures or videos and copy any information as listed in the presiding judge's order.

This evidence-gathering procedure is performed under the liability of the patent holder. Consequently any abuse resulting in gaining access to information not directly related to the seizure of sample products or the description of the allegedly infringing product or process will be penalised: evidence gathered beyond the scope of the presiding judge's order will be inadmissible and the patent holder may have to compensate the seized party for any loss resulting from the abuse.\(^{29}\)

Where the infringement-seizure takes place on the premises of a competitor, the latter will often have any information seized put in sealed envelopes, to protect confidentiality. Where confidential information is held by a third party being subjected to a seizure, the Court of Appeal of Paris\(^{30}\) has indicated that confidential information must remain accessible

\(^{26}\) See Article L615-2 CPI.
\(^{27}\) Court of Appeal of Paris, Division 5-2, 17 February 2012, Case No. 11/09940, \textit{Omnipharm Limited v. SAS Merial}.
\(^{28}\) See Article L615-9 CPI.
\(^{29}\) Court of Cassation, 26 June 2012, Case No. 11-18.971, \textit{Tordo Belgrano & FTI v. Inglese, Metimexco and Morey Production}.
to the plaintiff willing and needing to evidence infringement but that ‘it is necessary to reconcile the conflicting interests of the parties, i.e. the search for evidence of infringement and the protection of confidential information; there is a need to assess proportionality of the [evidence-gathering] measures taken with the necessary protection of confidentiality’.

In addition or as an alternative to the infringement seizure, it is possible to have the court order that an alleged infringer provide some information on the extent and origin of the infringement. The Court of Cassation has had the opportunity to decide that such right of information may be applied for and ordered before trial, while a case on the merits is pending and before trial regarding infringement.32

iv Trial decision-maker

In France, the third chamber of the First Instance Court of Paris specialises in intellectual property and has exclusive jurisdiction in France for patent cases. The third chamber is divided into four sections of three judges. These judges do not have a technical background. There is no jury system in French courts and fact-finding is for the judges to carry out.

At trial, patent cases will usually be heard by the three judges belonging to the section to which the case was assigned. If necessary, the court may, during the proceedings on the merits, appoint an expert from the court list of experts to clarify specific issues in a report filed before trial. This is not, however, often the case.

v Structure of the trial

Since the procedure in civil cases in France is mainly conducted in writing, judges will read the briefs filed by the parties to understand and decide a case. The trial is an opportunity for lawyers to emphasise and synthesise the key issues of the case. Judges will usually listen to the oral arguments of each party one at a time and ask few or no questions. Judges rely heavily on documentary evidence and information gathered during the saisie-contrefaçon. Witnesses are, in practice, never heard by French courts and party-appointed experts’ affidavits are given relative weight and experts are never examined or cross-examined.

French civil procedure does not set specific standards of proof in patent cases. Patents are always presumed valid. In patent nullification cases, the Court of Appeal of Paris33 has indicated, as regards evidencing insufficient disclosure leading to nullity, that it ‘must be established beyond a reasonable doubt and that the doubt should benefit the patent holder’. This should also be applicable to other grounds for judicial nullification of a patent.

vi Infringement

To correctly assess infringement, claims will first be construed. Claim construction is made in light of the description and drawings.34 Additionally, the Court of Cassation has had the opportunity to decide that even if there exists no ‘file-wrapper estoppel’ as such in France, limitations made during prosecution of the disputed patent should nevertheless be taken into account to assess the scope of the granted patent.35

31 See Article L615-5-2 CPI.
34 Court of Cassation, 23 June 2015, Case No. 13-25082, Core Distribution Inc v. Castorama.
35 Court of Cassation, 23 November 2010, Institut Pasteur v. Chiron Healthcare; see also: First Instance Court of Paris, 20 September 2011, Case No. 10/02548, SEPPIC v. IMCD.
French law lists acts that when performed without the consent of the patent holder amount to infringement, including manufacturing, importing and selling the patented products or processes.\(^{36}\) An offer for sale, defined as any presentation of a product or its prototype, which may result in potential or actual clients disregarding the patented invention, is also an act of infringement.\(^{37}\)

Infringement may be found by literally reading the claims of the patent or by applying the doctrine of equivalents. Indirect infringement also triggers the liability of the person offering essential means for implementing the invention, even where the essential means are consumable supplies.\(^{38}\)

Claim construction and infringement (and nullity counterclaims) are all dealt with and decided at the same time.

vii  Defences

The most common defence to infringement is the invalidity of the patent, often resulting in a counterclaim for patent nullification. Nullity is most often sought for lack of inventive step and lack of novelty of the patented subject matter. Lack of novelty requires a single piece of prior art determining form and function of the invention and achieving the same result.\(^{39}\) A demonstration for lack of inventive step allows for the combination of several relevant pieces of prior art and the general knowledge of the person skilled in the art.\(^{40}\) However, it should also be demonstrated that the person skilled in the art charged with assessing the inventive step over the prior art had good reason to combine the selected pieces of prior art.\(^{41}\) In assessing inventive step, the Court of Appeal has followed the exact approach of the EPO, from the selection of the most relevant prior art to the ‘could or would’ approach.\(^{42}\) Other grounds for nullity can serve as defences against infringement, notably undue extension of the granted patent as compared to the application as filed or insufficient disclosure of the invention even if French courts have traditionally been flexible in assessing the latter.\(^{43}\)

Under French law, ownership is not a defence to infringement.\(^{44}\)

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\(^{36}\) Article L613-3 CPI.  
\(^{37}\) Court of Cassation, 5 July 2017, Case No. 15-20554, Bell Helicopter v. Airbus Helicopters.  
\(^{38}\) Court of Cassation, 8 June 2017, Case No. 15-29578, SCA Tissue France v. Sipinco & Global Hygiène.  
\(^{39}\) Court of Cassation, 14 May 2013, Case No. 11-27.686, Heidelberg Postpress v. Bobst.  
\(^{40}\) Court of Cassation, 11 January 2017, Case No. 15-17.134, Reckitt Benckiser Plc v. Arrow génériques.  
\(^{41}\) Court of Appeal of Paris, Division 5-2, 13 January 2012, Case No. 10/17727, SAS Sandoz v. Eli Lilly & Company.  
\(^{42}\) Court of Appeal of Paris, Division 5-2, 13 January 2012, Case No. 10/17727, SAS Sandoz v. Eli Lilly & Company.  
\(^{44}\) A dispute over ownership of a French patent gives rise to a specific action for claiming back ownership (Article L611-8 CPI); lack of ownership of a European patent when filed is ruled by Article 138 paragraph 1(e) of the European Patent Convention, which is applied by the Court of Cassation as being actionable only by ‘the true owner of the patent or his successor’ and not any alleged infringer. See Court of Cassation, 14 February 2012, Case No. 11-14288.
Other common defences are the personal prior use right developed independently earlier than the priority date of the disputed patent and patent rights exhaustion. As regards the latter, it occurs where the patented product has been put on the market with the, possibly implicit, consent of the patent holder.\(^{45}\)

A defence specific to the pharma industry is the Bolar provision, construed broadly in France, following which acts even outside of France, to gain regulatory approval for any medicinal products, are exempt from patent infringement.\(^{46}\)

**viii  Time to first-level decision**

It usually takes roughly 24 months to decide a patent infringement and validity case on the merits on first instance.

**ix  Remedies**

Patent holders may choose to seek a preliminary injunction in an expedited *prima facie* case before seeking a finding of infringement on the merits.

The requirements for a grant of a preliminary injunction\(^{47}\) are that the patent holder shows the patent is granted, that it is enforceable at the time the preliminary injunction is sought, that there is a *prima facie* case of infringement or of clear threat of infringement.\(^{48}\)

The defendant to the injunction may challenge the *prima facie* nature of the infringement notably by evidencing a *prima facie* case of nullity of the patent.\(^{49}\) Preliminary injunctions are usually requested in summary proceedings (inter partes) but may also be sought on *ex parte* petition. The Court of Appeal of Paris, however, decided that an injunction requested *ex parte* cannot be ordered unless specific factual circumstances make it reasonable not to hear the defendant in inter partes proceedings.\(^{50}\) Preliminary injunctions are decided within a few months and even within a few weeks where urgency commands it.

On the merits, patent holders will mainly seek a permanent injunction\(^{51}\) and compensatory damages. There are no exemplary or punitive damages in France.

\(^{45}\) In a preliminary ruling (Order from the presiding judge of the First Instance Court of Paris, 8 December 2011, *Samsung v. Apple*), the presiding judge of the First Instance Court of Paris found that owing to the circumstances of the case, an agreement in the mobile technology sector, where parties to the agreement had specified that the document should not be interpreted as a licence, was in fact a licence and had exhausted the rights of the patent holder.

\(^{46}\) Order from the presiding judge of the First Instance Court of Paris, 15 December 2014, Case No. 14/58023, *Sanofi-Aventis Deutschland v. Lilly France*.

\(^{47}\) Article L615-3 CPI.

\(^{48}\) The presiding judge may order that the claimant place a bond to compensate the defendant for any undue negative consequence originating from the preliminary injunction, if the court ultimately finds in favour of the defendant.

\(^{49}\) In a standard-essential patent case where the parties were discussing the FRAND terms of a licence, the presiding judge of the First Instance Court of Paris rejected a preliminary injunction request, since it would have had disproportionate consequences on the business of the defendant; see: order from the presiding judge of the First Instance Court of Paris, 29 November 2013, Case No. 12/14922, *Ericsson v. TCT Mobiles*; see also: order from the presiding judge of the First Instance Court of Paris, 8 December 2011, Case No. 11/58301, *Samsung v. Apple*.

\(^{50}\) Court of Cassation, 16 September 2014, Case No. 13-10189, *Sanofi v. Novartis*.

\(^{51}\) Court of Cassation, 12 May 2015, Case No. 14-13024, *Mr Peltier v. Accordiola France*.
Courts focus on the rightholder’s economic loss to assess damages. Damages mainly amount to lost profits, corresponding to a lost royalty or the gross margin of the patent holder on the infringing turnover. Alternatively account of profits is available and has been awarded by a French court where it allows a greater compensation than lost margin or lost royalty.

When given sufficient supporting evidence regarding costs, courts order that attorneys’ fees be fully borne by the defeated party.

Other available measures include the recall from the channels of commerce or the destruction of the infringing products as well as the publishing of the decision in full or in part.

x Appellate review
The Fifth Chamber of the Court of Appeal of Paris has two sections that specialise in patent cases. Each section has three judges. These judges do not have a technical background.

Appellate review in France is de novo on both facts and law. New evidence may consequently be added at the appellate level but not new legal claims. Appeal decisions are usually rendered within 24 months.

xi Alternatives to litigation
Alternative dispute resolution is available to reach an outcome in patent litigations. Ad hoc mediation allows for reaching a settlement. Additionally, French patent law now clearly states that the exclusive jurisdiction of the First Instance Court of Paris ‘does not preclude the use of arbitration’.

V TRENDS AND OUTLOOK
On 9 October 2018, the French action plan for business growth and transformation (the ‘PACTE Bill’) was approved at first reading by the French National Assembly. The agenda for a vote on the PACTE Bill by the Senate is not set yet.

This bill notably includes provisions regarding patent law, aiming at strengthening the attractiveness of the French patent system. Inter alia, the PACTE Bill creates a post-grant opposition procedure against patents delivered by INPI to allow third parties to request the

52 Courts have awarded damages for the ‘springboard effect’, which are included in the calculation of right holder’s loss of profits. The springboard effect allows the court to take into account part of the turnover made by the infringer after the infringing situation stopped, on account of the market share unduly gained during the infringement.

53 Owing to the judicial context of the royalty determination, leaving the infringer with no room for negotiation, French courts increase the contractual rate by a few points.

54 Court of Appeal of Paris, 7 November 2012, Case No. 11/14297, Quest Technologies Inc v. Sarl AHT Sud; First Instance Court of Colmar, 20 September 2011, No. 10/02039, Sté MBI v. Sté Gyra et Sté Prodis.


56 Law No. 2011-525 of 17 May 2011, which includes Article 196, notably amending the provisions of Article L615-17 CPI.
revocation or modification of a patent through administrative proceedings\textsuperscript{57}. The PACTE Bill also includes amendments to patent law to strengthen the examination proceedings before INPI, allowing the latter to dismiss a patent application for lack of novelty or inventive step (at the moment, only clear lack of novelty is likely to justify a rejection).

The PACTE Bill also provides that a cancellation action can be brought against French designs to INPI under conditions to be defined by decree. Besides, appeals of INPI decisions have a suspensive effect. These provisions will enter into force two years after the enactment of the law. On the trademark side, an administrative nullity procedure at INPI should be available in France in 2020.

\textsuperscript{57} Article 42 of the PACTE bill.
I  FORMS OF INTELLECTUAL PROPERTY PROTECTION

Greece is a market with a population of about 10 million people. In 2018, GDP was about US$218 billion; the GDP per capita was about US$20,300.00. GDP in Greece averaged US$108.84 billion from 1960 until 2015, reaching an all-time high of US$354.46 billion in 2008. Since 2008, Greece has been undergoing its most serious economic crisis (mainly a public debt crisis) since World War II.

Each year about 5,700 national trademark applications are filed, while about 1400 international marks are extended into Greece through the Madrid Protocol.

Each year the total number of European patents (EPs) designating Greece, granted by the European Patent Office in Munich within 2016, is about 90,000. However, only about 3,300 EPs are actually validated in Greece each year. Validation requires the submission of a Greek translation with the local Patent Office, as well as appointment of a local agent to receive a service process. The number of national patents filed in Greece each year is about 650.

i  Protectable subject matter

The types of intellectual property (IP) rights that enjoy specific legislative protection in Greece are the following:

a  copyright and related rights; note that software as well as databases enjoy copyright protection;

b  patents and utility models;

c  topographies of semiconductor products;

d  plant varieties;

e  biotechnological inventions;

f  supplementary protection certificates for pharmaceuticals;

g  industrial designs, including surface (fashion) designs. Under Greek law, the legal protection afforded to industrial designs includes the type of protection grated to what in other jurisdictions (i.e., the US) is called ‘design patents’. Non-registered designs are also protected, although under different terms than registered designs;

h  trademarks;

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1 Christos Chrissanthis and Xenia Chardalia are partners and Antonia Vasilogamvrou is an associate at Christos Chrissanthis & Partners Law Firm.
i non-registered distinctive signs and company names are protected under the law of unfair competition;

j other types of intellectual property that are not protected by specific IP legislation, such as know-how, trade secrets, business methods, may enjoy protection under the law of unfair competition. Greece has also implemented the EU trade secrets Directive 2016/943 by enacting Law 4605/2019;

k protected geographical indications and protected appellations of origin, traditional specialties guaranteed, traditional terms for wines; and

l unfair competition.

In addition to the aforementioned, Greek law provides protection against unfair competition. The concept of unfair competition is broad and includes any type of business conduct, which is objectively considered to be contrary to good business ethics. Moreover, the concept of unfair competition includes imitation and all forms of passing off. Forms of IP rights, which are not included in the above list and for which there is no specific legislation, are protected under the law of unfair competition (i.e., trade secrets, business methods, non-patentable know-how, as well as business names and non-registered distinctive signs, etc.).

The prevailing view is that protection under unfair competition can be concurrent with protection under any other specific legislation for IP rights; so, if a patent is infringed, the owner may invoke protection under both patent law and unfair competition law.

**Multiple IP rights over the same subject matter**

The same subject matter cannot be protected under more than one specific form of IP rights; for example, an industrial design cannot qualify for both trademark protection and copyright protection.

**Geographical indications and similar protectable subject matter**

There are other forms of quasi-intellectual property rights that do not result in individual rights. These include protected geographical indications (EU Regulation 510/2006), protected appellations (designations) of origin (EU Regulation 479/2008 and EU Regulation 607/2009) and protected traditional specialties guaranteed (EU Regulation 509/2006). In such cases, civil protection is granted through invoking unfair competition against the party who uses illegitimately (i.e., deceptively) such a geographical indication, etc.

**Marketing authorisation for pharmaceuticals**

Filings by pharmaceutical firms that are necessary to obtain a marketing authorisation do not result in any specific and exclusive intellectual property rights. Some of the filings required to obtain a marketing authorisation are confidential, as they contain information that qualifies as trade secrets. Such trade secrets are protected under the law of unfair competition only.

**ii Legislation**

**National legislation**

The basic national laws for the protection of IP rights are the following:

a copyright and related rights: Law 2121/1993 as amended, which protects software and databases as well;

b patents and utility models: Law 1733/1985 as amended;
d plant varieties: Regulation (EC) No. 2100/1994, which is directly applicable to national law as well;
f supplementary protection certificates for pharmaceuticals and plant products: EU Regulations 1768/1992 and 1610/1996, which are directly applicable to national law;
g industrial designs: Law 2417/1996 as well as Presidential Decrees 161/2001 and 259/1997;
h trademarks: Law 4072/2012, as amended (which implements EU Directive 2008/95 on the harmonisation of trademarks); and
i unfair competition: Law 146/1914.

European Union legislation

As Greece is a member of the European Union (EU), it has implemented all EU Directives on IP matters. Moreover, all EU Regulations covering IP aspects are directly applicable to national law. The most notable and widely used EU instruments in local practice are:
a Directive 2004/48/EC on the enforcement of intellectual property rights; and
b Regulation (EU) No. 608/2013 concerning customs enforcement of intellectual property rights.

The Unitary Patent System, which would make it possible to obtain a single, unitary and EU-wide patent has not been activated yet.

Community trademarks (CTMs) (now called European Union trademarks, as per the new EU Regulation 2015/2424) and Community designs (EU Regulation 6/2002) are also widely used.

The European Union has acceded in the WIPO Madrid Protocol for International Trademarks. As a result, it is possible to file an international trademark application on the basis of an EU trademark application, or to designate the EU in an international trademark application. In connection to designs, the EU has acceded to the Geneva Act (1999) of the Hague Agreement for International Registration of Industrial Designs administered by WIPO. As a result, an international design application may designate the EU, and EU nationals or residents may apply for international design registration.

In terms of unfair competition, Greece, in addition to its local law, has implemented and applies Directives 2005/29 concerning unfair business-to-consumer commercial practices and 2006/114 concerning misleading and comparative advertising.

Among the EU instruments that are of particular importance in local judicial practice, one has to mention EU Regulation 864/2007 (Rome II), concerning applicable law on non-contractual obligations (Articles 6 and 8 containing provisions on the law applicable to acts of unfair competition and infringement of IP rights, respectively), and EU Regulation 44/2001 concerning international court jurisdiction and enforcement of judgments. It is noteworthy that Regulation 207/2009 (recently replaced by EU Regulation 2015/2424) also contains specific provisions on international court jurisdiction in cases of infringement of CTMs.
**International conventions**

Greece is party to the following international IP conventions:

a. the Paris Convention 1883 (Stockholm 1967 version);
b. the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS);
c. the Hague Convention for international registration of industrial designs, known as the Hague System (Geneva Convention 1999);
d. the Locarno Agreement (1968), on the international classification of industrial designs;
e. the Madrid Protocol (1989) regarding international registration of trademarks through WIPO. However, Greece is not party to the Madrid Agreement (1891);
f. the Nice Classification Agreement (1957), now consisting of 45 classes of goods and services for trademark registrations;
h. the Patent Cooperation Treaty (PCT) 1990;
i. the Budapest Treaty on the International Recognition on the Deposit of Microorganisms for the Purposes of Patent Procedure (1993); and


It is noteworthy that local practice on patents greatly relies on the European patent system established by the Treaty of Munich. So, this is the route usually followed by non-local patent owners to obtain patent rights in Greece. The PCT system is also available in Greece. International patents filed with WIPO under the PCT system are directed into Greece through the European Patent Office as European Patents, provided that they designate the European Patent Office as well.

In connection to trademarks, most non-local owners prefer either to obtain a CTM or to go through the route of international trademark registration with WIPO under the Madrid Protocol, designating Greece.

**II RECENT DEVELOPMENTS**

The most significant recent development on IP concerns the field of trademarks. EU Directive 2015/2436 on the harmonisation of the laws of the Member States on trademarks has replaced Directive 2008/95. The new Directive has to be implemented into national law by 14 January 2019, but the legislative process is still pending.

The most notable changes into national trademark law as a result of the implementation of the new Directive will be as follows:

a. Graphic representation will no longer be a formal filing requirement. This is expected to facilitate the process of filing non-traditional marks, such as sounds, smells, tastes, etc.

b. The specification of goods and services will become more precise and specific, as mere reference to the whole heading of the respective class of the Nice Classification system will be insufficient.

c. Absolute grounds for refusal are likely to be applied more strictly. Functionality (including aesthetic functionality) is given much greater emphasis as an absolute ground for refusal under the new Directive. Moreover, new absolute grounds have...
been specifically added, such as protected designations of origin and geographical indications, protected traditional terms for wine, protected traditional specialties guaranteed, and protected plant varieties.

d Proof of use will become a standard defence in civil proceedings as well. It is already a standard defence in administrative proceedings (i.e., opposition and cancellation proceedings).

e An exclusive licensee shall be entitled to initiate their own judicial proceedings before civil courts against infringements.

f Arresting infringing goods in transit (including stages of transhipment, warehousing in free zone areas, temporary storage, etc.) shall become possible, even though such goods may have not yet been placed on the local market and are only destined for export.

g The practice currently applied by the Greek Trademark Office regarding an ex officio search for prior rights is likely to be abandoned; prior rights shall be invoked by way of an opposition only, similar to the system applied by the European Union Intellectual Property Office (EUIPO), previously known as the Office for Harmonisation in the Internal Market (OHIM).

EU Regulation 2015/2424 has also replaced Regulation 207/2009 and amended the law on CTMs (now called European Union trademarks). The new Regulation came into force on 23 March 2016.

Another recent development concerns the field of trade secrets. EU countries were obliged to bring into force the laws and administrative provisions necessary to comply with Directive (EU) 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure by 9 June 2018. On 1 April 2019, Greece enacted Law 4506/2019 to implement this Directive.

III OBTAINING PROTECTION

i Copyright and related rights

No registration required

Unlike other forms of intellectual property, copyright is obtained irrespective of any registration, from the moment an author creates a work. Moreover, while other forms of IP follow the territoriality principle (that is intellectual property rights are acquired on a territorial basis, i.e., on a country-by-country basis), copyright is of a unitary nature; so, once copyright is obtained in a foreign country, it exists in Greece as well. Finally, under Greek law (as well as under most jurisdictions in continental Europe) copyright is very closely connected to the moral right of the author, which is part of their right to personality.

The same applies in connection to other IP rights that enjoy copyright-like protection, such as software and databases.

Applied arts

A highly debatable and controversial issue is whether works of the non-traditional applied arts are appropriate for copyright protection, or whether they may qualify for industrial design protection only. This relates to artistic works that are usually destined to be applied in the surface of a product (i.e., designs on the packaging of a product, the artistic shape of
a bottle, fashion designs applied in clothing, etc.). The matter is not settled in case law and should be treated with caution. A more conservative and realistic approach is that applied arts qualify for design protection only.

ii Patents


Patent rights in Greece are mostly acquired under the European Patent Convention, that is, through EPs designating Greece. In order to validate an EP in Greece, it is necessary to file with the national Patent Office a translation of all major patent documents (i.e., the B1 or B2 forms of the European Patent Office), including the title of the invention, the abstract, the description, the claims and the drawings, if any. It is also obligatory to appoint a local agent for receiving service of the process. It usually takes 60 days for the Patent Office to grant a national patent title to an EP that has been filed for validation in Greece. Since an EP is granted a national patent title, it enjoys the same legal (civil) protection as national patents. In case of infringement of an EP before it has been validated locally, civil protection is afforded under the law of unfair competition. The same applies \textit{mutatis mutandis}, in relation to patent rights acquired through the PCT system. These are addressed to Greece through the European Patent Office as EPs, provided that they designate the European Patent Office as well.

Patents rights acquired either through the EP system or through the PCT system may benefit from the Paris Convention priority.

Review by local courts

Patent rights granted to either national patents, EPs or PCTs are always subject to review by civil courts that can annul the patent. In respect of national patents, it is true that the Patent Office is rather very flexible with requirements, such as novelty and inventive step. As a result, civil courts always thoroughly examine patents in terms of novelty, inventive step and other substantive law requirements, when civil protection is sought. In this respect, civil courts greatly rely on the search report issued by the Patent Office, before the patent is granted.

Types of claims

Greek patent law provides protection for three types of patent claims: (1) product claims; (2) production methods claims; and (3) Swiss-type claims for second, or third, etc., (pharmaceutical) use. Unlike other jurisdictions, other types of claims are not recognised under Greek law. Swiss-type claims are in practice widely used and they appear in connection to various substances; so, they do not relate to pharmaceuticals only. Swiss-type claims have never been contested before a court, but at the same time, there is no local court judgment affirming their legitimacy. It is true that the Greek law on patents refers only to product claims and production methods claims and has no specific or implied reference to ‘Swiss-type use claims’. Moreover, it seems that the existing Greek legal literature has not taken notice of Swiss claim and does not discuss them at all.

In connection to claims for production methods, there is a rebuttable presumption that a third party, producing the same product as the one for which the production method claim is granted, has used the patented method.
**Pharmaceutical patents**

Until 7 October 1992, Greek law prevented the grant of patents for pharmaceutical products. Any such patents granted, either through the national route or through validating EPs designating Greece, were illegal and Greek civil courts had cancelled such patents in a few cases. Because of the prohibition of patents for pharmaceutical products, it was debated whether it was legitimate to obtain patents relating to ‘methods claims’ with respect to the production of pharmaceuticals. Moreover, the legitimacy of Swiss-type claims was also debated. However, this discussion is now irrelevant, since after 7 October 1992, filing pharmaceutical patents in all forms (products, methods and uses) has been legitimised.

**iii Utility models**

Utility models rights are granted in connection to three-dimensional objects with a specific shape, which are capable of solving a particular technical problem. Novelty and inventive step are required, but only to a significantly lower degree in comparison to patents. As in the case of patents, civil courts examine utility models very thoroughly when civil protection is sought against alleged infringement. Unlike patents that last for 20 years, utility models last for only seven years, subject to payment of annual renewal fees. What distinguishes utility models from industrial designs is that the former are destined to provide a technical solution to a technical problem (i.e., they have some technical functionality), while the latter are of an aesthetic character. So, fashion and other surface design in clothing, shoes, etc., qualify for protection under designs and not as utility patents.

**iv Industrial designs**

Design protection is granted to elements and objects (either two-dimensional or three-dimensional) with an aesthetic character, provided there is some novelty and individual character. Another prerequisite is that design protection can be afforded only in connection with visible parts or elements of a product; so, for instance, the shape of an inside component cannot qualify for design protection. Design certificates are issued by the Patent Office. Again, the examination by the Patent Office at the time of granting is not a thorough one, resulting in civil courts usually being rather reluctant to enforce design rights against third parties and usually reviewing very closely the substantive law requirements when civil protection is sought. The time usually required by the Patent Office to grant a design certificate is four months from filing. There are no legal impediments in obtaining industrial design rights in relation to fashion design, surface design and other aesthetic elements. However, items that are purely functional are not capable of obtaining design protection, and their protection is possible only if they qualify either as utility models, or as patents – that is, if they enjoy some level of novelty and inventive step. In general, Greek courts are rather reluctant to enforce design certificates and are usually sceptical as to the level of novelty and individual character associated to design certificates.

**v Plant varieties**

Plant varieties are also protected in Greece. The Greek legal framework for plant varieties is Regulation 2100/1994. This Regulation provides for filing and registration requirements and procedures, as well as for civil remedies against infringements and international court jurisdiction. Directive 2004/48 concerning enforcement of intellectual property rights is also applicable to plant varieties.
Plant varieties’ certificates are granted centrally from the EU Plant Varieties Office in Angers, France. Such certificates grant EU-wide civil rights. There is no need for national validation, and the certificates granted by the Office are directly and immediately enforceable under the local law. The system established by the EU is compatible with the respective WTO-TRIPS requirements and the International Union for the Protection of New Varieties of Plants.

vi Trademarks

EU harmonisation law

Greek law on trademarks is based on EU Directive 2008/95 on the harmonisation of trademarks, now amended by the recent EU Directive 2015/2436, which is to be implemented into national law by January 2019. The process of filing, registration, opposition, etc., before the local trademark office is very similar to the process used by the OHIM (now the EUIPO) for granting CTMs (now European Union trademarks).

Advantages of a trademark registration in comparison to non-registered distinctive signs

Trademark rights are obtained through registration. Use in the course of trade without registration results in a non-registered distinctive sign, which is protected against likelihood of confusion and dilution under the law of unfair competition and not under trademark law.

Protection under trademark law is more enhanced for a number of reasons, such as:

a under trademark law, there is no need to prove use in the course of trade every time one applies to civil courts against infringement, as acquisition of rights is evidenced by submitting the trademark certificate alone. However, the new EU Directive, which is about to be implemented into Greek law, provides for a proof of use defence in civil litigation;

b protection under trademark law is countrywide, while a non-registered distinctive sign is protected only in the geographical territory where it has been used; and

c proving priority is usually easier on the basis of a trademark registration certificate, rather than on the basis of other evidence that has to be produced before the court in relation to when use in the course of trade commenced.

Use requirement

Prior use or intent to use is not a filing requirement. However, if use in the course of trade has not commenced within five years as from registration, the trademark can be cancelled for non-use, if any interested third party files an application for cancellation on this ground. Further, in the event that use in the course of trade of a trademark registration has been interrupted for more than five years, there are grounds for cancellation for non-use, unless there are proper reasons justifying non-use. Pending litigation is considered to be a proper excuse for non-use of a registered trademark. Finally, non-use is a defence in opposition or cancellation proceedings. Currently, non-use is not a valid defence in civil proceedings; however, the new Directive 2015/2436 provides that Member States are compelled to provide in their national laws that non-use will be a valid defence on civil proceedings as well. The Directive has to be implemented by January 2019, but the legislative process is still pending.
**Graphic representation**

A mark must be capable of being represented graphically (in an adequately precise and specific way) and able to distinguish the applicant’s goods or services from those of other undertakings. The graphic representation requirement has been abandoned by the new EU Harmonisation Directive 2015/2436.

**The registration process**

In Greece, three types of trademark registration are available: national, Community and international. The domestic registration process is similar to the process used by OHIM and the Community Registry, with the main difference that in Greece there is an *ex officio* search for prior rights. So, earlier trademark registrations and applications will lead to rejection of an application, even in the absence of an opposition by the owner of the earlier rights. Each application is examined by an examiner with respect to absolute and relative grounds. If the examiner is satisfied that there are no grounds of rejection, the application is published and remains open for opposition for a three-month period. If the application is rejected, it can be challenged before the Trademarks Committee and can also be appealed before the administrative courts.

Trademark protection lasts for 10 years starting from the application date. Protection can be renewed indefinitely for 10-year periods, if the renewal fees have been paid.

**Peculiarities of Greek trademark law**

A peculiarity of Greek trademark law is that there is a distinction between competence of the administrative and civil courts in trademark cases. Cases regarding the registration process (i.e., relative or absolute ground cases, oppositions and cancellations), are referred to administrative courts, where proceedings are extremely time-consuming (it takes about seven years to obtain a judgment from the First Instance Administrative Court). However, during the process of legislative amendments in order to implement the new EU Directive 2015/2436 it has been proposed that actions for trademark revocation and trademark invalidity should be dealt with by the civil courts; it is not yet clear whether this proposal will be finally adopted.

Another important peculiarity of Greek trademark law is that civil courts are not permitted to challenge the validity of a registered trademark. So long as a trademark has been registered, civil courts are not allowed to review whether it has been legitimately granted and have to enforce it against third parties; this is so, even if the said registered trademark has never been used in the course of trade, or if it is evidently descriptive or non-distinctive. Challenging the validity of a registered trademark is possible only through cancellation proceedings before the Trademark Office and, on appeal, the administrative courts. This has occasionally caused embarrassment to civil courts and led to complaints, but on the other hand, it makes national trademark registration a very strong right and affords it great legal certainty. Again, during the legislative process for the implementation of Directive 2015/2436 it has been proposed to allow civil court to deal with counterclaims for trademark revocation or trademark invalidity, as in the system of the EU trademarks; however, it is not yet clear whether this proposal shall be adopted.
Word marks (different types)

Word marks may come in different types, for example, italics, highly stylised, bold, gothic letters, coloured letters, etc. However, the word marks that enjoy stronger and wider protection (if registered) are those printed in simple and common typefaces. If the registration is in a simple and common typeface, the scope of protection granted covers any possible representation of the same word (i.e., in whatever typeface and in any colour, etc.).

Cases where likelihood of confusion was found

The following are representative examples of court precedents where likelihood of confusion was established:

a. Coffee Mate and Delta Coffee Mate, both for non-alcoholic beverages (Trademark Office No. 7673/2005).

b. Pinocide and Delta Pinocide, both for disinfectants (Supreme Court No. 2394/1994).

c. Aegean Baltic Bank and Aegean Business Bank, both for banking services (Trademark Office No. 8631/2006).

d. Polar and Aquapolar, both for water filters and softeners (First Instance Court of Thessaloniki No. 12412/1994).

e. Bodyline and New Body, both for slimming centres (First Instance Court of Athens No. 194/1997).

Cases where likelihood of confusion was not found

In the following cases, likelihood of confusion was not established:

a. Facadoro and Mecador, both for gold jewellery (Supreme Court No. 5441/1995).

b. PB-rope and Ropex, both for chemicals (First Instance administrative Court of Athens No. 1883/1992).

c. Bake Krispies and Rice Krispies, both for foodstuffs (Administrative Court of Appeals in Athens No. 435/2004).

d. Thalis (for scientific optics) and Thales (for military products), because they were both addressed to expert customers who were not likely to be confused (First Instance Court of Athens No. 10216/2001).

e. Ferrero (for chocolates) and Ferro (for breadsticks) Supreme Court No. 4195/2005; although the same case was decided differently by the EU General Court, T-35/04.

IV ENFORCEMENT OF RIGHTS

i. General aspects of civil judicial proceedings in Greece

Two types of civil judicial proceedings are available in Greece: (1) ordinary proceedings and (2) summary proceedings.

Ordinary proceedings are rather long. It takes about one year from the filing of a legal action to fix a court hearing. It will take about one more year to obtain a first instance court judgment. If the judgment is appealed, it is likely that two more years will follow until a final and enforceable court judgment is issued by the appeal court. A final judgment can be review before the Cassation Court (the Supreme Court). The review covers only matters of law and not matters of fact.
There are special courts dealing with CTMs with judges that have a level of specialisation in IP matters. If the plaintiff invokes a CTM, it is possible to fix an early hearing in about only three or four months from the filing of the legal action.

Summary proceedings are available if there is some urgency to be dealt with. In IP infringements, urgency is self-explanatory, unless the IP owner has unreasonably delayed in taking judicial action against infringement. For instance, if the IP owner is aware of an infringement for more than six months, an application for summary judgment is likely to be rejected without examining the merits of the case. It takes about three to four months from filing an application for summary judgment to fix a court hearing and a summary judgment is usually issued within six to eight months following the hearing. However, it is possible to apply for an early preliminary and provisional court order, which is usually obtained within 15 days of the filing of an application for summary judgment. This provisional court order remains in force until a summary judgment is issued. It is also possible to obtain a court order to preserve evidence without any prior notification to the defendant (like an Anton Piller order). A summary judgment must necessarily be followed by ordinary proceedings. Therefore, a summary judgment cannot bring litigation to an end without ordinary proceedings, unless there is an extrajudicial settlement.

Legal actions (writs) and applications for summary judgment are long legal documents in Greece. They need to refer to the facts and the evidence in great detail. A customary legal action or application for summary judgment usually exceeds 10 pages.

There are no pretrial proceedings under Greek law. All the evidence is presented to the court in a single hearing, after which the court issues its judgment.

Limitation periods for IP rights are rather long (i.e., five years); however, if the legal ground is unfair competition, the limitation period for a cease-and-desist order is only three years.

Cease-and-desist letters do not result in any adverse legal consequences for the addressor. So, even if an extrajudicial cease-and-desist letter is proved to be unfounded, the addresser runs no legal risk, unless the letter contains evident and exorbitant defamations.

Greek judgments on IP matters greatly rely on precedents set by the European Union Court of Justice (CJEU) and the General Court.

ii Volume of damages

In the past, the law was very cumbersome in relation to establishing the volume of damages in IP infringement. It was almost impossible to prove what the quantum of damages actually was, and the majority of IP owners limited themselves to cease-and-desist orders alone and never attempted to obtain a damages award.

However, legislation has changed during the past few years and has provided for more relaxed alternative criteria for determining the volume of damages. In particular, the plaintiff may quantify loss on the basis of one of the following three criteria:

a the loss caused by the infringement; this is the traditional way to determine the quantum of damages, which raises great difficulties, since actual damage and loss of profits need to be evidenced with accuracy;

b the benefit obtained from the infringement; such benefit usually amounts to the net earnings of the infringer. This criterion may be more straightforward to apply, but, again, difficulties arising from the issue of burden of proof cannot easily be overcome; and
the customary royalty for a licence, as appropriate in the particular case in question. This is the method that IP owners usually prefer to apply in order to fix the volume of damages requested. It is the criterion that is most straightforward regarding evidence and burden of proof. It is usually possible to produce evidence in court to prove the amount of the royalty that has been agreed by other parties for a licence of a similar IP right to the one infringed.

These criteria apply in connection with infringement of all IP rights (i.e., copyright, trademarks, patents, etc.).

In addition to damages, it is also possible to request psychological (moral) damages against the infringer. Under Greek law, it is up to the discretion of the court to fix a psychological damages award in each and every case involving a tort, and IP infringements are tort cases. Usually psychological damages are justified in IP infringements on the basis of defamation that the owner has suffered from the particular infringement and not on the basis of any psychological stress. It is the defamation and dilution of reputation that is compensated in this way and not any psychological stress. Such awards, however, are usually of limited amounts only (i.e., about €10,000), even if the infringed IP rights relate to particularly strong and famous trademarks.

For copyright infringements, there are very severe criminal sanctions as well. In addition, there are less severe criminal sanctions for trademark infringement, as well as for infringements of unfair competition and non-registered distinctive signs.

iii Customs procedures

Customs procedures are available according to the EU legislation. Customs procedures are available for all IP rights and are particularly efficient. However, they are not addressed against parallel imports.

iv Obtaining and preserving evidence; the EU Enforcement Directive

Greece has implemented EU Directive 2004/48 on the enforcement of IP rights. The Directive offers great assistance in obtaining and preserving evidence during either summary or ordinary legal proceedings, when such evidence is in the possession of the infringer. If the plaintiff provides reasonably available evidence to support an allegation of infringement, a court may issue an order (even without having previously notified the defendant), allowing the plaintiff to obtain evidence in the possession of the alleged infringer. In this respect, the plaintiff may be allowed to make a detailed list of infringing products in the possession of the infringer, to take samples or even to provisionally arrest infringing goods or materials used in the production of infringing goods, or documents and other information relating thereto. Such information may comprise the names and details of distributors, suppliers, customers, quantities produced and manufactured, prices, and even bank account details and payments to third parties. In issuing such an order, courts have discretion to take into account the necessity to preserve legitimate trade secrets of the defendant, as well as the general principle of proportionality. The Directive, in providing such severe measures, aims to deal with the issue of counterfeit products. However, the Directive applies not only to counterfeit goods, but also to innocent (without intent) infringements. Courts do have great discretion in applying the Directive, and they do take into account the factors of proportionality and
legitimate trade secrets. In practice, courts are rather reluctant to apply the Directive against long and well-established local companies that would not reasonably raise any suspicions of intentional infringement.

Copyright

A lot of litigation arises in relation to alleged copyright infringement on the internet. In a recent case, the First Instance Court of Athens (Judgment No. 5249/2014) dealt with the case of a website that provided links, enabling internet users to reach the websites of local television broadcasters and watch films and other content that broadcasters had already uploaded to their own websites. The court held that this act of ‘linking’ and making available to a new public content that has already been uploaded does not establish a copyright infringement. In reaching this conclusion, the Greek court took notice of the rulings of the CJEU in the cases of Svensson (C-466/12) and BestWaters (C-348/13). Hence, what this case seems to suggest is that so long as content has been uploaded to the internet, it becomes freely available to anyone and retransmitting such content, or making it available to others, particularly by way of ‘linking’ does not amount to infringement. Many commentators are very sceptical as to whether such a precedent is satisfactory. ‘Linking’ may be commercially acceptable to television broadcasters, but it is doubtful as to whether it is commercially equally acceptable to other industries, such as the music and film industries.

A difficulty that usually arises in court practice is that, if the plaintiff who invokes copyright protection is a legal entity, the court requires submission of evidence regarding the acquisition of copyright from the author. Courts argue that copyright can be acquired by individuals (natural persons) alone and that it can only be transferred to legal entities by way of assignment. Under Greek law, assignment of copyright is invalid, unless it is documented in writing. This raises practical difficulties for legal entities seeking copyright protection, as they need to produce to the courts written contracts evidencing acquisition of rights from natural persons.

Patents

Patent litigation is rather rare in Greece. The majority of cases relate to pharmaceutical patents. Judges do not have any technical background; so, they greatly rely on expert evidence on technical matters, as well as matters like novelty and inventive step. One of the problems usually encountered in patent litigation is the long delay in the proceedings, because of multiple judicial proceedings in other jurisdictions, as well as before the European Patent Office. For instance, Greek courts are likely to stay local proceedings in case that there are any prior proceedings already pending before the European Patent Office in relation to the validity of the patent, or in case there are any other prior judicial proceedings pending in any other jurisdiction.

The most notable recent cases in Greece relate to the validity of EPs for pharmaceuticals that have been validated by the local Patent Office before 1992, that is, at a time when pharmaceutical patents were not recognised under Greek law. Greek courts (Judgments Nos. 728/09 and 6105/11 of the First Instance Court of Athens) held that any such EPs validated locally before 1992 were illegal and invalid. The same judgments, though, confirmed that EPs validated after 1992 are valid, even if they contain Swiss-type claims, which are considered compatible with Greek legislation. Finally, the courts held that the TRIPS Agreement to
which Greece acceded in 1990 has no retrospective effect. The judgment of a civil court holding a registered patent invalid has effect not only between the litigating parties, but also vis-à-vis third parties (*erga omnes*).

Another important recent judgment of the First Instance Court of Athens (No. 3955/2015) relates to the ongoing litigation among Novartis and Zanofi-Aventis in connection to the use of the drastic ingredient ‘rivastigmine’ for the treatment of Alzheimer’s disease and Parkinson’s disease. Rivastigmine was initially patented by Novartis, but the patent expired and the substance became generic. However, Novartis had also patented with a Swiss-type claim a particular dose of rivastigmine, which is still currently in force. Novartis alleged that its patented dose for rivastigmine has been copied by Zanofi-Avantis. In its preliminary judgment, the court did not challenge the validity of a Swiss-type claim that relates to a new dose (and not to a new therapeutic use) and ordered the submission of additional expert evidence before reaching a final judgment.

vii Trademarks

Most local IP litigation relates to trademarks. Infringement is established in case of likelihood of confusion, dilution and parallel imports from non-EU countries. In assessing trademark infringement, Greek courts consistently apply the jurisprudence of the CJEU and the General Court of the EU. It is worth mentioning that in the EU, unlike the US, it seems easier to establish dilution. This is because, according to the jurisprudence of the CJEU, there is no need to prove actual damage in order to establish dilution; instead, it is sufficient to prove that there is a likelihood of association among the earlier famous mark and the later infringing mark. Unlike other jurisdictions, under both Greek and EU law, parallel imports from not EU Member States are illegitimate and amount to a trademark infringement. This is not the case, though, in connection to parallel imports from other EU Member States.

viii Famous marks

The Cassation Court (Judgment No. 1030/2008) has held that a mark cannot qualify as famous, unless it is unique and has a level of originality. It is submitted that this reasoning contradicts the jurisprudence of the CJEU, which holds that fame depends on the level of recognition of the mark. However, there is a counterargument that states that even under the CJEU jurisprudence, uniqueness and originality are factors to be taken into account for assessing the level of recognition and reputation of a mark. A good example of how these considerations may be applied in practice is a recent judgment of the First Instance Court of Athens (No. 270/2015), which held that the green and white colour combination of the Aspirin packaging cannot qualify as a famous mark because it lacks uniqueness and originality, as based on the evidence, green seemed to be widely used in the packaging of many pharmaceuticals. The judgment was referring to the alleged reputation of the green and white colour combination alone, and not to the reputation of the Aspirin word mark, which was not an issue in this case.

ix Lookalike and trade dress cases

The most difficult and controversial cases are lookalike cases, relating to the colours and drawings in the packaging of the products. This type of litigation is quite common, particularly in the field of foodstuffs. In a notable recent judgment (Judgment No. 270/15), the First Instance Court of Athens denied protection to the green and white packaging of Aspirin against a similarly coloured pain reliever, on the ground that some colours evoke
particular feelings in consumers and this is the case with the green colour, which was found to generate a sense of relief. Further, in Greece, the public closely associates the colour green with medical science.

In another case in 2007, the First Instance Court of Athens (Judgment No. 2275/2007) rejected a lawsuit by Nestlé in connection with the blue, swimming pool pattern of its ice-cream freezers against an equally well-established local ice cream manufacturer, which was using a progressively graduated blue colour pattern for its ice-cream freezers. The leading case relating to the protection of a single colour (not a colour combination) is the Petro gas case (Cassation Court Judgment No. 399/89). It concerned liquid gas for home use traded in purple coloured cylinders. Vitom gas copied the purple colour used by Petro gas. The plaintiff’s action was rejected by both the First Instance and the Appeal Court. In reviewing these judgments, the Supreme Court noted that the copying of a single colour in product packaging should be assessed in the context of the doctrine of ‘overall impression’. In other words, the figurative or word elements, as well as the overall packaging and appearance, should also be taken into account, in order to determine whether there is any likelihood of confusion or dilution. The Court, however, noted that copying of even a single colour alone could suffice to establish likelihood of confusion, if, on the evidence, it could be found that it is the colour that is the prevailing element of the whole packaging and appearance of the product; and if it could be proved that copying of the colour alone could attract the attention of consumers.

However, there are other cases in which plaintiffs were successful in obtaining legal protection for the colours used in their respective packaging. Such was the case with Camper Twins shoes packaging: Camper was successful in obtaining protection for the red colour used in its packaging (First Instance Court of Athens, Judgment No. 6778/2004). Another similar judgment was the Toblerone case. The plaintiff was successful in obtaining legal protection in relation to the triangle shape of its chocolate, which was found by the Court to be particularly distinctive (First Instance Court of Athens, Judgment No. 1478/2005). Further, the Athens Court of Appeal (Judgment No. 1687/2004) has granted protection to Nestlé, in relation to the colour combination of its Nescafé instant coffee cans. In a more recent, much more controversial case, the Supreme Court seemed to suggest that the ‘cigar-like’ cylinder shape of a chocolate wafer from a particular manufacturer merited legal protection, although wafers with chocolate or another filling commonly come in a cylinder shape that usually resembles a cigar (Judgment No. 486/2015).

x Personal names
The use of personal names as trademarks is quite common in the local market. Hence, trademark litigation often relates to personal names. Such was the recent landmark case involving Mr Panayiotis Nikas. Mr Nikas was the founder in the early 1970s of Nikas SA, which was one of the largest local manufacturers of sausages and other cold meats. In early 2000, he sold his shares in Nikas SA and abandoned the company. After 12 years, he introduced his own new sausages under the brand name ‘Lakoniki SA’, which was his own company. The sausages bore the slogan: ‘With the recipe and care of Panayiotis Nikas’. Nikas SA sued for likelihood of confusion and dilution. The First Instance Court of Athens rejected the claim and reasoned that in such a case, there were good grounds for the limitation of the trademark rights of Nikas SA, as Mr Nikas was using his own name and had made efforts for differentiation and through advertisements to let the public know that he was no longer associated with Nikas SA.
xi  Community trademarks and earlier national marks
Conflicts may arise among registered CTMs and earlier national registered trademarks, or earlier national non-registered distinctive marks. In a recent case, the First Instance Court of Athens (summary Judgment No. 12035/14) issued a cease-and-desist order, preventing the circulation in the local market of a constipation product, traded under the registered CTM ‘EVA’ owing to an earlier national registered trademark ‘EVA’, used in medicinal and hygienic products. The court applied Articles 55(2), 53 and 100 of EU Regulation 207/2009 on CTMs and found that a CTM, even if registered, may be prevented from being traded in a local EU market if there is an earlier national registered trademark (or non-registered distinctive sign), and there is the likelihood of confusion as a result. When enforcement of a registered CTM is sought, national courts are authorised to cancel it, if the defendant challenges its validity by way of counterclaim. This has recently started to become a common litigation trend in such cases.

xii  Unfair competition
The concept of unfair competition under Greek law is very broad and widely applied. It is based on the concept of good commercial customs and morals. It encompasses the English law concept of ‘passing off’, but it has a wider scope. So, it is used to grant legal protection to non-registered distinctive marks used in the course of trade. However, it is also applied in a greater variety of situations in which the business conduct does not seem to comply with good business ethics. Such situations usually relate to the following types of business conduct:

- exploitation of one's reputation (i.e., unauthorised use of famous marks);
- misappropriation of one's work, achievement, methods and system of organisation (including slavish imitation of products or achievements not protected by specific intellectual property law provisions, know-how, etc.);
- destructing business reputation (i.e., defamation);
- deceptive or misleading advertising, emotional advertising, excessive aggressive and annoying advertising;
- intrusion in one's business activity (i.e., by way of soliciting employees or clients, or threatening to sue, etc.);
- violation of laws and contractual obligations; and
- intrusion with trade secrets of competitors.

Courts have great discretion in applying the law of unfair competition and usually such cases raise great practical and legal difficulties in balancing freedom to compete on the one hand and unethical conduct on the other.

As Greece has acceded to the Paris Convention (1883), Article 10 bis also applies in Greece. Article 10 bis of the Convention provides a non-exhaustive list of conduct that is deemed to be contrary to good commercial morals and qualify as unfair competition. Finally, Greece has implemented the EU Directives 2005/29 on unfair business-to-consumer commercial practices and 2006/114 on misleading and comparative advertising.
V TRENDS AND OUTLOOK

Greece has recently introduced a new Code of Civil Procedure, effective since 1 January 2016, which is likely to accelerate judicial proceedings. Courts are likely to consider hearsay evidence as inadmissible and to apply more consistently the parole evidence rule. These new features are expected to have a substantive impact on IP litigation as well.

In terms of trademark law, the implementation of the new EU Directive 2015/2436 on the harmonisation of trademarks is expected to increase the impact of the defences of functionality and proof of use in civil proceedings. Conflicts between registered European Union trademarks and earlier national marks are likely to increase in the future. Finally, market trends seem to suggest that there is an increasing interest in filing and enforcing non-traditional marks.
Chapter 11

INDIA

Pravin Anand, Shrawan Chopra and Vibhav Mithal

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property protection in India includes patents, industrial design, copyright, trademark, geographical indications, plant varieties, trade secrets and confidential information. Intellectual property law is largely codified, except for trade secrets and confidential information, which are governed by common law principles and the law of contract. As India is a common law country, interpretation of the statutes by the courts is important and reference to judicial precedents is indispensable for a complete understanding of the law.

The key statutes on intellectual property in India are:

a the Patents Act 1970;
b the Trade Marks Act 1999;
c the Copyright Act 1957;
d the Designs Act 2000;
e the Geographical Indication of Goods (Registration and Protection) Act 1999;
f the Semiconductor Integrated Circuits Layout-Design Act 2000; and
g the Protection of Plant Varieties and Farmers’ Rights Act 2001.

Intellectual property rights in India are broadly classified into the following categories.

i Patents

A patent is an exclusive right granted to the patentee of an ‘invention’ that is a novel product or process that involves an inventive step and is capable of industrial application.1

The term of a patent is 20 years starting from the date of the patent application.2 After the term of the patent expires, the invention becomes part of the public domain and the patentee ceases to have exclusive rights over the subject matter of the patent.

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1 Pravin Anand is the managing partner, Shrawan Chopra is a partner and Vibhav Mithal is a senior associate at Anand and Anand.
2 Section 2(1)(j) of the Patents Act, 1970. The definition of ‘invention’, as stated in Section 2(1)(j) is in accordance with Article 27(1) of Agreement of Trade Related Aspects of Intellectual Property Rights (TRIPS).
3 Section 53 of the Patents Act, 1970. The term of the patent is in accordance with Article 33 of TRIPS.
ii Registered designs

An industrial design\(^4\) may be protected in respect of specific classes of articles under the Designs Act 2000 if it is granted registration by the Controller General of Patents, Design and Trade Marks.

A design may be granted registration upon an application from a person claiming to be the proprietor\(^5\) of any new or original design that has not been previously published in any country.\(^6\) Upon being granted a registration, the registered proprietor of the design has a 'copyright in the design', which subsists for 10 years. The term of the copyright in a design may be extended by five years upon payment of a prescribed fee by the registered proprietor.\(^7\)

iii Layout-designs of integrated circuits

The Semiconductor and Integrated Circuits Layout-Design Act 2000 provides statutory protection to semiconductor integrated circuits layouts\(^8\) for 10 years upon registration under the Act. The Semiconductor and Integrated Circuits Layout-Design Act 2000 was enacted to give effect to Section 6 of Part II of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). A layout-design may be registered if it is original, distinctive and distinguishable from other registered layout-designs. It must also not have been commercially exploited in India or other convention countries.\(^9\)

The registered proprietor of a layout-design has the exclusive right to use the layout-design for a term of 10 years from the date of the application for registration or from the year of its first commercial exploitation anywhere in the world, whichever is earlier.\(^10\)

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\(^4\) Under Section 2(d) of the Designs Act, 2000, 'design' means 'only the features of shape, configuration, pattern, ornament or composition of lines or colours applied to any article whether in two-dimensional or three-dimensional forms or in both, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye; but does not include any mode or principle of construction or anything that is in substance a mere mechanical device, and does not include any trademark as defined in clause (v) of subsection (1) of Section 2 of the Trade and Merchandise Marks Act, 1958 or property mark as defined in Section 479 of the Indian Penal Code, 1860 or any artistic work as defined in clause (c) of Section 2 of the Copyright Act, 1957'.

\(^5\) Section 2(j) of the Designs Act, 2000, defines 'proprietor of a new or original design' as '(i) where the author of the design, for good consideration, executes the work for some other person, means the person for whom the design is so executed; (ii) where any person acquires the design or the right to apply the design to any article, either exclusively of any other person or otherwise, means, in the respect and to the extent in and to which the design or right has been so acquired, the person by whom the design or right is so acquired; and (iii) in any other case, means the author of the design; and where the property in or the right to apply the design has devolved from the original proprietor upon any other person, includes that other person.'

\(^6\) Section 5 of the Designs Act, 2000. The requirement of 'new' or original for a design is in accordance with Article 25(1) of TRIPS.

\(^7\) Section 11 of the Designs Act, 2000.

\(^8\) Section 2(d) of the Semiconductor Integrated Circuits Layout-Design Act, 2000 defines 'Semiconductor integrated circuit' as a 'product having transistors and other circuitry elements which are inseparably formed on a semiconductor material or an insulating material or inside the semiconductor material and designed to perform an electronic circuitry function'. Further, Section 2(h) defines 'layout-design' as a 'layout of transistors, and other circuitry elements and includes lead wires connecting such elements and expressed in any manner in a semiconductor integrated circuit'.


iv Copyright and related rights

The Copyright Act 1957 provides for the protection of exclusive rights in the reproduction and exploitation of original literary, \(^{11}\) dramatic, \(^{12}\) musical \(^{13}\) and artistic works; \(^{14}\) cinematograph films; \(^{15}\) and sound recordings. \(^{16},^{17}\) The nature of a copyright varies with the nature of the different works that are protected by it.

A copyright subsists in a work from its very creation. Copyright registration is not a prerequisite to enjoying copyright protection in India, but it serves as \textit{prima facie} proof of ownership of copyright before a court. \(^{18}\)

The copyright in a work typically subsists during the lifetime of its author and for 60 years after the year of the author's death, but there are variations to this rule in different classes of copyrights: for example, the term of a copyright in cinematograph films and sound recordings is 60 years from the year of publication. \(^{19}\)

The Copyright Act also provides for the protection of ‘broadcast reproduction rights, \(^{20}\) ‘performer’s rights, \(^{21}\) ‘author’s special rights’ (i.e., ‘the moral rights of an author’) \(^{22}\) and ‘performer’s moral rights’.

India is a member of the Berne Convention of 1886 (as modified in Paris in 1971), the Universal Copyright Convention of 1951 and TRIPS. Although India is not a member of the Rome Convention of 1961, the Copyright Act is compliant with its provisions.

v Trademarks

A trademark is defined in the Trade Marks Act 1999 as a visual representation, or mark, that helps the consumer identify the source or provider of any goods or services. It can be represented graphically and is capable of distinguishing the goods and services of one person

\(^{11}\) Under Section 2(o) of the Copyright Act, 1957, ‘literary work’ ‘includes computer programmes, tables and compilations including computer [databases]’.

\(^{12}\) Under Section 2(h) of the Copyright Act, 1957, ‘dramatic work’, ‘includes any piece for recitation, choreographic work or entertainment in dumb show, the scenic arrangement or acting, form of which is fixed in writing or otherwise but does not include a cinematographic film’.

\(^{13}\) Under Section 2(p) of the Copyright Act, 1957, ‘musical work’ means ‘a work consisting of music and includes any graphical notation of such work but does not include any words or any action intended to be sung, spoken or performed with the music’.

\(^{14}\) Under Section 2(c) of the Copyright Act 1957, ‘artistic work’ ‘means (i) a painting, a sculpture, a drawing (including a diagram, map, chart or plan), an engraving or a photograph, whether or not any such work possesses artistic quality; (ii) a work of architecture; and any other work of artistic craftsmanship’.

\(^{15}\) Under Section 2(f) of the Copyright Act, 1957, ‘cinematograph film’ means any work of visual recording on any medium produced through a process from which a moving image may be produced by any means and includes a sound recording accompanying such visual recording and ‘cinematograph’ shall be construed as including any work produced by any process analogous to cinematography including video films.

\(^{16}\) Under Section 2(xx) of the Copyright Act, 1957, ‘sound recording’ means a recording of sounds from which such sounds may be produced regardless of the medium on which such recording is made or the method by which the sounds are produced.

\(^{17}\) Section 14 of the Copyright Act, 1957 outlines the various exclusive rights that are conferred upon works that are covered by the Copyright Act, 1957.

\(^{18}\) Section 48 of the Copyright Act, 1957.

\(^{19}\) Chapter V of the Copyright Act, 1957, i.e. Sections 22 to 29 provides for the term of copyright for different types of work.

\(^{20}\) Section 37 of the Copyright Act, 1957.

\(^{21}\) Section 38 of the Copyright Act, 1957.

\(^{22}\) Section 57 of the Copyright Act, 1957.
from those of others and may include the shape of goods, their packaging and combination of colours, among other things. A mark may be a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of a good, packaging or combination of colours or any combination thereof.

Registration of a trademark confers upon the registered proprietor the right to exclusively use the trademark in connection with goods and services in respect of which it is registered, and entitles the registered proprietor to seek relief in respect of infringement. No person is entitled to institute any proceeding to prevent, or to recover damages for infringement of unregistered trademarks, but an action against a person for passing off goods or services as the goods or services of another would still lie.

Registration of a trademark is valid for 10 years and may be renewed thereafter from time to time upon payment of a renewal fee prescribed under the Trade Marks Act 1999. The Trademarks Rules 2017 came into effect on 6 March 2017 introducing amendments that impacted trademark filing and prosecution. Notable amendments include:

- the number of forms reduced from 74 to eight;
- applicants are classified into four categories (i.e., individual, start-up, small enterprise and others);
- a procedure to apply for having a mark declared as well known has been introduced;
- the official fee has increased, with special relief to individual, small enterprise and start-up entities; and
- a requirement for an MP3 format and graphical representation of the notations of a sound mark has been introduced.

23 Section 2(1)(zb) of the Trade Marks Act, 1999.
24 Section 2(1)(m) of the Trade Marks Act, 1999.
25 Section 28 of the Trade Marks Act, 1999.
26 Section 27 of the Trade Marks Act, 1999.
27 Section 25 of the Trade Marks Act, 1999.
28 The definition for ‘small enterprise’ and ‘start-up’ has been given under the Rules 2(1)(v) and 2(1)(x). For identifying an entity as a ‘small enterprise’ and ‘start-up’, certain criteria have been given: Rule 2(1)(v) ‘Small enterprise means: (i) in case of an enterprise engaged in the manufacture or production of goods, an enterprise where the investment in plant and machinery does not exceed the limit specified for a medium enterprise under clause (a) of sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006); and (ii) In case of an enterprise engaged in providing or rendering of services, an enterprise where the investment in equipment is not more than the limit specified for a medium enterprise under clause (b) of sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006. Rule 2(1)(x) ‘Start-up means: (i) an entity in India recognized as a startup by the competent authority under Startup India initiative, (ii) In case of a foreign entity, an entity fulfilling the criteria for turnover and period of incorporation/registration as per Startup India Initiative and submitting declaration to that effect.’
29 Rule 124 of the Trade Marks Rules, 2017 states that any person may file a request for determination of a trademark as a well-known mark along with an official fee and must be accompanied by a statement of case as well as all evidence and documents replied on by the applicant in his claim. Such relief has been given only at the stage of filing an application. These entities would pay 50 per cent less government fee compared to the fee that was applicable prior to the amendment.
30 Rule 26 (5) reads ‘Where an application for the registration of a trademark consists of a sound as a trademark, the reproduction of the same shall be submitted in the MP3 format not exceeding 30 seconds’ length recorded on a medium which allows for easy and clearly audible replaying accompanied with a graphical representation of its notations.’
vi Geographical indications

Geographical indications are protected under the Geographical Indication of Goods (Registration and Protection) Act 1999. Under this Act, any association of persons or producers or any organisation or authority that represents the interests of producers of certain goods may apply for registration of geographical indication in relation to the goods. A geographical indication is an indication that identifies goods as originating, or being manufactured, from a particular geographical region or territory where a given quality, reputation or other characteristic of those goods is attributed to its geographical origin.

The registration of a geographical indication is valid for 10 years and may be renewed from time to time by way of an application by the registered proprietor. Registration of authorised users is also renewed in the same manner. Only authorised users are entitled to exclusive use of a geographical indication.

A valid geographical indication entitles the registered proprietor and the authorised users to obtain relief in respect of infringement of the geographical indication.

The Geographical Indications Registry is located in Chennai and since its establishment, the registry has granted registrations to 238 geographical indications.

vii Confidential information and trade secrets

Indian law on trade secrets and business information has not been codified under statute. Trade secrets are protected in India through contract law and the equitable doctrine of breach of confidence. In cases where confidential information and trade secrets are not protected by a contract, the person seeking to enforce the confidentiality or secrecy of information can do so only if certain conditions are fulfilled:

a the information must be confidential;
b the information must have been disclosed in circumstances from which an obligation of secrecy arises; and
c the confidant should attempt to use or disclose the information.

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32 Under Section 2(f) of the Geographical Indication of Goods (Registration and Protection) Act, 1999, ‘goods’ means any agricultural, natural or manufactured goods or any goods of handicraft or of industry and includes food stuff.
34 Under Section 2(e) of the Geographical Indication of Goods (Registration and Protection) Act, 1999, ‘geographical indication’, in relation to goods, means an indication that identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in cases where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.
38 See http://ipindia.nic.in/girindia.
Indian courts have observed that confidential information must be protected because a confidant is under a duty of confidentiality or fiduciary duty towards a confider, which if dishonoured would lead to the confidant gaining unfair advantage over the confider who offered the information in trust.39

There are no specific statutory provisions that protect trade secrets or confidential information under Indian criminal law. There are provisions under the Indian Penal Code 1860 relating to criminal breach of trust, cheating, burglary, extortion, etc. that might be applied in a case where confidential information is misused.40 For example, it is an offence for a public servant to misuse his or her position with the intent of causing injury to any person. This provision is so broad that if a government officer is given documents containing trade secrets, it is an offence for that officer to misuse his or her position and disclose the secrets, beyond the proper discharge of his or her duty.41

Similarly, the Right to Information Act42 prohibits the disclosure of information including commercial confidences, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party.43 However, the exception to this rule is that the competent authority may disclose such information if the larger public interest warrants the disclosure.44

viii Plant varieties and farmers’ rights

The Protection of Plant Varieties and Farmers’ Rights Act 2001 was enacted to comply with Article 27 of TRIPS. The legislation protects plant varieties by establishing the rights of farmers and breeders over the plant genetic resources that are being used to create new varieties of plants. It aims to provide for the establishment of an effective system for protection of plant varieties.

Protection under the Act does not include microorganisms.45 To be granted registration, a plant variety must be novel, distinctive, uniform and stable.46 An application for registration under this legislation can be made to the Plant Varieties Registry.47 The registrar will then advertise the application for oppositions and give both parties a hearing before deciding on the application.48

41 Section 166 of the Indian Penal Code, 1860.
42 The Right to Information Act, 2005 provides every Indian citizen with the right to secure access to information under the control of public authorities, to promote transparency and accountability in the working of every public authority.
43 Section 8(1) of the Right to Information Act, 2005.
44 Section 8(2) of the Right to Information Act, 2005.
45 Section 2(za) defines ‘variety’ as ‘a plant grouping except microorganism within a single botanical taxon of the lowest known rank, which can be (i) defined by the expression of the characteristics resulting from a given genotype of that plant grouping; (ii) distinguished from any other plant grouping by expression of at least one of the said characteristics; and (iii) considered as a unit with regard to its suitability for being propagated, which remains unchanged after such propagation, and includes propagating material of such variety, extant variety, transgenic variety, farmers’ variety and essentially derived variety’.
47 Sections 12, 14 and 16 of the Protection of Plant Varieties and Farmers’ Rights Act, 2001.
The aggregate term of protection in the case of a variety of trees or a variety of vines is 18 years,\(^{49}\) 15 years from the date of notification of the variety in the case of extant varieties\(^ {50}\) and in all other cases it is 15 years from the date of registration of the variety.\(^ {51}\)

The legislation grants provisional protection to a breeder whereby the registrar shall have power to issue such directions to protect the interests of a breeder against any abusive act committed by any third party during the period between the filing of an application for registration and the decision taken by the authority on that application.\(^ {52}\)

A right granted under the legislation is infringed when a non-breeder or a person who is not an agent or licensee of a registered variety, sells, exports, imports or produces such variety without authorisation.\(^ {53}\) Infringement also occurs when any person uses, sells, exports, imports or produces another variety under a name identical or deceptively similar to a registered name so as to cause confusion among the public.\(^ {54}\)

II  RECENT DEVELOPMENTS

i  Decisions

*Whatman International Limited v. P Mehta and others*\(^ {55}\)

In *Whatman*, the plaintiff brought a suit before the Delhi High Court for trademark infringement, trade-dress, passing off, etc. against the defendants, which had manufactured and sold filter paper under the trademark ‘WHATMAN’ (registered in favour of the plaintiff) since 1992. Despite giving undertakings in separate criminal proceedings, the defendants continued to sell the infringing goods, which led to the plaintiff filing the suit. The defendants also violated a court order made in the civil proceedings and consequently the plaintiff initiated contempt proceedings against them. The court directed the first, second and third defendants to appear in person and recorded their statements.

The Delhi High Court found that the defendants had made false statements and their disobedience amounted to contempt of court. The defendants were also held liable for passing off and trademark infringement. The court awarded both exemplary and punitive damages in a total sum of 3.6 million rupees to the plaintiff in view of that conduct and the fact that the defendants had committed deliberate infringement of the plaintiff’s mark for a period of 25 years. Costs were also awarded to the plaintiff in the sum of 1.4 million rupees.

This judgment highlights the facts that courts are clamping down heavily on false statements and wilful infringement. To ascertain the truth, courts are resorting to calling parties to court to determine the nature of their involvement and accordingly decide their punishment, which may include but is not limited to hefty damages as it was in the above case.

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53 Section 64(a) of the Protection of Plant Varieties and Farmers’ Rights Act, 2001.
54 Section 64 (b) of the Protection of Plant Varieties and Farmers’ Rights Act, 2001.
55 CS(COMM) No. 351 of 2016. Decision dated 1 February 2019 before the Delhi High Court.
Louis Vuitton Malletier v. OMI and another\(^\text{56}\)

In a suit for trademark infringement and passing off, infringing goods were found at the defendants’ premises, following the appointment of a local commissioner. The individual defendants in their written pleadings sought to blame each other; each claiming that the other was the owner of the seized goods. Therefore, to ascertain the truth, the court called and examined both the defendants in court. The second defendant stated in court that he had not sold any branded products. However, after the appointment of another local commissioner, more than 500 counterfeit products of 34 different brands were found at the second defendant’s premises. This led to the filing of a contempt petition, in which the second defendant admitted that he had lied under oath. The court held that the second defendant’s conduct amounted to contempt in the face of the court and imposed a sentence of one month’s imprisonment. The court rejected the second defendant’s argument that a local commissioner’s report had not previously been mentioned in any reported judgment on contempt in the face of the court, holding that a court-appointed local commissioner was a ‘ground level representative of the judiciary’; an ‘extended arm and agent of the Court’; and the ‘eyes and ears of the Court’.

M/s AZ Tech (India) and another v. M/s Intex Technologies (India) Ltd and another\(^\text{57}\)

The Supreme Court directed the Delhi High Court to work out procedures for the effective disposal of IP matters so that a model for the disposal of civil suits could be chalked out, which could form the basis of a uniform action plan for the rest of the country. Consequently, the Delhi High Court promulgated the Delhi High Court (Original Side) Rules, 2018. These rules came into effect from 1 March 2018 and changed the procedural framework of the suits to be filed on the original side of the Delhi High Court, including IP law suits. The salient features of the rules are:

\begin{itemize}
\item[a] **Manner of service.** The rules permit service to the defendant by services such as WhatsApp and through email. For that purpose, the email address listed on the defendant’s website or public domain is deemed to be the correct address. This is especially useful for intellectual property matters where infringers avoid service.
\item[b] **Filing the affidavit of admission and denial along with pleadings.** Previously, the stage of admission and denial started pursuant to a specific court direction that was given after the pleadings in a law suit were completed. This process took a few months. The new rules have altered this practice and now parties are expected to file their affidavit of admission and denial along with their pleadings. The defendant has to file its affidavit of admission and denial of the plaintiff’s documents along with its replication. Similarly, the plaintiff has to file its affidavit of admission and denial of the defendant’s documents along with its replication.
\item[c] **Evidence.** The most significant changes are at the stage of evidence. Evidence in IP matters is generally recorded before a court commissioner and the rules introduced timelines for this, such as the recordal of evidence on a day-to-day basis, and empowered the court commissioner to monitor those timelines. If the evidence did not conclude

\end{itemize}

\(^{56}\) CCP(O) 10 of 2018 in CS(COMM) 291 of 2018. Decision dated 7 August 2018, before the Delhi High Court.

\(^{57}\) SLP No. 18892/2017 before the Supreme Court.
within the timeline set by the court, the commissioner has to furnish a report to the court stating the reasons for delay and direct parties to seek appropriate orders from the court.

The rules also formalised and set out guidelines on how to record evidence by video conference, which is especially useful for foreign witnesses who cannot travel to India for their evidence. Additionally, the provision to record evidence outside the court premises was introduced. Further, if the documents are voluminous, there exists a provision to carry out exhibit marking in the absence of the witness.

**Cipla Limited v. Novartis AG and another**

This appeal was against an order restraining the defendant from selling a generic version of the plaintiff’s patent of the respiratory drug containing indacaterol or indacaterol maleate, marketed under the name Onbrez. The court ruled in the plaintiff’s favour. Section 83 of the Patents Act sets out general considerations that need to be taken into account with respect to the working of patented inventions and the court held that Section 83 does not curtail the right of the patentee to stop a party from infringing its rights under Section 48 of the Patents Act. It also held that manufacturing alone in India does not necessarily show the ‘working’ of the patent (i.e., the use of the invention covered by the patent in India) and even imports may suffice to meet the working requirement under Indian law. However, whether the patent is sufficiently worked will depend on the quantum of import or local manufacture.

**Christian Louboutin SAS v. Nakul Bajaj and others**

Christian Louboutin, a manufacturer of luxury shoes, filed a suit against the defendants who operated a website (darveys.com), selling various products bearing the luxury brand names of the plaintiff. The defendants’ website contained the complete ‘Christian Louboutin’ product catalogue and claimed that its products were 100 per cent authentic. The website also used the image of the plaintiff’s founder and used the words ‘Christian’ and ‘Louboutin’ as metadata. The court determined that the only issue that required determination was whether the defendants were exempt as intermediaries from liability under Section 79 of the Information Technology Act, 2009 (IT Act).

Section 79 of the IT Act, 2009 is the safe harbour provision in India for intermediaries and provides an exemption from IP infringement. The court after undertaking a detailed legal analysis of Indian and foreign jurisprudence observed that the ‘violation of trademark rights by e-commerce platforms and the extent of protection/exemption that is to be awarded to them and the conditions under which the same are to be awarded’ would need to be determined.

The court therefore investigated the nature of e-commerce websites to determine what kind of service would entitle them to safe harbour protection. To answer this question, the court listed out an illustrative list of 26 services that e-commerce websites perform to determine whether performing each of these services entitled the e-commerce website to still qualify as an intermediary. These services included:

- identifying the seller and providing details of it;
- providing transport for the seller to send its product to the platform’s warehouse;

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58 FAO(OS) 21 of 2015 before the Delhi High Court.
providing quality assurance after reviewing the product;

d enroll members upon payment of membership fees;

e promoting the product among its dedicated database of customers;

f advertising the products on the platform;

g packaging the product with its own packing, instead of the original packing of the trademark owner, or changing the packaging in which the original owner’s product is sold;

h using trademarks through metadata or in the source code of the website to attract traffic; and

i deep linking to the trademark owner’s website.

The court also examined whether any of the e-commerce platforms took adequate measures to ensure that no unlawful acts were committed by the sellers. This included measures such as ‘the terms of agreement entered into between the sellers and the platform, the manner in which the terms were enforced and the consequences of the violation of the terms along with whether adequate measures are in place to ensure that trademark rights are protected.’

The court held as follows:

a Each and every product on darveys.com was claimed to be checked by it and shipped to the customer only after that checking. Darveys.com did not disclose the details of the foreign sellers or where they purchased the products from and it charged membership fees for its customers. Darveys.com also had a policy that if its product turned out to be counterfeit, it would return twice the money. The court thus held that Darveys.com exercised complete control over its products. It was identifying sellers and enabling them to actively promote and sell the products in India. Therefore, the role of Darveys.com was more than an intermediary.

b With respect to the safe harbour provision under the IT Act, the court held that the intent of the safe harbour provision was not to let e-commerce platforms that ‘actively conspire, abet or aid, or induce commission of unlawful acts on their website’ go scot-free. Consequently, calling an e-commerce website an ‘intermediary’ would not automatically mean that it qualifies as an intermediary that is entitled to protection under the safe harbour provision.59

c Further, the exemption provided under Section 79 of the IT Act to intermediaries is not absolute. The exemption shall not apply if the platform ‘is an active participant or is contributing in the commission of the unlawful act’. ‘Any active contribution by that platform or online market place completely removes the ring of protection or exemption which exists for intermediaries under Section 79’.60

d Section 81 of the IT Act does not grant any immunity to intermediaries that are in violation of the Trademarks Act. The court clarified that any ‘online market place or e-commerce website which allows for storing of counterfeit goods would be falsifying the mark and displaying advertisements of the mark on the website so as to promote


60 id. at paragraphs 66 and 68.
the counterfeit goods would constitute falsification’. All of these acts would take the
e-commerce website outside the scope of the exemption provided under Section 79 of
the IT Act.\textsuperscript{61}

Given the increasing use of e-commerce platforms, this judgment is extremely significant as
it lays down the legal principles applicable in situations where a website sets up a defence as
an intermediary.

\textit{Koninklijke Philips Electronics NV v. Rajesh Bansal}

In the first post-trial decision in India relating to standard-essential patents,\textsuperscript{62} Philips was
granted a permanent injunction along with punitive damages. The court held that Philips’
Indian patent was an ‘essential patent’ for DVD technology since the patentee had proved that
the corresponding US and EP patents had been declared as essential for DVD technology.\textsuperscript{63}
The court stated that the following could be considered for ascertaining royalty:
\begin{enumerate}[a]
\item the parties’ informal negotiations with respect to the end product;
\item fair, reasonable and non-discriminatory terms; and
\item the incremental benefit derived from the invention.\textsuperscript{64}
\end{enumerate}

Further, the court’s assessment of damages was based on the wrong doing of the defendants.\textsuperscript{65}
The court also awarded costs in favour of the plaintiff.

\textit{Monsanto Technology LLC v. Nuziveedu Seeds Ltd}\textsuperscript{66}

The Supreme Court in \textit{Monsanto} set aside a Delhi High Court Division Bench judgment after
holding that ‘summary adjudication of technically complex suits’ such as patent infringement
suits, which necessarily require expert evidence to be led, is ‘neither desirable or permissible
under the law’.

The Division Bench of the Delhi High Court held that Monsanto’s patent for an
artificial gene construct was ineligible subject matter under Section 3(j) of the Patents Act.
The Division Bench interpreted the patent claims relating to an artificial gene construct
(inserted into a plant to eventually develop a plant with insect resistance) as a ‘plant, seed,
part of a plant and an essentially biological process’, each of which qualified as ineligible
subject matter for a patent under Section 3(j) of the Patent Act.

Setting aside the order, the Supreme Court restored the patent and held that the ‘suit
involved mixed questions of law and facts’ that could only be examined on the basis of
evidence and thus sent back the suit to the lower court for trial, keeping all questions of fact

\textsuperscript{61} id. at paragraphs 76 and 77.
\textsuperscript{62} \textit{Koninklijke Philips Electronics NV v., Rajesh Bansal}, CS(COMM) 24/2016 and in \textit{Koninklijke Philips
12 July 2018.
\textsuperscript{63} id. at paragraph 9.9, 9.10, 9.12.
\textsuperscript{64} id. at paragraph 13.10. The Court relied upon \textit{Commonwealth Scientific and Industrial Research
Organization v. CISCO Systems, Inc.}, Fed. Cir. Dec.3 2015 in coming to this conclusion.
\textsuperscript{65} The Court relied upon the categories of damages laid out in \textit{Rookes v. Bernard}, [1964] 1 All ER 367 and the
\textsuperscript{66} Civil Appeal Nos. 4616 and 4617 of 2018, decision dated 8 January 2019, before the Supreme Court of
India.
and law open. Further, the Supreme Court restored the interim order of the trial court till the determination of the suit. The interim order of the trial court had found the patent *prima facie* valid and, with respect to the contractual disputes between the parties, had set up an interim arrangement between the parties to the dispute.

**Wockhardt Limited v. Torrent Pharmaceuticals Ltd and another**[^9]

Torrent Pharmaceuticals filed a suit for trademark infringement and passing off. At the stage of interim injunction, arguments only took place on passing off. The single judge of the Bombay High Court held that the ingredients of passing off were not made out and refused an interim injunction. On appeal, the Division Bench of the Bombay High Court, set aside the single judge’s order and granted an injunction in favour of Torrent Pharmaceuticals.

The Supreme Court, on examining both decisions, defined the issue as the question of whether the plaintiff had acquiesced to the defendants’ use. The Supreme Court, agreeing with the Division Bench of the Bombay High Court, held that there was no material to support that the plaintiff had acquiesced to the defendant’s use. The Supreme Court clarified that acquiescence is not mere delay in bringing an action against a party, but requires a positive act on the part of the claimant. Mere silence does not amount to acquiescence.

The decision is noteworthy for another point. The Supreme Court affirmed that *Wander v. Antox*[^8] had been correctly applied by the Division Bench of the Bombay High Court. *Wander* dealt with the degree of interference of an appellate court in a matter and held that:

> [T]he appellate Court will not interfere with the exercise of discretion of the Court of the first instance and substitute its own discretion, except where the discretion has been shown to have been exercised arbitrarily or capriciously or perversely, or where the Court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions … the appellate Court will not reassess the material and seek to reach a conclusion different from the one reached by the Court below.

Consequently, parties tend to argue that the appellate court should not reassess the material to reach a conclusion opposite to that of the lower court. This at times leads to appellate courts not reassessing factual findings that are necessary to be adjudicated upon as they are inextricably linked to the legal findings of a court and highlight legal errors. By affirming that *Wander v. Antox* was correctly applied, the Supreme Court affirmed the principle that an examination of errors of law, by an appellate court, can involve a re-examination of key facts.

**Carlsberg Breweries A/S v. Som Distilleries and Breweries Ltd**[^10]

A five-judge bench of the Delhi High Court held that an action for passing off and design infringement can be clubbed together in one suit, to avoid multiplicity of proceedings. The nature of these suits and the evidence to be led by the claimant to prove its case with respect to each of these actions would necessarily lead to common issues of fact and law arising.

[^9]: Civil Appeal No. 9844 of 2018 (arising out of SLP(C) 9878 of 2018). Decision dated 12 September 2018, before the Supreme Court of India.
[^10]: CS(COMM) 690 of 2018. Decision dated 14 December 2018, before the Delhi High Court.
III OBTAINING PROTECTION

i Patents

An invention may be granted a patent under the Patents Act, 1970 when the three necessary conditions are fulfilled: it should be novel, involve an inventive step, and be capable of industrial application.\(^{70}\) The determination of whether these tests are satisfied is determined by the Controller of Patents who examines each patent application.

Sections 3 and 4 of the Patents Act provides an exhaustive list of inventions that do not qualify as eligible subject matter for patent protection in India. If an invention falls within the ambit of these sections, no patent shall be granted, even if these inventions were to satisfy the criteria of novelty, inventive step and industrial application. The Delhi High Court has held that for subject matter falling within the scope of Section 3, an analysis applying those three criteria under Section 2(1)(j) need not be employed.\(^{71}\) For instance, inventions relating to atomic energy;\(^{72}\) plants and animals in whole or part including seeds, varieties and species and essentially biological processes for the production or propagation of plants;\(^{73}\) computer programs\(^{74}\) _per se_ or algorithms; and mathematical or business methods are not patentable in India.\(^{75}\) Processes and products relating to the medical treatment of humans and animals are also not patentable in India.\(^{76}\) However, patenting new forms of already known substances is subject to the patent applicant proving an enhancement in the known efficacy of the new form of the existing substance when compared to the efficacy of the known substances.\(^{77}\) Hence, Swiss-style claims are not permissible under the Patents Act. In _Novartis v. Union of India_ (2013), the Supreme Court held that the test of efficacy in the case of pharmaceutical substances can only be therapeutic efficacy.

The Patents Act permits both pre-grant and post-grant oppositions that are filed before the Patent Office. A pre-grant opposition can be filed by ‘any person’ before a patent is granted.\(^{78}\) The scope of a post-grant opposition is narrower since a post-grant opposition can only be filed within one year of the grant of the patent and only by ‘any person interested’.\(^{79,80}\) The procedure governing the opposition proceedings is laid out in Chapter VI of the Patents Rules 2003. The Act vests the Controller of the Patent Office with certain powers of a civil court. A party filing a pre-grant or a post-grant opposition has the right to be heard by the Patent Office before it renders its decision. The decision of the Patent Office in post-grant

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\(^{70}\) Section 2(1)(j) of the Patents Act defines ‘invention’ whereas, Section 2(1)(l), Section 2(1)(ja) and Section 2(1)(ac) define ‘novelty’, ‘inventive step’ and ‘industrial application’ respectively.

\(^{71}\) _F Hoffmann-La Roche Ltd v. Cipla Ltd_, 2015, RFA(OS) 92 of 2012 and RFA(OS) 103 of 2012. Decision dated 27 November 2015.

\(^{72}\) Section 4 of the Patents Act.

\(^{73}\) Section 3(j) of the Patents Act.

\(^{74}\) Computer programs can be protected under the Copyright Act 1957. Computer programs are protected in India irrespective of the forms in which they occur. Thus, irrespective of whether they are in object code version, source code version or hardware, they are protected. Computer databases are also protected on the basis that even ‘sweat of the brow’ is worth protection.

\(^{75}\) Section 3 (k) of the Patents Act 1970.

\(^{76}\) Section 3(i) of the Patents Act, 1970

\(^{77}\) Section 3(d) of the Patents Act 1970.

\(^{78}\) Section 25(1) of the Patents Act 1970.

\(^{79}\) Section 2(t) of the Patents Act defines a ‘person interested’ as ‘a person engaged in, or in promoting, research in the same field as that to which the invention relates’.

\(^{80}\) Section 25(2) of the Patents Act 1970.
opposition proceedings can be appealed before the Intellectual Property Appellate Board (IPAB). Additionally, any 'person interested' can directly challenge the validity of a patent through a revocation petition before the IPAB under Section 64 of the Patents Act, 1970. The orders of the Patent Office and the IPAB in various opposition proceedings can be accessed on the website of the Patent Office.

ii Trademarks

In trademark law, any mark, device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination of these that is used or proposed to be used in relation to any goods may be granted registration if the goods of the proprietor of the said mark are capable of being distinguished in the course of trade from those of another. The term 'mark' is broad enough to include the shape of goods, packaging or combination of colours, or any combination of the same. Additionally, the Act also allows service marks to be registered as well. The Trade Marks Act, 1999 also provides for multi-class applications. The Trademark Registry has also started registering sound marks since 2008.

An application for registration of a trademark is filed at an office of the Trademark Registry, which has its main office in Mumbai with branch offices in Delhi, Kolkata, Chennai and Ahmedabad. Every application is scrutinised by the Examiner of Trademarks under the provisions of the Trade Marks Act, to ensure that Section 9 and 11 of the Trade Marks Act are not applicable. Thereafter, every application is advertised by the Trademark Registry before it is registered. Any person wishing to oppose the mark may do so within three months of the date of registration or within a further period not exceeding one month. The Registrar shall then grant both parties a hearing before deciding on the application.

iii Designs

An application for design is made, under the Designs Act, 2000, to the Controller of Designs specifying the class in which it is sought to be registered. A design will not be registered under the Designs Act if:

- it is not new or original;
- it has been disclosed to the public anywhere in India or in any other country by publication in tangible form or by use or in any other way prior to the filing date, or where applicable, the priority date of the application for registration;
- it is not significantly distinguishable from known designs or combination of known designs; or
- it comprises or contains scandalous or obscene matter.

iv Copyright

A copyright subsists in a work from its very creation. Copyright registration under the Copyright Act, 1957 is not a prerequisite to enjoying copyright protection in India. However, registration of a copyright serves as prima facie proof of ownership of copyright in a Court.

81 Section 9 and 11 of the Trade Marks Act, 1999 relate to absolute and relative grounds for refusal of a trademark respectively. Under these provisions, a trademark could be refused registration, for instance, if it is 'devoid of distinctive character'; if it 'consists of an indication that may designate the kind, quality of a geographical origin' or consists of marks 'that have become customary in the current language or in the bona-fide and established practises of the trade.

v Plant varieties
A new plant variety shall be registered under the Protection of Plant Varieties and Farmers' Rights Act if it conforms to the criteria of novelty, distinctiveness, uniformity and stability. An extant variety shall be registered under this Act within a specified period if it conforms to such criteria of distinctiveness, uniformity and stability as shall be specified under the regulations. Every application for registration shall:

a be with respect to a variety;
b state the denomination assigned to such variety by the applicant;
c be accompanied by an affidavit sworn by the applicant that such variety does not contain any gene or gene sequence involving terminator technology;
d be in such form as may be specified by regulations;
e contain a complete passport data of the parental lines from which the variety has been derived along with the geographical location in India from where the genetic material has been taken and all such information relating to the contribution, if any, of any farmer, village community, institution or organisation in breeding, evolving or developing the variety;
f be accompanied by a statement containing a brief description of the variety bringing out its characteristics of novelty, distinctiveness, uniformity and stability as required for registration;
g be accompanied by such fees as may be prescribed;
h contain a declaration that the genetic material or parental material acquired for breeding, evolving or developing the variety has been lawfully acquired; and
i be accompanied by such other particulars as may be prescribed.

vi Geographical indications
Any association of persons or producers or any organisation or authority established by or under any law for the time being in force representing the interest of the producers of the concerned goods, who are desirous of registering a geographical indication in relation to such goods, can apply for registration of a geographical indication with the following:

a a statement as to how the geographical indication serves to designate the goods as originating from the concerned territory of the country or region or locality in the country, as the case may be, in respect of specific quality, reputation or other characteristics of which are due exclusively or essentially to the geographical, environment, with its inherent natural and human factors, and the production, processing or preparation of which takes place in such territory, region or locality, as the case may be;
b the class of goods to which the geographical indication shall apply;
c the geographical map of the territory of the country or region or locality in the country in which the goods originate or are being manufactured;
d the particulars regarding the appearance of the geographical indication as to whether it is comprised of the words or figurative elements or both;

84 Section 15(2) of the Protection of Plant Varieties and Farmers' Rights Act, 2001.
85 Section 18(1) of the Protection of Plant Varieties and Farmers' Rights Act, 2001.
e a statement containing such particulars of the producers of the concerned goods, if any, proposed to be initially registered with the registration of the geographical indication as may be prescribed; and

f such other particulars as may be prescribed.86

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

The Indian judiciary is essentially a three-tier system with approximately 600 district courts hearing cases in the first instance, 24 high courts, and the Supreme Court2 at the apex. The Supreme Court is the court of final appeal and sits in Delhi.88 High courts are the highest judicial bodies in a state and have superintendence over all courts and tribunals within their territorial jurisdiction.89

District courts generally have an unlimited pecuniary jurisdiction on the civil side. However, the Delhi, Bombay, Calcutta, Madras, Shimla, and Jammu and Kashmir High Courts also have a first instance jurisdiction where IP disputes above a certain pecuniary level can be entertained directly by the High Court. For instance, the Delhi High Court can currently entertain fresh IP suits, as the court of first instance, if the suit value is more than US$150,000.

High courts also exercise writ jurisdiction, invoked for the violation of fundamental rights and other legal rights of citizens and non-citizens alike. Writs are issued by courts against public bodies and writ jurisdiction can be directly invoked against decisions of various IP registries such as the Patent Office, Trademarks Registry etc., when there is a violation of principles of natural justice or other principles enshrined in the Constitution. Moreover, appeals may lie before the writ court against the final decision of the IPAB, which is the first appellate authority against the orders of the IP registries (except in copyright matters, where the first appellate body is the Copyright Board).

ii Requirements for jurisdiction and venue

Jurisdiction may depend upon the relevant territory of the court, and the pecuniary value and subject matter of the dispute. Each of these determinants are independently considered for a court to assume jurisdiction.

Under the Code of Civil Procedure, an Indian court would have jurisdiction over a matter if the alleged infringement took place or the cause of action arose within its territorial jurisdiction, or if the defendant or any of the defendants actually and voluntarily resides, carries on business, or personally works for gain, within its territorial jurisdiction.90 The location of the plaintiff is not a consideration. In Sholay Media Entertainment Ltd v. Yogesh Patel,91 the Division Bench of the Delhi High Court held that even an infinitesimal fraction of a cause of action will confer jurisdiction.

89 Article 227 of the Constitution of India, 1950.
90 Section 20 of the Code of Civil Procedure 1908.
91 FAO (OS) No. 222 of 2010, order of the Delhi High Court dated 13 March 2014. In this case, the Court held that the respondent was actively promoting business in New Delhi through CDs distributed along
However, in an action for infringement of a registered trademark or for infringement of copyright, the civil court within whose jurisdiction the claimant actually and voluntarily resides, or carries on business or personally works for gain, also has jurisdiction.  

In *Bristol-Myers Squibb Company and another v. VC Bhutada and others*, the Delhi High Court held that to determine that a defendant ‘carries on business’, the plaintiff has to *prima facie* show through facts enumerated in the plaint that there is an apprehension of ‘offer for sale’, which gives rise to a cause of action. The veracity of the apprehension cannot be challenged at the preliminary stage and would have to be determined at trial.

In cases where the validity of the registration of an intellectual property right is disputed, Indian courts will have jurisdiction only if the registration is granted in India. It would therefore not be possible to question the validity of a registration of an intellectual property right granted in a foreign jurisdiction before an Indian court.

However, it would be possible for a foreign entity to challenge the validity or registration of an intellectual property right granted in India. Further, even if rectification proceedings instituted by a defendant in a foreign court are pending, these will not preclude an Indian court from granting interlocutory relief in favour of the claimant in trademark matters.

Moreover, to increase the efficiency and speed of trial in IP disputes, the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 categorised IP disputes as commercial disputes and modified procedural law to expedite and manage their timeline. The Act directed the creation of commercial divisions within high courts and currently, the Delhi and Bombay High Courts have set up commercial divisions to manage IP suits.

Additionally, to avoid multiplicity of proceedings, the Supreme Court has held that a party who has already sought revocation of a patent before the IPAB is precluded from filing a counterclaim challenging the validity of the same patent in a suit for infringement of the patent.

Additionally, Section 104 of the Patents Act, 1970 and Section 22(4) of the Designs Act provide that if the defendant has challenged the validity of the patent through a counterclaim and challenged the validity of a design by way of a defence in a patent and design infringement suit respectively, then such suits are liable be transferred to the High Court for adjudication.

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92 Section 134(2) of the Trade Marks Act, 1999 and Section 62(2) of the Copyright Act, 1957.
94 *Alloys Wobben v. Yogesh Mehra and others* SLP No. 6456 of 2012 before the Supreme Court of India.
95 Validity of a design is challenged if the defendant pleads any of the grounds enumerated in Section 19 of the Designs Act to pleading invalidation of the design.

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iii Obtaining relevant evidence of infringement and discovery

**Anton Piller orders**

A party in a civil suit may move the court for an *Anton Piller* order if it seeks detention, preservation or inspection of any property that is the subject matter of the suit. When allowing an application of this nature, the court may authorise any person to enter the property and take samples that may be necessary for the purpose of obtaining full information or evidence. Thus, in a civil action for infringement, the court commissioner can be appointed *ex parte* to visit the defendant's premises, search and seize the infringing goods. These goods may either be taken into custody or left on trust with the defendants after they are sealed.

Usually, the court appoints a commissioner, who may be a lawyer or a member or employee of the court, to carry out the directions of the court in an *Anton Piller* order. Commissioners may also be appointed for a scientific investigation or for making local investigations that the court may find necessary.

A court commissioner is given wide powers while conducting an investigation, is ‘an extended arm and agent of the Court’ and is ‘effectively the eyes and ears of the Court’.

**John Doe orders**

Great care is taken when actions are instituted against parties that run small concerns in markets where numerous parties are engaged in selling counterfeit goods or other specimens of trademark, copyright or design infringement. This is because often such parties work in tandem and in close proximity with one another and if trying to obtain the precise details and identities of one such party leads to suspicion in a market, the entire market of infringers would disappear before the action is even instituted.

Hence, Indian courts also issue orders against unidentified parties or ‘John Does’. This has proved extremely useful in anti-counterfeiting actions and actions against copyright and broadcast piracy. Once the defendants have been identified, the court allows the plaintiff to formally include them into the suit.

**Norwich Pharmacal orders**

A *Norwich Pharmacal* order may be sought from Indian courts after proceedings have commenced, seeking information or documentation from a third party that may be in a position to assist the court in the IP suit.

In *Souza Cruz SA v. N K Jain*, the Delhi High Court directed the Commissioner of Customs and Excise at Hyderabad to disclose the complete details of infringing cigarettes being exported to Ukraine. This order has been followed in *Shaw Wallace v. Gemini Traders*, where the customs and excise authorities were directed to disclose details of infringing whisky moving from one state to another in violation of a court order.

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100 (1993) 8 IPA 31.
In *Bridgestone Corporation v. Tolins Tyres Pvt Ltd.*\(^{101}\) the court directed the Public Information Officer at Land Customs Port, Bihar to produce records pertaining to the export of tires by the defendants.

**Discovery**

Discovery is possible only after legal proceedings have commenced. Under the provisions of Order XI Rules 1 and 2 of the Code of Civil Procedure 1908, discovery can be by interrogatories, delivered with the leave of the court, for the examination of the opposite parties. So long as interrogatories are relevant, they can be allowed.

**iv  Trial decision-maker**

The trial decision-maker varies depending on the forum where the proceedings are pending. In the district courts, the evidence led by the parties is recorded by the presiding judge. In the High Court, however, the evidence is recorded either before a joint registrar (who is basically a junior or subordinate judge), or the parties may opt to request the court to appoint court commissioners to record evidence to expedite the process. In the latter, the High Court appoints judicial officers (local commissioners), typically retired judges, to record depositions of the witnesses of the parties. The local commissioner can then fix consecutive dates for the cross-examination of witnesses and this ensures that foreign witnesses do not have to repeatedly travel to India for depositions, and evidence can be recorded in a short span of time. Court commissioners are ‘an extended arm and agent of the Court’ and ‘effectively the eyes and ears of the Court’.\(^{102}\)

Section 115 of the Patents Act 1970 also provides that in any suit for infringement or other proceedings under the Act, the court may appoint an independent scientific adviser to assist the court or to inquire and report upon any such question of fact or opinion that does not involve a question of interpretation of law, as it may formulate for the purpose.

**v  Structure of the trial**

The presentation of evidence at the trial is governed by the provisions of the Indian Evidence Act 1872. Traditionally, evidence at a trial is given orally in the form of statements of witnesses or on the basis of documents in cases where the witness producing the documents is not authorised or required to give oral evidence. Third parties such as consumers or dealers, who are desirable witnesses, are rarely willing to give evidence in a court.

Evidence is given on the issues framed by the court with the help of both parties, after the admission and denial of documents. When the issues are framed, it is indicated whether the onus of proof of a particular issue lies with the plaintiff or the defendant and preparation for the trial commences accordingly.

Expert evidence is allowed in patent and copyright infringement cases or others that involve a complex aspect of intellectual property; for example, to explain the ambit of satellite broadcasting rights.

A trial may often take years if there are numerous witnesses. Therefore, cases in which there are only two or three witnesses on either side have a better chance of early disposal.

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The statements of a witness given in a judicial proceeding or before any person authorised by law to take the same, can be used in a subsequent judicial proceeding between the same parties or their representatives or at a later stage of the same proceeding in certain circumstances.

vi Infringement

The Patents Act 1970 is silent on what qualifies as an infringement of a patent. Section 48, however, vests certain exclusive rights upon the patentee or his or her agent. Violation of the rights conferred on the patentee under the Act would therefore constitute infringement. In a patent infringement suit, the court assesses both the liability of the defendant as well as the quantum of damages. In most patent infringement cases, the defendant institutes a counterclaim challenging the validity of the suit patent, which must also be determined by the court in the same trial. In other words, Indian courts are empowered to decide issues of invalidity in infringement actions. In an infringement suit, the defendant may raise the issue of validity of a patent in two ways:

a as its defence to the plaintiff’s claim of infringement; or

b by instituting a counterclaim challenging the validity of the patent.

Literal infringement

The first step in patent infringement assessment requires determination of the rights conferred by the patent. For this, the court engages in claim construction, namely an exercise that involves understanding the ‘scope and meaning of the [patent] claims including its terms’. To construe a patent claim, the court first reads it as ‘ordinary English sentences without incorporating into them extracts from the body of the specification or changing their meaning by reference to the language used in the body of the specification’. The Delhi High Court in the Roche case relied upon Edward H Philips v. AWH Corporation and observed that to read patent claims differently from their ordinary and general meaning would be ‘unjust to the public, as well as would be an evasion of the law’. The court further held that only when there is a doubt as to meaning a patent claim, could reference be made to the patent specification as the patent specification may then ‘aid in solving or ascertaining the true intent and meaning of the language employed in the claims’. Elaborating further, the court held that if claim terms still remain ambiguous, reference could also be made to the

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103 Sections 64, 104, and 107 of the Patents Act 1970.
104 Sections 107 of the Patents Act 1970.
105 Sections 64 and 104 of the Patents Act 1970.
109 415 F.3d 1303.
prosecution history of the patent, inventor testimony, dictionaries and treaties. It clarified that extrinsic evidence such as inventor testimony, dictionaries, and treaties would have lesser weight as compared to intrinsic evidence such as prosecution history.

The infringement analysis then proceeds with a comparison of the elements of the claim and the elements of the alleged infringer’s product or process. If the alleged infringer’s product or process is covered by the claims as construed, infringement is established.

To understand whether an infringement is present in a particular case the guidelines that the court follows are:

- read the claims first and if there is an ambiguity, then read the description and complete specification;
- if there is still an ambiguity, then reference could be made to both intrinsic and extrinsic evidence;
- find out what constitutes prior art;
- find out what improvement is present in the patent claimed to be infringed, over the prior art;
- list the broad features of the improvement (pith and marrow of the claims);
- compare those broad features with the defendant’s process or apparatus; and
- if the defendant’s process or apparatus is either identical or comes within the scope of the plaintiff’s process or apparatus, there is infringement.

**Contributory infringement**

The concept of contributory infringement has not been incorporated in the statute and therefore each person or entity taking part in an act of infringement is individually liable. However, a court, if it deems fit in a particular case, may import the common law principles of vicarious liability, abetment and contributory infringement into a patent infringement dispute to impute liability to indirect or contributing infringers.

**Doctrine of equivalents**

Indian courts recognise the doctrine of equivalents. In an infringement suit before the Bombay High Court, the doctrine of equivalents was discussed to settle the dispute that related to infringement of a patent for tamper-proof locks. This doctrine was also recognised by the Madras High Court in *Mariappan v. A R Safiullah and others*, in which it was held that a person is guilty of infringement if he or she makes what is, in substance, the equivalent of the patented article. The Delhi High Court, in *Raj Parkash v. Mangat Ram and others* held that:

> [U]nesential features in an infringing article or process are of no account. If the infringing goods are made with the same object in view which is attained by the patented article, then a minor variation does not mean that there is no piracy. A person is guilty of infringement if he makes what is in substance the equivalent of the patented article. Some trifling or unessential variation has to be ignored.

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112 id.
113 id.
115 *Ravi Kamal Bali v. Kala Tech and Kala Tech and Ors* 38 P.T.C. 435 (Bom.).
116 38 P.T.C. 341 (Mad. 2008).
117 AIR 1978 Del 1.
118 id. at paragraph 25.
vii Defences
The defendant in a patent infringement suit can argue that the patent is invalid since it lacks novelty, is obvious or is not capable of industrial application. India also specifically bars the patentability of a new form of a known substance.

The alleged infringer can also argue that the patentee failed to disclose corresponding applications filed in foreign jurisdictions for the same and substantially the same invention. In Maj (Retd) Sukesh Behl and another v. Koninklijke Philips Electronics,119 the Delhi High Court has clarified that such non-disclosure must be material and intentional. The Roche decision has further stated that if the patentee has substantially complied with the requirement of disclosure of foreign applications, then this defence would fail.120 However, the courts have usually taken a strong view against suppression of material facts. Thus, it is better to reveal too much detail than too little.

The defendant’s acts are for the purposes of developing and submitting information to a regulatory body for acquiring marketing approval.

Common law defences such as laches and estoppel are also available.

While the Indian statute provides a detailed mechanism for the grant of a compulsory licence, the ability of an infringer to obtain a compulsory licence is not a defence for infringement.

viii Time to first-level decision
The time span for obtaining a decree in suit for infringement of a patent is approximately 24 to 36 months.

ix Remedies

Reliefs in a suit for infringement of patent
Section 108 of the Patents Act 1970 provides that the reliefs a court may grant in any suit for infringement include an injunction subject to such terms as the court sees fit, as well as either damages or an account of profits. In addition to this, the court may also order that goods that are found to be infringing and implements used in creating the infringing goods shall be seized, forfeited or destroyed, as the court deems fit under the circumstances of the case without payment of any compensation.

Damages and compensation
In suits for trademark infringement and patent infringement, a plaintiff is entitled to seek damages or an account of profits.121

In a suit for copyright infringement, the claimant may be entitled to damages, accounts and even conversion damages (unless the defendant establishes that they were not aware and had no reasonable grounds to believe that copyright was being violated).122

121 Section 135 of the Trade Marks Act 1999 and Section 108 of the Patents Act 1970.
122 Section 56 of the Copyright Act 1957.
A trend of awarding damages has been particularly observed in cases pertaining to software piracy. In the case of *Microsoft Corporation v. Amritbir Singh and another*, the plaintiff was awarded damages of 3 million rupees against the defendants for infringement of the copyright subsisting in the software programs of the plaintiff.

In *Bridgestone Corporation v. Tohins Tyres Pvt Ltd*, the court directed the defendants who were manufacturing and exporting infringing Bridestone tyres abroad to pay the plaintiff 3 million rupees and also to pay 500,000 rupees to legal aid. In *Sugen v. KV Prakash*, while disposing of a contempt application, the court directed the defendants to pay 2 million rupees to a cancer research organisation in Madras.

In *Super Cassettes Industries Private Limited v. HRCN Cable Network*, CS (Comm) 48 of 2015, the Delhi High Court granted damages worth approximately 1,620,000 rupees along with attorney and court fees against a broadcaster for unauthorised broadcasting of copyrighted films.

**Interim injunctions**

Interim injunctions or temporary injunctions are sought in every suit for a permanent injunction in an intellectual property case, because of the length of time a case takes to get to trial. While *ex parte* interim injunctions are granted by courts in the normal course in some jurisdictions in India, there are courts that tend to be wary of granting this relief. The greatest number of *ex parte* interim injunctions are known to have been granted by the Delhi High Court.

Courts have the power to grant *Mareva* injunctions, but they are rarely given in intellectual property cases. The application for a *Mareva* injunction is naturally heard *ex parte*, as is an *Anton Piller* application.

Ad interim injunctions are granted in cases where there is *prima facie* proof of infringement and the balance of convenience is found to be in favour of the plaintiff owing to irreparable injury that is likely to follow if an ad interim injunction is not granted. The courts are increasingly influenced by the English decision in *American Cyanamid v. Ethicon* and are paying less attention to the strength of the plaintiff’s case and more attention to the balance of convenience.

When an interim injunction is ordered against a party, settlement negotiations become extremely determinant of how the dispute may be finally settled. Anti-counterfeiting actions have proved to be very successful in cases where ad interim injunctions have been issued against defendant infringers as the likelihood of a settlement as provided for by the Code of Civil Procedure 1906, increases tremendously. This reduces the lifespan of an anti-counterfeiting action by more than half as infringing defendants are reluctant to take the matter to trial.

**Delivery up of infringing material**

Infringing goods, and particularly those that have been seized under an *Anton Piller* order, are considered case property during the suit and if the suit goes to trial, they are liable to be forfeited or destroyed. Claimants usually ask for delivery of infringing goods and in matters in which disputes are settled outside court it is usual for the claimant to seek the destruction

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123 CS(OS) No. 732 of 2010.
124 CS(OS) No. 375 of 2016 before the Delhi High Court.
125 CS (COMM.) No. 871 of 2016 before Delhi High Court.
126 Order 23 Rule 3.
of the infringing goods as a part of the standard settlement terms. Alternatively, infringing materials such as labels and packaging may also be destroyed, and goods may be returned or donated to charitable organisations.

**Certificate of contested validity and other reliefs**

A successful claimant in a patent, design or trademark proceeding is entitled to a certificate of validity, which may assist substantially in subsequent proceedings not only to establish validity, but also to obtain increased costs.

The court has the power to direct a defendant to change their corporate name or to publish an apology. The court can also order the defendant to disclose the name of their suppliers and customers.

When an appeal is preferred, the court has the power to grant a stay, depending upon the circumstances of each case.

**Appellate review**

**Hierarchy of courts**

In India, a suit for infringement of trademark, copyright or patents can be filed in a court not lower than a district court. The exceptions to this are the High Courts of Delhi, Calcutta, Madras, Bombay, Shimla, and Jammu and Kashmir, which are courts having original side jurisdiction. Appeals from orders of the district court are heard by the corresponding High court having appropriate territorial jurisdiction. Similarly, an appeal against an order passed by a single judge of a high court having original side jurisdiction will therefore lie with a division bench of the same high court comprising two judges. The decisions in such appeals can be challenged up to the Supreme Court of India subject to grant of special leave by the apex court.

It is pertinent to note that appeals to the Supreme Court do not have to be based on a final determination of the law suit by a lower Court. The Supreme Court is empowered under Article 136 of the Constitution of India to entertain appeals arising from any stage of a lower court proceeding.

**Standards for appeal**

The Supreme Court has held in an appeal against the exercise of discretion by the single judge that the appellate court will not interfere with the exercise of discretion of the court of first instance and substitute its own discretion except where the discretion has been shown to have been exercised arbitrarily, capriciously or perversely, or where the court had ignored the settled principles of law regulating grant or refusal of interlocutory injunctions. An appeal against exercise of discretion is said to be an appeal on principle. The appellate court will not reassess the material facts and seek to reach a different conclusion different if the one reached by the court was reasonable on the material facts. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a different conclusion.\(^\text{127}\)

\(^{127}\) 1990 Supp (1) SCC 727.
Introduction of new evidence

The Code of Civil Procedure 1908 permits a party to file additional evidence at an appellate stage in certain circumstances and subject to obtaining leave from the appellate court.\textsuperscript{128}

Alternatives to litigation

Section 89 of the Code of Civil Procedure, 1908 provides mechanisms for alternative dispute resolution (ADR) and stipulates that where it appears to the court that there exist elements of a settlement that may be acceptable to the parties, the court shall formulate the terms of settlement and give them to the parties for their observations, and after receiving the observation of the parties, the court may reformulate the terms of a possible settlement and refer the same for:

\begin{itemize}
  \item[\textit{a}] arbitration;
  \item[\textit{b}] conciliation;
  \item[\textit{c}] judicial settlement including settlement through Lok Adalat; or
  \item[\textit{d}] mediation.
\end{itemize}

In India, the most common form of ADR is mediation, which has been used to great effect, especially in trademark and copyright disputes before the Delhi High Court.

Apart from the above modes of settlement of a dispute, the Delhi High Court has also introduced ‘pre-suit mediation’, which enables prospective litigants to have matters referred to mediation before the suit is instituted. This mechanism has been extremely successful in resolving disputes.

V \hspace{1cm} TRENDS AND OUTLOOK

The evaluation of the recent legal developments, outlined above, and the enactment of Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 along with the Delhi High Court (Original Side) Rules, 2018, clearly reveal the following trends:

\begin{itemize}
  \item[\textit{a}] To ascertain the truth in IP disputes, courts are exercising their power under the Code of Civil Procedure and resorting to direct examination of defendants by calling them to court and recording their statements on oath. This has the impact of narrowing the controversy between the parties, which helps in effective adjudication.
  \item[\textit{b}] The concept of summary judgment, as introduced by the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015, to the Code of Civil Procedure, 1908, is being invoked by courts to resolve disputes when the court forms an opinion that the ‘plaintiff or defendant has no real prospect of succeeding or defending the suit’. At the same time, the Supreme Court has also introduced a necessary check to this practice, by expressly stating that ‘summary adjudication of technically complex suits’ such as patent infringement suits, which necessarily require expert evidence to be led, is ‘neither desirable or permissible under the law’.
  \item[\textit{c}] The damages jurisprudence with respect to IP suits is developing at a rapid pace, with significant damages being awarded in favour of the plaintiffs, at times along with legal
\end{itemize}

\textsuperscript{128} Order 41 Rule 27, CPC.
costs. Courts are awarding compensatory, punitive and exemplary damages, depending upon the facts and circumstances of each case. The defendant’s conduct in general coupled with the fact as to whether the defendant has chosen to stay away from court proceedings has played a role in determining the quantum of damages to be awarded.

d Contempt of court was always a serious offence but courts have now in IP disputes, started exercising their power more affirmatively and are taking strict action against any form of contempt. The punishment can vary from imposition of heavy costs to imprisonment.

e The option of resolving a law suit through pre-suit mediation is also gaining popularity and if an IP owner finds that a pre-suit mediation could be a far more effective way of achieving its ultimate goals (that would have otherwise been achieved by filing a law suit), then this option can be explored.

f In accordance with the changes brought about by the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 along with the Delhi High Court (Original Side) Rules, 2018, it has now become difficult for a defendant to obstruct the court’s processes. If the defendant fails to file its written pleading within the mandated period of 120 days, as per the Supreme Court ruling, the pleading is liable to be struck off the record. Further, as already implemented by the Delhi High Court, the removal of the written pleading from the record can lead the court to exercise its power under the Code of Civil Procedure, 1908 and decree the suit in favour of the plaintiff.

g Service to defendants have become easier as now service can be done through WhatsApp or email. For this purpose, the email available in public domain has been deemed to be the correct one by the relevant rules.

h The concept of the case management hearing introduced by the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015 to regulate the timeline for the disposal of a suit, has been extended to the stage of final arguments. Courts have set fixed timelines for final arguments, a practice which if continued, would only help cases at final stages be heard and disposed off faster.

These rapidly evolving changes ensures that the IP owners’ rights are duly acknowledged and are being effectively enforced by courts. An area that has yet not been resorted to by courts but may develop in the future is the use of the discovery provisions provided in the Indian procedural laws. These trends indicate that the outlook is favourable for IP owners in the times to come.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

In recent years, Israel has been described by many as the ‘start-up nation’. With its rapidly growing high-tech sector and innovation-driven industries, Israel is faced with the challenge of balancing an increasing level of protection of intellectual property and the free flow and use of information as a driving force for further developments.

The protection and enforcement of IP in Israel is influenced by and aligned with the many international treaties and agreements in the field of IP that the country is party to. Accordingly many modern Israeli IP laws implement Israel’s obligations as a contracting party pursuant to those treaties and as part of Israel’s admission into the Organisation for Economic Co-operation and Development (OECD), while others codify unique solutions adopted in Israel. As discussed below, Israel provides statutory protection to all major types of intellectual property. These rights granted by statutes have in large part been broadly interpreted by Israeli courts and some additional non-statutory rights have been judicially adopted.

i Patents

The Israeli Patents Law, 5727-1967, has been significantly amended and modernised since its original enactment more than 50 years ago, to meet Israel’s international obligations. Israel applies the ‘first to file’ doctrine, and a patent is granted for 20 years from the date of filing the application, with permissible extensions in specific cases. As further discussed below, a patent may be granted in respect of a ‘patentable invention’.

Pursuant to the Patents Law, a patent owner has the exclusive rights to exploit the invention. Exploitation includes: (1) in respect of an invention that is a product – production, use, offer for sale, sale, or import for such purposes; (2) in respect of an invention that is a process – use of the process, and any of the acts in point (1) above in respect of a product directly derived from the process.

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1 Yedidya Melchior is a founding partner of Lapidot, Melchior, Abramovich & Co.
2 Israeli laws are designated by the year in which the original legislation was enacted (both the year according to the Jewish calendar and according to the Gregorian calendar). Later amendments do not change the numbering.
3 Patents Law, Article 9.
4 Patents Law, Article 52.
5 Patents Law, Articles 64A to 64P.
6 Patents Law, Article 3.
However, any act not performed on a commercial scale and that is not commercial in nature is not deemed exploitation of the invention. In addition, the patent owner may not preclude others from engaging in any experimental act in connection with the invention, the objective of which is to improve the invention or to develop another invention, or which is an effort to obtain a regulatory permit to market the product after the patent has lapsed.

The unique exploitation right is not limited to the literal wording of the patent, but also to use ‘in any manner which involves the essence of the invention’. The essence or gist of the invention is determined using both the doctrine of variants and the doctrine of equivalents.

ii Designs

Designs filed prior to August 2018 are governed by the Patents and Designs Ordinance 1926. Designs filed since then are governed by the Designs Law 5777-2017, which entered into force in August 2018. The Designs Law affords protection to both new filings for registered designs and unregistered designs.

Under the Designs Law, a design is defined as the appearance of one or more visual attributes of a product or part of a product, including a contour, colour, shape, decoration, texture or material from which it is made. The term product is broadly defined to include a set of objects, packaging, graphical symbols, and on-screen displays, but specifically excludes typefaces and computer programs (which are protectable as copyrights).

The new law requires that the design be globally novel and have unique character. A design will be deemed to be of unique character if the general impression it creates on an informed user is different from the general impression created by another design.

The protection of a registered design under the Designs Law is granted for 25 years commencing from the date of application. Unregistered designs are entitled to a limited protection for a period of three years from initial publication.

The default rule is that the designer is the first owner of the design rights; however, if the design was commissioned, then, unless otherwise agreed, the commissioning party shall be deemed the first owner of the design.

iii Trademarks and passing off rights

The Trademarks Ordinance (New Version) 5732-1972 governs both trademarks and service marks, jointly referred to as marks. Marks are initially registered for a 10-year period and are renewable thereafter for as long as they are in use in Israel and maintain a distinctive character. A mark may be comprised of letters, numbers and other literal elements, stylised literal elements, figurative elements and any combination of the foregoing. In rare cases, marks consisting solely of three-dimensional embodiments, colours or sounds may be approved provided that they have a distinctive character. Three-dimensional marks are allowed only if the shape serves as a mark, has acquired distinctiveness through use, and is not significantly aesthetic or functional.

7 Patents Law, Article 49(a).
8 C.A. 345/87 Hughes Aircraft Company v. The State of Israel et al., PD 44(4) 45.
9 Designs Law, Article 1.
10 Designs Law, Articles 3 and 7.
11 Designs Law, Articles 39 and 65.
12 Designs Law, Articles 11–14.
13 Trademarks Ordinance, Article 2.
The registration of a mark confers upon its owner the exclusive use of the mark upon, and in every matter relating to, the goods or services in respect of which it is registered. Registered marks that are well-known in the relevant sector in Israel (known as ‘famous marks’) enjoy the broadest protection and provide exclusivity even in respect of goods that are not of the same description if use of that mark would be likely to indicate a connection with the registered proprietor of the mark.

Unregistered marks enjoy a limited protection. If they are well-known, the owner of such marks enjoys exclusive use of the mark in respect of goods for which the mark is well known in Israel or goods of the same description. Other unregistered marks can only be protected under the passing-off doctrine (also available for registered mark owners), codified in the Commercial Torts Law 5759-1999, which requires the plaintiff also to prove that the mark has acquired goodwill.

Under the doctrine of ‘exhaustion of rights’, parallel import into Israel of original goods is permitted regardless of the place of first sale. The parallel importer may make use of the manufacturer’s mark subject to not creating the impression that the activity is endorsed by the manufacturer.

iv Copyright

The Copyright Law 5768-2007 consolidated and replaced the core of copyright law into a single document. Copyright subsists in original literary, artistic, dramatic (including audiovisual and choreographic) works, musical works and sound recordings. These terms are defined broadly in the Copyright Law and also interpreted broadly by courts. Computer programs are protected as literary works. However, applied arts that fall within the definition of ‘designs’ are explicitly precluded from copyright protection, but a work of art embedded in a product, such as a picture printed on a chair, may be protectable under the Copyright Law.

For a work to be protected, it must be original and fixed in any form. The threshold for originality is minimal and requires that its making involved some kind of original creativity. Accordingly, a compilation or database will only be protected if there was originality in the selection and arrangement of the works or of the data embodied therein. Copyright protection lasts from the date of creation until 70 years after the death of the creator, with some exceptions such as sound recordings (protected up to 70 years from the recording) and state works (receiving a protection period of 50 years from the creation).

Copyright does not extend to any of the following: ideas, procedures and methods of operation, mathematical concepts, facts or data and news; but it does extend to their expression. In a recent verdict, it was held that since maps reflect reality, copyright in maps is limited.

14 Trademarks Ordinance, Article 46(a).
15 Trademarks Ordinance, Article 46A(a).
17 Copyright Law, Article 7.
19 Copyright Law, Article 4(b).
20 Copyright Law, Articles 38–43.
21 Copyright Law, Article 5.
The default rule is that the author of a work is the first owner of copyright in the work. This rule also applies to commissioned works (also referred to as ‘work for hire’) unless otherwise agreed (expressly or impliedly) between the commissioning party and the author. However, an employer is the first owner of copyright in a work made by an employee in the course of his or her service and during the period of his or her service.

A copyright owner enjoys exclusive rights to reproduction, publication, public performance and making available to the public (including online or as a rental), broadcasting, and creating of derivative works.

In addition, authors of certain works enjoy non-transferable moral rights during the entire period of copyright in the work. Such rights include the rights of the author to have his or her name identified with his work, and to prevent distortion, mutilation or other derogatory acts in relation to the work that would be prejudicial to the honour or reputation of the author.

Israel does not maintain a copyright registry, and there are no formal registration or other requirements for obtaining copyright protection. However, a contract for copyright assignment or the grant of an exclusive licence therein requires a written document.

v Performers’ and broadcasters’ rights
Performers’ and Broadcasters’ Rights are governed by the Performers and Broadcasters Rights Law 5744-1984 and its subsequent amendments. Protection for performers’ rights lasts until 70 years from the end of the year in which the performance took place. Protection for broadcasters’ rights lasts until 25 years from the end of the year in which the original broadcast took place.

vi Trade secrets
In addition to contractual obligations, trade secrets are also protectable under the Commercial Torts Law 5759-1999. The law defines a ‘trade secret’ as commercial information that is not public or that cannot readily and legally be discovered by the public, the secrecy of which grants its owner an advantage over competitors, provided that its owner takes reasonable steps to protect its secrecy.

Use of a trade secret by a former employee is not deemed a misappropriation of the trade secret if the knowledge constituting the trade secret became part of the employee’s general professional skills.

The Commercial Torts Law explicitly permits reverse engineering.

vii Plant varieties
The Plant Breeders’ Rights Law 5733-1973 implements Israel’s obligations as a member of the International Union for Protection of new Varieties of Plants. The registration is managed by the Israel Plant Breeders’ Rights Council, which is a unit under the auspices of the Ministry of Agriculture and Rural Development.

23 Copyright Law, Articles 33–36.
24 Copyright Law, Articles 45–46.
25 Copyright Law, Article 37(c).
26 Commercial Torts Law, Article 5.
27 Commercial Torts Law, Article 7.
28 Commercial Torts Law, Article 6(c).
A plant variety is eligible for protection if it is new and its basic characteristics are sufficiently uniform and stable and they are maintained even after repeated cycles of reproduction.

The protection is granted for 20 years from the date of registration. Varieties of vines, fruit trees, forest trees and any other perennial plants are given 25 years of protection from the date of registration.29

viii Appellations of origin and geographical indications
Both appellations of origin (AO) and geographical indications (GI) are governed by the Appellations of Origin and Geographical Indications (Protection) Law 5725-1965, which was enacted in order to implement Israel’s obligations pursuant to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

Protection of an AO is subject to registration, is granted for a period of 10 years from the date of the application and is renewable thereafter. Foreign AOs are valid in Israel for as long as their registration is valid in their country of origin. GIs are protected in Israel, but no registration is required.

ix Integrated circuits
The Integrated Circuits (Protection) Law 5760-1999 provides protection to the layout-design (topography) of an independently-developed original integrated circuit (including an original combination of common elements). The owner enjoys the exclusive right to copy the layout-design or part thereof, and to import, sell or otherwise distribute the layout-design or an integrated circuit in which the layout-design is incorporated.

There are no registration requirements, and the protection lasts for a period that is the shorter of 10 years from the first sale, or 15 years from the creation of the layout-design.

x Unjust enrichment
The Israeli Supreme Court has held30 that in certain cases in which a claim does not fit into any existing intellectual property category, but the defendant’s activities using the plaintiff’s work or name were clearly wrong or unfair, the gap may be filled by the doctrine of ‘unjust enrichment’ codified in the Unjust Enrichment Law 5739-1979.

The unjust enrichment doctrine has been most widely used to grant protection to unregistered designs, mainly in cases where obtaining the registration would take longer than the projected term of the product sales (such as fashion designs). The doctrine has also been used to block unauthorised broadcasting of sports events and to grant common law protection for unregistered marks. The introduction of the unjust enrichment doctrine into the world of IP law has caused uncertainty to the practitioners in the field, as the application is somewhat inconsistent and the definitions of the fairness aspects are vague. With the introduction of statutory protection for unregistered designs as part of the new Designs Law it is expected that use of the unjust enrichment doctrine will decrease.

29 Plant Breeders’ Rights Law, Article 38(a).
Publicity rights, also referred to as celebrity rights, were judicially created based on the unjust enrichment doctrine. The Supreme Court held that the right of publicity is an independent right, protecting the economic value of using the image, name or voice of another person without his or her authorisation.31

II RECENT DEVELOPMENTS

The most significant recent change is the entry into force of the new Designs Law in August 2018. The new law radically changes design rights, including broadening the protectable subject matter, requiring both novelty and uniqueness, allowing for variants of designs, extending the duration of protection, allowing a grace period from disclosure to filing, providing statutory damages for infringement, and granting limited rights to unregistered designs.

The Designs Regulation 5779-2019, detailing the procedures for application for design registrations and the examination, publication and renewal thereof, was published on 22 January 2019.

Concurrently with the enactment of the Designs Law, the Copyright Law was amended to include, for the first time, legislative protection to typefaces. Typefaces are now protected as copyright for a period of 70 years from the initial publication.

Recently the Tel Aviv District Court, in two separate cases, held that television programme formats32 and radio show formats33 are sufficient expressions of ideas and thus protectable under the Copyright Law.

In January 2019, the Israeli Parliament adopted significant amendments to the Copyright Law that will enter into force during 2019.34 The principal changes include: prescribing the conditions for the use of orphan works (works in which the copyright owner is unknown); introducing indirect infringement (previously recognised only in case law), which makes it a tort to facilitate access to infringing copies (typically online) in a commercial manner; establishing a procedure for obtaining a court order requiring internet service providers to block or limit access to a website with significant infringing content; cancelling statutory damages in certain cases of publication in a non-profit context; and establishing a procedure for compelling disclosure of the identity of anonymous online copyright infringers.

On 31 December 2018, the ILPO published amendments to the Patent Commissioner Circulars that, among other changes, enable the recording of patent sub-licences on the Patent Register (previously only licenses were recorded), and provide various trademark licence registration options.

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31 C.A. 8483/02, Aloniel Ltd v. Ariel McDonald, PD 58(4), 314.
33 C.C. (Tel Aviv District) 60778-12-17 (Motion 1) Kol Barama v. Radio Kol Chai (published in Nevo, 7 January 2018).
34 Amendment No. 5 to the Copyright Law, published 9 January 2019.
III OBTAINING PROTECTION

i Patents

A patent may be granted for a ‘patentable invention’, a term defined as a product or a process in any field of technology, which is novel and useful, has industrial application and involves an inventive step.\(^{35}\)

While this is a broad definition, certain subject matters are excluded, namely methods of therapeutic treatment on the human body; and new varieties of plants or animals, other than microbiological organisms not derived from nature.\(^{36}\) However, this subject-matter exemption has been narrowly interpreted, in order to allow protection of the use of a substance that was not previously used as a therapeutic substance.\(^{37}\) Biological material is generally patentable, and, if not readily available to the public, the application may reference a deposit made in a designated institution under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.\(^{38}\)

As implied by the term ‘field of technology’, non-technological developments (such as those in various fields of social sciences), as well as abstract ideas are excluded from subject matter eligibility. The foregoing distinction is also the basis for the very restrictive approach to business method patents. According to the ILPO,\(^{39}\) business methods \textit{per se} are not considered to be in a field of technology. Therefore only ‘hybrid’ inventions in which a business method is coupled with technological elements may fall within the scope of a patentable invention.

Computer software is typically deemed protectable under the Copyright Law, and not as a patent. According to the ILPO guidelines, the use of a computer in and of itself does not render an invention patentable. The invention is to be examined as a whole, without separating software components from hardware components, and must result in changes of physical elements, which are beyond the mere automation of a process by adding a computer.\(^{40}\) Since the regulations are somewhat unclear, it remains to be seen how case law will develop.

An invention is deemed novel if it was not published (in Israel or abroad) prior to the application date,\(^{41}\) including by exploitation or exhibition by the patentee, in a manner that enables a skilled person to make it according to the particulars made known in such publication. Since disclosure of the invention as part of the patent process justifies the grant of monopoly powers to the patentee, such powers should not be granted to an invention that is already publicly available.\(^{42}\)

The disclosure of the gist of the invention is deemed to be sufficient prior publication, even if not identical to the invention for which protection is sought.\(^{33}\) Foreign-language publications prior to the application date (including foreign patent applications), even in languages that are not understood by the patent examiner, are sufficient for determining lack of novelty.\(^{44}\)

\(^{35}\) Patents Law, Article 3.
\(^{36}\) Patents Law, Article 7.
\(^{37}\) C.A. 244/72 \textit{Plantex Ltd. v. The Wellcome Foundation}, PD 27(3) 50.
\(^{38}\) Patents Law, Article 12(b).
\(^{39}\) Commissioner Decision 131,733, \textit{ex parte in the matter of Eli Tamir}.
\(^{40}\) Commissioner Decision 190,125, \textit{ex parte in the matter of Digital Layers Inc}.
\(^{41}\) Patents Law, Article 4, excluding publications permitted under Article 6.
\(^{42}\) C.A. 345/87 \textit{Hughes Aircraft Company v. The State of Israel et al.}, PD 44(4) 45, p. 103.
\(^{43}\) C.A. 4867/92 \textit{Sanitovsky v. Taaman Ltd.}, PD 50(2) 509, p. 517.
\(^{44}\) Commissioner Decision 123,976 \textit{Gesser v. Compucraft Ltd}.
The requirement for an ‘inventive step’, usually referred to as the non-obviousness requirement, is defined as a step that does not, to an average skilled person, appear obvious in the light of information published before the application date.

The Supreme Court has held that the requirement for usefulness, also referred to as the utility requirement, only requires that the applicant shows a potential to the utility of the invention, without actually having to prove it, thus allowing patent applications in early stages of the R&D process. It should be noted that gene sequences are patentable, although they may not meet the regular usefulness standard at the time of the application.

Except in special circumstances, such as impending infringement, in which expedited examination may be requested, there is no need to request examination, and the application is automatically assigned to the relevant examination department of the ILPO. While the initial notice, detailing the name of invention, application date and priority claimed, is published shortly after the filing, the actual examination only starts a few years after filing, with the timing varying according to the subject matter of the invention. The ILPO’s reduced first examination pendency to 28.5 months in 2016 (compared to a 35.7 months’ average pendency in 2010) but due to an increase in PCT applications examined by the ILPO, in 2017 the average initial examination was prolonged to 29.4 months.

The ILPO provides expedited examination for ‘green technology’ (i.e., technologies that assist in improving the environment), and an applicant seeking this expedited route must request it upon filing and explain the environmental benefit of the invention.

The ILPO has introduced a fast-track examination procedure that is promoted as an alternative to US Provisional applications, and intended for applicants that declare that the Israeli application will be the basis for priority claims in corresponding foreign applications. The ILPO undertakes to issue a preliminary principal report within three months of filing in this route. This fast-track is beneficial for early stage ventures that will be able show potential investors a positive initial examination report within a short period, thus boosting their financing abilities. An additional expedited route is the 'Patent Prosecution Highway', which permits one patent office to base examination of a patent application on a favourable examination conducted by another patent office (including in respect of a PCT application). Israel was one of the 16 countries that established the Global Patent Prosecution Highway arrangement, which became effective on January 2014. Taking advantage of the highway route is not limited to Israeli citizens or residents, and may be utilised by applicants from other countries.

An applicant may request acceptance of an application based on a grant by an accredited foreign patent office of a corresponding application.

The applicant may also claim priority pursuant to the Paris Convention, or according to the PCT. It should be noted that the ILPO has been declared an international searching and international preliminary examining authority for PCT applications filed at the USPTO. The ILPO allows for an extension of the period for entering the Israeli national phase under

45 C.A. 665/84 Sanofi Ltd. v. Unipharm Ltd., PD 41(4) 729.
46 Commissioner Circular MN 64 of 6 October 2008.
47 Patents Law, Article 17(c).
48 Patents Law, Article 10.
the ‘due care’ standard. The Commissioner has held that when the main subject matter of the application is covered in a US provisional application (even if in less detail than in the later Israeli application), priority may be claimed according to the Paris Convention.49

Patent applications need not be in Hebrew, and may also be filed in English or Arabic. The applicant need not be the inventor, though if the applicant is not the inventor he or she is required to state how he or she became the owner of the invention.50

The Patents Law requires the applicant to provide comprehensive information about prior art, including a list of all prior art references cited during the prosecution of corresponding applications abroad, or otherwise known to the applicant. This list must be updated by the applicant on an ongoing basis, and the examiner typically requests an update from the applicant prior to the examination. It has been recently held that third parties cannot sue for damages incurred due to breach of the foregoing obligations.51

In the course of examination, the applicant may amend the application, an action usually taken owing to rejections from the examiner. If such changes do not suffice to convince the examiner to grant the patent, or if the applicant otherwise disagrees with the rejection, the applicant may request an ex parte hearing in front of the Commissioner.

Once the examiner is convinced of the eligibility of the application for registration, the application will be published in the Patent Gazette, and opposition may be filed within three months of that publication. An ILPO study found that in recent years only about 1 per cent of the total number of allowed patent applications were opposed. However, the study also showed that the duration of the proceedings of the few oppositions litigated through to a final decision was on average almost six years.

If an opposition is filed, the parties litigate in front of the Commissioner or a deputy of the Commissioner, with the right of appeal to the District Court, and may further request an appeal to the Supreme Court. The Commissioner and the courts may impose costs in favour of the prevailing party.

Following registration of a patent, any party may apply for cancellation of the patent, based on similar grounds as those for opposition,52 except that the party requesting the cancellation carries the burden of proof. Such an action is categorised as a ‘direct attack’ on the validity of the patent. It is also possible to indirectly claim the invalidity of the patent, for example as a defence in infringement proceedings.

ii Designs
The new Designs Law offers a limited three-year protection to unregistered designs. Products in which the unregistered designs are embedded may include marking claiming design rights in the format set forth in the Design Regulations.53

Owners wishing to receive the extended rights granted to registered designs, including those having unregistered rights wishing to receive the rights of registered ownership, must submit an application for examination by the ILPO. The application and examination procedures are detailed in the new Design Regulations published in January 2019.

49 Commissioner Decision 136,532 G.D. Searle & Co. v. Trima Israeli Medical Products.
50 Patents Law, Article 11(b).
51 C.C. (Tel Aviv District) 38568-10-11 Unipharm v. Glaxo Smith Kline (published in Nevo, 8 June 2018).
52 Patents Law, Article 73B.
53 Design Regulations, Article 93.
Unlike with patent applications, the backlog of design applications is relatively short, and a first examination is generally conducted within a few months.

iii Trademarks
Trade and service mark applications are filed with the trademarks department of the ILPO. The basic requirement for registering a trademark is that the mark is distinctive. The Trademark Ordinance includes several categories of unregistrable marks, most significantly marks that are descriptive or that are identical or confusingly similar to trademarks of third parties or otherwise misleading. Among other exclusions are marks making use of national symbols, deceptive marks and marks making use of a person without such person’s consent.

In 2010, Israel joined the Madrid Protocol, and as a result Israeli applicants may submit a single trademark application that will automatically apply to all member states. Foreign marks registered in member states also enjoy relaxed disqualification criteria when applying for similar protection in Israel.

According to ILPO published information, except in cases where expedited examination is requested (for example, because of third-party infringement), as of February 2019 the waiting period for first examination is seven months from filing.

IV ENFORCEMENT OF RIGHTS
There are no specialised IP courts in Israel, but the courts are generally IP-friendly, and the Israeli legal system provides litigants with a wide variety of remedies. Some IP laws provide special remedies; the following are the commonly available ones.

i Injunction
Rights owners usually seek an injunction to stop infringing activities. Temporary injunctions may be requested *ex parte*. Temporary injunctions are commonly granted when the right holder can demonstrate ownership, likelihood of finding of an infringement and unquantified harm during the period until trial. If an injunction is granted *ex parte*, a hearing with both parties will be conducted within a few days. The Supreme Court has ruled that an injunction is the primary remedy for IP infringement.

Even if not granted *ex parte*, a hearing for the purpose of a temporary injunction will usually be held within two weeks. Most of the cases settle (except in some cases in respect of monetary damages) after the decision on the temporary injunction, as the court’s decision in the interim process (either in favour of the plaintiff or the defendant) is a strong indicator of the overall projected outcome.

ii Receivership and seizure order
The court may appoint an *ex parte* receiver with the authority to enter the premises of an alleged infringer and confiscate, in the defendant’s presence, the infringing items, as well as the means used to produce them. This remedy is granted at a preliminary stage only if the plaintiff can demonstrate with substantial evidence that there is a high likelihood that

54 Trademark Ordinance, Article 8.
55 Trademark Ordinance, Article 16.
56 R.C.A. 6141/02 ACUM v. Galeh Tzahal Broadcasting et al., PD 57(2) 625.
the seizure is required in order to prevent the destruction of evidence or smuggling away of infringing goods. After full trial, if infringement is established, an order for the recovery and destruction of infringing items is typically granted.

iii  Damages

After establishing infringement at full trial (which, in contested cases will generally take more than two years), monetary remedies are available.

The plaintiff may recover actual damages computed either as losses incurred by the plaintiff (which usually requires expert accounting testimony) or the gains derived by the defendant from the infringing activity. For the computation of the defendant’s profits, the court may issue, after infringement is established, a subpoena for all relevant accounting records.

Even if a plaintiff cannot show damage with sufficient particularity, he or she may be entitled to statutory damages of up to 100,000 shekels, for infringements under the Copyright Law, the Designs Law and the Commercial Torts Law (statutory damages are only available if prescribed by statute, and accordingly do not apply to trademark infringement).57

It should be noted that multiple infringements of the same right (e.g., making many copies of a single work) do not entitle the plaintiff to receive multiple statutory damages.

iv  Administrative and criminal procedures

As part of the measures against counterfeit goods, customs officials are authorised to seize and detain goods that appear to be in violation of design, copyright or trademark rights, while giving notice to the registered agent of the right owner.58

Many intellectual property laws also include provisions criminalising certain forms of infringement. The criminal offences are enforced by an intellectual property unit of the Israeli police. In addition to criminal proceedings, police officers are authorised to confiscate goods suspected of being infringing.

A unique remedy in Israel is the ability of the IP owner to file a private criminal complaint in a magistrates’ court against the alleged infringer. In such case, the court may impose similar sanctions to those imposed in a criminal proceeding conducted by the state.

V  TRENDS AND OUTLOOK

Israeli IP jurisprudence continues to evolve as Israel becomes a more significant player in the global market and party to a growing number of international and bilateral agreements in the field of IP.

The main challenges ahead are the continued adaptation of IP legislation and case law to an ever evolving digital era. Issues that must be addressed or clarified include: patents over software elements and specifically in the emerging artificial intelligence industry, limitations on anti-circumvention measures and more. As demonstrated by the recent amendment to the Copyright Law, the legislature is seeking a balance of curbing digital infringements without supressing the innovative spirit of the ‘start-up nation’.

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57 C.C. (Tel Aviv District) 24150-09-16 Segal Design v. Asaf Segal (published in Nevo, 29 May 2018).
58 Customs Ordinance (New Version), Article 200A.
Chapter 13

JAPAN

Chie Kasahara, Kunihiro Sumida and Takafumi Ochiai

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The most important forms of intellectual property protection available in Japan are patents, design patents, utility models, trademarks and copyrights, each of which has its own legislation, briefly outlined below.

The Patent Act (Act No. 121 of 1959) protects inventions, which it defines as 'highly advanced creation of technical ideas utilising the laws of nature'. Patents are granted to the inventor of an invention with industrial applications after examination, provided the invention is not, prior to the filing of the patent application: (1) publicly known in Japan or a foreign country; (2) publicly used in Japan or a foreign country; or (3) described in a distributed publication, or made publicly available electronically in Japan or a foreign country. Patentability also requires novelty, and so patents are not granted where a person ordinarily skilled in the art of the invention would have been able to easily make the invention that would be subject to items (1) to (3) above. Japan is a member of the Patent Cooperation Treaty (PCT), which is intended to simplify the process for applicants seeking patent protection internationally for their inventions, helps patent offices with decisions on patents and facilitates public access to a wealth of technical information relating to inventions dating back to 1978.

The Utility Model Act (Act No. 123 of 1959) offers protection for utility inventions for 10 years after filing for registration. Registrations are granted without substantive examination in the case of utility model rights. The creator of a device (defined as the 'creation of technical ideas utilising the laws of nature') that relates to the shape or structure of an article or combination of articles and is industrially applicable may be entitled to a registered utility model right with respect to the device, provided that it adheres to the same criteria listed in items (1) to (3) for invention patents.

The Design Act (Act No. 125 of 1955) offers protection for novel and creative designs for a period of 20 years after registration, which is granted after substantive examination. ‘Design’ here is defined as any combination of shape, patterns or colours of an article, creating an aesthetic visual impression. A creator of a design that is industrially applicable can register their design, provided that it is not, prior to the filing of the application for design registration: (1) publicly known in Japan or a foreign country; (2) described in a distributed publication, or made publicly available electronically in Japan or a foreign country; or (3) similar to (1) and (2) above. Unlike many European countries, which do not require substantial examination, Japan requires substantial examination of design applications before
registration is granted. In addition, the Design Act requires novelty of the design, so designs
cannot be registered if a person ordinarily skilled in the art of the design would have been able
to easily create the design based on shapes, patterns or colours, or any combination thereof
that were publicly known in Japan or a foreign country prior to the filing of the application
for design registration.

The Trademark Act (Act No. 127 of 1959) protects registered trademarks used for
specific products and services for a period of 10 years, which is renewable. Any combination
of characters, figures, signs, 3D shapes or combination thereof with colours, sound, motion
pictures, holograms or position may be registered as a trademark if it is either used in
connection with the goods of a person who produces, certifies or assigns such goods as a
business; or used in connection with the services of a person who provides or certifies the
services as a business. However, excluded from this are those that:

1. consist solely of a mark indicating, in a common manner, the common name of the
goods or services;
2. are customarily used in connection with the goods or services;
3. consist solely of a mark indicating, in a common manner, the place of origin, place of sale, quality, raw materials, efficacy, intended purpose, quantity, shape (including shape of packages), price, the method or time of production or use, or, in the case of services, the location of provision, quality, articles to be used in such provision, efficacy, intended purpose, quantity, modes, price or method or time of provision;
4. consist solely of a mark indicating, in a common manner, a common surname or name
of a juridical person;
5. consist solely of a very simple and common mark; or
6. are, in addition to those listed in each of the preceding items, a mark by which
consumers are not able to recognise the goods or services as those pertaining to the
business of that particular person.

Japan is a member of the Madrid System, which is a one-stop solution for registering and
managing marks worldwide since 2000.

Under the Copyright Act (Act No. 48 of 1970), copyrightable works are those in which
thoughts or sentiments are expressed creatively, and which fall within the literary, scientific,
artistic or musical domain. Copyrightable works include novels, plays or films, scripts,
dissertations, lectures and other literary works; musical works, choreographic works and
pantomimes; paintings, engravings, sculptures and other artistic works; architectural works;
maps and diagrammatical works of a scientific nature, such as drawings, charts and models;
cinematographic works; photographic works; and computer programs. However, works
categorised as ‘applied works’, usually meaning those for sale as utility goods or souvenirs,
cannot be protected by copyright.

Registration is not mandatory and a work may be protected by copyright without
copyright registration. However, registration is necessary to assert against third parties the
transfer (other than by inheritance or other succession) of the copyright, restrictions on the
disposal of the copyright, the establishment, transfer, modification or termination of a pledge
on the copyright, or restrictions on the disposal of a pledge established on the copyright.
Registration is made with the Agency of Cultural Affairs (ACA) or, in the case of software
programs, with the Software Information Centre (SOFTIC). The author of a work that is
made public anonymously or pseudonymously may have his or her true name registered with
ACA and SOFTIC based on the moral right of the author with respect to work, regardless of whether he or she actually owns the copyright. In addition, the copyright holder of any work, or the publisher of an anonymous or pseudonymous work, may register the work’s date of first publication or the date when the work was first made public. In the case of computer programs, the author may have the date of the creation of the work registered with SOFTIC provided this is done within six months of the work's creation.

The protection period begins at the time the work is created and subsists for 70 years after the death of the author or, in the case of a jointly authored work, for 70 years after the death of the last surviving co-author. The copyright protection period for a work that bears the name of a juridical person, or other corporate body as its author, is 70 years either from the date the work was first made public, or, if the work was not made public within 70 years of its creation, 70 years from the date of its creation.

The copyright period for a cinematographic work is either 70 years from the date the work was first made public, or, if the work was not made public within 70 years of its creation, 70 years from the date of its creation.

II RECENT DEVELOPMENTS

i Employee inventions

The provisions of the Patent Act regarding inventions by employees (the Patent Act, Article 35) have been revised.

The revised Patent Act allows an employer to acquire the right to obtain a patent for an employee's invention from the time that the invention is created by prior agreement with the employee, or including the right in its employment regulations, etc.; any assignment by the employee of its right to obtain such a patent to a third party in breach of the employer's right shall be invalid.

The Minister of Economy, Trade and Industry has published guidelines on the procedures and terms for implementation of the employer's rights.

If an employee vests the right to obtain a patent in an employer, it shall have the right to claim 'adequate money or other economic benefits' from the employer pursuant to the Patent Act. Payment of 'reasonable compensation' was required before the revision but economic benefits other than money are now permitted, giving companies more flexibility (e.g., by compensating the employee with the allotment of stock options).

ii Product-by-process claims

There have been two Supreme Court judgments regarding product-by-process claims suggesting that product-by-process claims must, to the extent of the scope of a claim for a patent for the invention of a product, identify the manufacturing process of the product.

In the first ruling, the technical scope of a patented invention was held to include any product with the same structure, features, etc. as those manufactured through the manufacturing process that is described in the scope of claim for a patent.

iii Design Act
The amended Design Act came into force on 1 April 2016. The Act aims to harmonise Japanese rules with international rules for protection of industrial designs under the Hague Agreement Concerning the International Registration of Industrial Designs. The Act has established a new compensation system to protect against the risk of imitations published before examination. Publication of filed designs previously had to occur after registration of the design under the Design Act. However, if the applicant uses an international application under the Hague Agreement, then publication may occur before examination of the application, resulting in a higher risk of imitation.

iv Trademark Act
The Trademark Act was amended, effective 1 April 2015, to enable registration of trademarks for sound, motion pictures, holograms and colour without profile.

The amended Trademark Act also clarifies the limits of a registered trademark. The courts have adjudged that the effect of a registered trademark should be limited to the extent that the trademark represents the goods or services prescribed. This concept had been deemed self-evident and not explicitly stated in the Act. However, as many trademark holders have made excessive assertions of trademark rights, the concept has been given statutory effect to curtail such claims.

The Trademark Act was again amended on 23 May 2018 in relation to the division of applications and the amendments became effective on 9 June 2018. An applicant may file one or more new applications with regard to a part of an existing application, designating two or more goods or services as its designated goods or designated services, if the original application is pending in an examination proceeding, trial or appeal, or retrial examination, or if there is a suit against a decision on appeal to refuse the application pending in court. The new application for trademark registration is deemed to have been filed at the time of filing of the original application. Before the amendment, this divided application procedure was abused and many applicants filed new applications without paying any application fees. The amendment requires the payment of application fees to enjoy the effect of dividing.

v Copyright Act
The Copyright Act was partly amended and the amended act becomes effective on 1 January 2019. The Japanese Copyright Act has no general ‘fair use’ provision such as provided in the US Copyright Act, but the amended act expands exempting provisions in general to permit the use of copyrighted work without the approval of the copyright holder in certain defined situations. It enables the use of copyrighted works in a search or analysis service, which were questionable under the former act, without the permission of right holders.

vi Revised protection of trade secrets
The provisions of the Unfair Competition Prevention Act regarding protection of trade secrets were recently amended.

Provisions that clearly restrict any person from distributing (including assignment, import, export, etc.) a product that infringes a trade secret have been introduced and breach
is subject to civil sanction and criminal penalty, though criminal penalties do not apply to *bona fide* third parties and civil sanctions against *bona fide* third parties are only possible in cases of gross negligence.

In addition, Article 5(2) of the Unfair Competition Prevention Act now stipulates that if a trade secret regarding a method of manufacture was acquired unlawfully, and is used without authorisation, the burden of proof to show proper use shifts to the alleged infringer.

The Customs Act was amended and seizure at customs of products that infringe trade secrets become permitted since 1 June 2016.

While it is not a change in the legislation itself, another recent change that is worth mentioning because of the potential impact it will have on judicial rulings is a January 2015 change in administrative principles for interpretation of the Unfair Competition Prevention Act in relation to the requirements for ‘control’ of trade secrets, to a more flexible interpretation. For example, the new principles can be read as stipulating that strict restriction of access to information is not a necessary requirement in order for the requirement of control to be met.

### III OBTAINING PROTECTION

With respect to natural products, those that do not involve the intentional development of technical ideas are not inventions under the Patent Act, but ‘chemicals, bacteria, etc. isolated from natural products artificially’ are created products and so constitute inventions under the Patent Act, for which patents may be granted. Genes also constitute inventions under the Patent Act on the premise that they are artificially isolated.

Patents may also be registered for cells, etc. used in genetic technology; in practice, patents have already been registered in relation to technology for the production of iPS cells by Shinya Yamanaka, a Nobel Prize-winning professor.

Inventions relating to the production of cells, plants and animals may be protected by patent rights. If a new variety is created, it may also be protected under the Plant Variety Protection and Seed Act.

Although industrial applicability is one of the requirements for patentability in Japan, surgical processes, treatment methods and diagnostic measures used in medical practice for diagnosis cannot be ‘used industrially’. However, examination guidelines for the patentability of inventions relating to medical practices are gradually being eased and now stipulate that regenerative medicine, the operation of medical equipment, collection of samples from the human body, medical inventions characterised by usage with a certain dosage and administration for particular disease, may also be subject to protection.

Business methods may be registered as patents in Japan if the method is deemed as a new ‘highly advanced creation of technical ideas utilising the laws of nature’. However, the requirements for registration as a business method patent are stringent and, as a practical matter, even once registered can often be reasonably easily imitated without infringement by sidestepping the patent. For these reasons, business method patent applications are rare. In practice, business methods are commonly protected in Japan through trademarks used in association with the methods and by executing licensing and other agreements.

Computer software may be protected under the Copyright Act and the Patent Act. Computer software may be registered as a patent under the Patent Act if it can be deemed as a ‘computer program, etc.’, which means a computer program (i.e., a set of instructions given to an electronic computer that are combined in order to produce a specific result) or any other information that is to be processed by an electronic computer equivalent to a computer.
program. Registration as a patent takes time because the Patent Office conducts detailed examination of the application. However, software that includes thoughts or sentiments expressed creatively may be protected under the Copyright Act without registration, though registration through the SOFTIC is also possible. In addition, the author of a computer program may have the date of creation of his or her work registered with SOFTIC within six months of the creation of the work.

Independently developed circuit layouts for semiconductor chips may be protected as layout-design exploitation rights. Devices in relation to an article's shape, structure or combination, which are not functional as inventions, may be protected as utility model rights.

**IV ENFORCEMENT OF RIGHTS**

**i Possible venues for enforcement**

There are two major options for enforcement of patents, trademarks and other intellectual properties: filing a complaint with a court and obtaining an injunction or an order for payment of damages compensation or both; or filing a motion with customs to suspend the import of products alleged to infringe intellectual property rights.

**ii Requirements for jurisdiction and venue**

The Code of Civil Procedure provides exclusive jurisdiction for cases on patents, utility model layout-designs of semiconductor integrated circuits and computer programs to the district courts in Tokyo and Osaka. In both courts, there are special divisions for litigation of intellectual property rights cases. Appeals with regard to such intellectual property infringement litigations are handled by the IP High Court, which is a specialised court for patents within the Tokyo High Court. The IP High Court also has exclusive jurisdiction over litigation to overturn Patent Office decisions.

Regarding customs procedures, the Customs Tariff Act grants all customs offices the authority to deal with intellectual property infringement cases. However, nine key offices have specialists for intellectual property rights protection. These are located in Hakodate, Kobe, Moji, Nagasaki, Nagoya, Okinawa, Osaka, Tokyo and Yokohama. Procedures are conducted at the discretion of the officers, but generally move quickly, usually taking approximately two months to conclude whether there is an infringement of IP rights.

**iii Obtaining relevant evidence of infringement and discovery**

Unlike the US litigation system, there is no discovery procedure under Japan’s Code of Civil Procedure. In principle, therefore, each party has to collect its own evidence at its own responsibility based upon rules for the burden of proof. However, there are some statutory measures for the collection of evidence from an adverse party or third parties in certain cases, before and after filing a lawsuit.

Firstly, prior to filing a lawsuit, a potential claimant can file a motion for an examination and preservation of the result of the examination. Evidence preservation can be ordered if the court is convinced that the existing circumstances could result in preventing the use of evidence, if such evidence is not reviewed or secured before the trial begins. The potential claimant has to show the likelihood of evidence being lost, damaged, modified or hidden. In practice, however, the courts often deny such motions on the basis that it is likely to inflict irreparable harm on the adversary.
Secondly, after initiating a lawsuit, the Patent Act requires the defendant to contribute to the clarification of facts by submission of the disputed product or by disclosing the disputed method. The Patent Act also provides that the court can order, upon the motion of a party, submission of information or disclosure of methods deemed relevant by the court in order to establish the infringement or for computation of damages; the party required to submit information or disclose the method cannot deny the request without justifiable reasons (e.g., that the requested information contains trade secrets or information prepared exclusively for internal purposes).

**iv  Trial decision-maker**

Intellectual property litigation is heard by a panel of three judges in the division of the court that hears intellectual property right cases; although the judges will generally have experience hearing patent cases, this is not necessarily the case and they tend to be rotated every three to five years from other courts or divisions not related to intellectual property. The parties may also make technical presentations to the court, as described below, which are usually also attended by a court-appointed technical expert.

**v  Structure of the trial**

A patent infringement trial will normally be a two-phase process. In the first phase, the terms in the claims of the patent must be interpreted, including the matters of validity and unenforceability. The second phase determines damages if the court finds it necessary after the first phase. The trial will be conducted in public, with non-public preparatory proceedings conducted in a court conference room. While the early hearings and the final hearing will normally be held in a court in public, the procedure is almost always then switched to a preparatory proceeding. Hearings, including preparatory proceedings of generally about half an hour, are held every four to six weeks. The main work in the hearings involves exchanging briefs and written evidence, although discussions are also held when the judge finds it necessary. Although hearings are normally quite short, the court will hold a technical presentation session of around 30 to 90 minutes to make an oral presentation to the judges after all of the relevant arguments and evidence have been submitted to the court in the first phase. Technical presentations are usually made by both parties. In most cases, a technical expert appointed by the court will attend the presentation.

**vi  Infringement**

Infringements can either be direct or indirect. With respect to direct infringement, the claimant must present evidence that all of the elements of the claim are satisfied in the accused product or method. According to Article 70(1) of the Patent Act, the scope of a patented invention is determined on the basis of the statements of the claims, and Article 70(2) adds that the meaning of the terms in a claim shall be interpreted in light of the specification and the drawings attached to the application. The judges will also take into account the ordinary meaning, prosecution history, the state of the art at the time of filing the application and expert opinions. The doctrine of equivalents will supplement the missing elements under the limited conditions as specified by the Supreme Court. The conditions of the doctrine of equivalents are:

- a claim element, which the subject product or method does not have, is not an essential part of the claimed invention;
the subject product or method must have the same object and effect as the claimed invention;
a person skilled in the art of the invention could have readily substituted the claimed element with the corresponding element in the subject product or method in view of the state of the art at the time of infringement;
the subject product or method must not be anticipated or obvious based on the prior art; and
the subject product or method was not intentionally excluded from the scope of the claim in the prosecution history.

Infringement may be indirect. Article 101 of the Patent Act provides that the manufacturing, assignment or importation of an item that is used exclusively for manufacturing a patented product or using a patented method, is deemed to infringe the patent regardless of the awareness of the alleged infringer. Where an item is manufactured, assigned or imported to be used not only for manufacturing a patented product or using a patented method but also for other purposes, the patent holder must prove that the alleged infringer knows both of the existence of the patent and the fact the item can be used for manufacturing the patented product or using the patented method.

vii Defences

Generally speaking, the success rate of the defence of patent infringement claims is extremely high in Japan (approximately 80 per cent). The major defences to patent infringement are non-infringement and invalidity of the patent.

Non-infringement

The defence of non-infringement includes existence of a licence to use, exhaustion and parallel import. The defence of the existence of a licence to use, Article 79 of the Patent Act provides a non-exclusive licence to an alleged infringer who has commercially manufactured, sold or offered for sale the invention in Japan or has been preparing to do so at the time of filing the patent application. With respect to the defence of exhaustion and parallel import, this is a doctrine that does not restrict sale of a patented product, by or with the patentee’s permission. When a patentee or its licensee has sold a patented product, such sale with the patentee’s permission exhausts the patentee’s right to control further use and resale of the patented product. The defence of exhaustion is applied to international trade under Japanese court precedent unless restriction of sale in Japan is expressly described on the patented product when it was sold out of the Japanese market (Supreme Court, 16 April 1999). In other words, it is extremely difficult to block the importation of a patented product to Japan when the patentee or its licensee has permitted the sale of the patented product outside Japan.

Patent invalidity

Unlike the US patent system, courts in Japan do not have authority to invalidate or revoke a patent. In litigation, the courts may determine that the patent is invalid but such decisions are binding only on the parties before the court, not third parties.

When the court finds that the patent should be invalidated, the court dismisses the claim of patent infringement even before or without the decision of the Patent Office. Patent invalidity is one of the most common defences in patent infringement litigation in Japan;
when the defendant raises the defence of patent invalidity, in approximately 60 per cent of cases the court will make a judgment on this point and approximately 70 per cent of the judgments are against the patent holder.

viii  Time to first-level decision
The time to first-level decision in IP litigation tends to be longer than other types of litigation, such as regular commercial litigation. On average, IP litigation takes approximately 17 months to a first-level decision and more than 20 per cent of cases have taken more than two years.

ix  Remedies

Injunction relief
A claim for injunctive relief requires the following facts:

- the claimant is the rightful owner or exclusive licensee of the patent;
- the infringer is commercially manufacturing, using, selling or offering to sell the infringing product;
- the infringing activities are covered by the scope of the patent claims; and
- an injunction is necessary to avoid irreparable damage.

In addition, Japanese district courts will require the claimant to deposit security before the injunctive relief is ordered. Although the injunctive relief is a remedy to resolve a dispute quickly, Japanese courts, in principle, will not issue ex parte orders and have one or more hearings to hear the arguments from both parties, which means both parties, not only the claimant but also the defendant, will be called to the hearings.

Damages
The patent holder or the exclusive licensee can demand damages from the infringer for losses incurred as a consequence of the infringing product. The nature of damages will be actual damages, but not punitive damages. There are three methods of computing damages provided by the Patent Act:

- multiplying the IP holder’s expected profit per unit by each unit sold by the infringing party (Patent Act, Article 102(1));
- the estimated total profit the innocent party should have received based on the profit that the infringer made as a result of his or her infringing activity (Patent Act, Article 102(2)); and
- the amount of royalties corresponding to the patent (Patent Act, Article 102(3)).

It is common for claimants to demand compensation based upon multiple calculation methods and later choose the method that will result in the highest amount of damages. In practice, however, nearly 40 per cent of damages awarded in patent infringement cases are for ¥10 million or less, which is extremely low.
Destruction

It is common for the claimant to simultaneously petition the court to issue an injunction order and order the destruction of the infringing products. The claimant can also petition the court to issue an order for removal of materials and equipment that have been used for the production of the infringing products.

Costs

It is important to note the costs and expenses incurred during the process of litigation. Filing a suit requires a court fee and attorneys’ fees. The court fee is calculated according to the value of the claim, which would normally be quite high in IP infringement cases. Therefore, a person who brings an IP lawsuit should take the court fees into account when assessing whether damages will be sufficient compensation for an infringement. For example, a litigant claiming ¥1 billion on the grounds of an IP infringement would have to pay a court fee of ¥16 million.

Under Japanese law, the prevailing party in litigation is entitled to make a claim for the court fees against the counterparty, but is generally not entitled to claim their attorneys’ fees.

Appellate review

A losing party at the first level may appeal to the IP High Court by filing a notice of appeal within 14 days of the date of receipt of the court decision, not including the issuance date of the judgment. Since the nature of the appeal is a continued examination of the trial in the first level, the parties may present new evidence and arguments during the appeal procedure, although the High Court will look at the coherence of the arguments and evidence presented in the district court.

Approximately 40 per cent of losing parties, following their loss at the first level, appeal to the IP High Court. However, of those, only about 20 per cent are successful in their appeal.

Alternatives to litigation

Several efficient alternative remedies are available in Japan, such as arbitration, mediation and direct negotiation. Certain notable advantages to these alternative remedies include the arbitrators’ expertise, the confidentiality of the proceedings and the flexibility to adapt the proceedings to different situations. For brevity, the discussion below focuses on arbitration.

There are three major private arbitration organisations that will arrange arbitration for intellectual property disputes in Japan: the Japan Intellectual Property Arbitration Center, the Japan Commercial Arbitration Association and the Arbitration Center of the Bar Association. Despite the general merits of alternative dispute resolution, very few IP cases have been brought to arbitration. There are several theories as to why the Japanese are averse to arbitration for the resolution of disputes. One is concern over the quality of the arbitrators, another is that there is generally less trust in the ability of a private organisation to oversee an important dispute than there is in the courts. It is also believed that existing arbitration organisations lack the requisite experience to adequately address the issues that arise in the course of the proceeding.

Concerns over the efficacy and trustworthiness of the arbitration system mean that courts will continue to play an important, or even an increasing role, in IP disputes in Japan for the foreseeable future.
V TRENDS AND OUTLOOK

The pace of patent examination processing has improved in recent years. Use of the accelerated examination system or super-accelerated examination system is increasing slowly, and allows for much faster examinations than the usual process. In addition to faster examinations, a manual for quality control has been published to help improve the quality of patent examinations; the quality of patent examinations has also improved since the establishment of the Subcommittee on Examination Quality Management.

With the spread of IT tools and new technology, such as the internet of things (IoT) and artificial intelligence, new issues are being thrown up in relation to copyright, etc. The Subcommittee Report on Appropriate Protection, Use and Distribution of Copyrighted Works, etc., published in February 2015, delves into the relationship between cloud services and copyrights, etc., and the relationship between copyright and services that enable users to use content in relation to personal use of copies saved on servers in the cloud on various mobile terminals, and so on.

These are also ongoing discussions in government on the handling of 3D printing technology and related IP systems, the relationship between automatically accumulating databases and IP rights, and copyrights on creations that are actually produced by artificial intelligence.

Open innovation is gradually spreading among Japanese companies. Toyota announced that it will open up its fuel cell vehicle patents for free use and Panasonic is doing the same for its IoT-related intellectual property rights. These companies hope that opening up the patents will spur growth in markets for their technologies.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Korea, a member of the world’s five largest intellectual property offices,² has a well-organised system for intellectual property rights, which include patents, utility models, trademarks, copyrights, etc. Each of these rights is different from one another in terms of the protectable subject matter and the scope of available protection. Further, requirements for obtaining protection are different for each right. These rights, however, are used for protecting different aspects and forms of intellectual property.

i Patents

Patents provide protection for an invention, which is statutorily defined as the highly advanced creation of a technical idea using the rules of nature. The following are protected by patent rights: for a product invention, acts of making, using, selling, leasing, importing, or offering to sell or lease the product; and for a process invention, acts of using a patented process. A patent expires 20 years after the filing date of a patent application. An invention is granted a patent only where the invention complies with the patentability requirements, such as industrial applicability, novelty and an inventive step.

ii Utility models

Utility models provide protection for a device, which is statutorily defined as the creation of a technical idea using the rules of nature. Unlike patents, only a product is eligible for utility model protection. The term of a utility model right is 10 years from the filing date of a utility model application. Contrary to many other jurisdictions, utility model applications in Korea are subject to examination for substantive requirements, such as novelty and inventive step.

iii Trademarks

Trademark rights provide protection for a mark for identifying goods or services. Protectable marks include not only traditional marks such as a sign, a letter and a figure, but also non-traditional marks such as smell, three-dimensional shapes, hologram, movement and colour. The term of a trademark right is 10 years from the registration date of the trademark.

1 Gon-Uk Huh, A-Ra Cho and Young-Bo Shim are patent attorneys, Dong-Hwan Kim is an attorney at law and Yoon Suk Shin is a patent attorney and partner at Lee International IP & Law Group.

2 The IP5.
and is renewable every 10 years without limitation. Use of the mark is not required to obtain a right for the mark. If a mark has not been used for three consecutive years after the registration date, however, the mark may be cancelled through a cancellation action.

iv  Design rights
Design rights provide protection for a shape, pattern or colour of an article or a combination thereof. The term of a design right is 20 years from the filing date of the application. Design rights can be obtained for designs that have industrial applicability, novelty and creativity. A design is deemed to have creativity where the design is clearly and objectively distinguishable from other designs.

v  Copyright
Copyright provides protection for a work, which is statutorily defined as a creative work that expresses the thoughts or emotions of a human being. Copyright arises automatically when a work is created and lasts until 70 years after the death of the author. A work is not required to be fixed in a tangible medium, and registration is not required for copyright protection. Copyright is subject to statutory limitations, such as educational, non-profit and fair use.

vi  Trade secrets
Trade secrets are afforded protection under the Unfair Competition Prevention and Trade Secret Protection Act (the Trade Secret Protection Act). The trade secrets under the Trade Secret Protection Act include various kinds of methods or information from a production method to a sale method and useful technical or business information for business activities, which are not protectable by the Patent Act. Methods or information can be acknowledged as protectable trade secrets if they comply with the requirements such as secrecy (non-disclosure), economic value and security measures. According to a recent revision of the Trade Secret Protection Act, the requirements relating to security measures were relaxed from a substantial effort to a reasonable effort to maintain the secrecy of a trade secret.

vii  Regulatory exclusivities
The Ministry of Food and Drug Safety requires four-year or six-year post-marketing surveillance (PMS) to monitor the safety of a new drug after an approval for the new drug is granted. During this PMS period, a generic pharmaceutical company is restricted from filing an application for approval referring to the safety and efficacy data of the new drug, even if the patent of the original pharmaceutical company has expired. This has the effect of providing data exclusivity to the original pharmaceutical company.

II  RECENT DEVELOPMENTS
The most significant developments in Korea are presented below.

i  Statutory developments
The revised Korean Patent Act, which introduces punitive damages for patent infringement and shifts the burden of proof in a patent infringement litigation to an accused infringer, will be effective as of 9 July 2019. The provision for punitive damages will be applicable to patent
infringements occurring after 9 July 2019, and the provision regarding the burden of proof in a patent infringement litigation will be applicable to patent infringement litigations filed after 9 July 2019. The revision can be summarised as follows:

a. the courts will be allowed to award punitive damages up to treble the actual damages for a willful infringement of a patent right or an exclusive licence thereof;

b. the amount of damages that may be claimed against an infringer of a patent right in the case where it is difficult to prove the amount of actual damages is changed from the amount equivalent to ‘what the patentee would have normally received from working the patented invention’ to ‘what the patentee would have reasonably received from working the patented invention’; and

c. the burden of proof in a patent infringement litigation can be shifted to the accused infringer to require the accused infringer who denies the act of infringement claimed by the patentee or exclusive licensee to produce his or her actual product or process.

According to this revision, it is possible for a patentee to claim punitive damages up to treble the actual damages for a willful patent infringement and to calculate the amount of damages to an amount equivalent to a reasonable range of the royalties based on the individual and specific circumstances of the patent infringement, thereby strengthening the protection of patent rights. In addition, the shift of the burden of proof in a patent infringement litigation to the accused infringer will facilitate the enforcement of patent rights. It is expected that the protection of patent rights in Korea will be enhanced with the introduction of the new provisions above.

ii. Changes to case law

Extension of scope of patent term extension to an alternative salt

The Supreme Court held that the scope of the protection conferred by a patent term extension (PTE) is not restricted to only the specific salt of an API (in this case, solifenacin succinate) that the marketing approval was based on, but can be extended to cover an alternate salt (in this case, solifenacin fumarate) (Supreme Court Case No. 2017 Da 245798 issued on 17 January 2019). The Supreme Court ruled that A-care (solifenacin fumarate), which is a salt modified drug, is substantially identical to Vesicare (solifenacin succinate), in terms of their use, method of administration, and therapeutic effects produced by the pharmacological activity of the API absorbed into the human body, as proven by phase I clinical trials. The Supreme Court also held that A-care could have been easily derived from Vesicare on the basis that a fumarate salt is classified as class 1 of pharmaceutical salts commonly used as a succinate salt; and it is widely known that the solifenacin succinate is administered and absorbed in vivo in the same way as the solifenacin fumarate. On this basis, the Supreme Court concluded that the scope of patent protection conferred by the PTE extends to the salt modified drug in consideration of in vivo activities of the two salts of solifenacin, and easiness of salt modification.

Prior to the issuance of this decision by the Supreme Court, the scope of the protection conferred by a PTE had been narrowly interpreted to affect only the specific salt of an API that the marketing approval is based on. However, it is expected that the strategies of generic companies that had attempted to make an early entry into the market prior to the expiration of the extended patent term of the original patent through salt modification would need to be changed due to this Supreme Court holding.
The licensee is an interested party for the filing of an invalidation trial

The Supreme Court held in an *en banc* decision that the licensee of a patent is also an interested party that can file an invalidation trial against the patent (see Supreme Court Case No. 2017 Hu 2819 issued on 21 February 2019), which went against the previous decisions ruling that the licensee of a patent is not an interested party for the filing of an invalidation trial.

The Supreme Court provided the following grounds for which the licensee of a patent is an interested party: (1) as the licensee generally pays a licence fee to the patent holder or has the limited scope of carrying out the patent based on the licence, the licensee is able to break away from this limitation by invalidating the patent by filing an invalidation trial, (2) there are cases where the party who intends to carry out the patent by filing an invalidation trial, (2) there are cases where the party who intends to carry out the patent by filing an invalidation trial, when the party does not file an invalidation trial due to time or cost restraints or is unable to wait until the patent is conclusively invalidated in the decision of an invalidation trial. Accordingly, it cannot be concluded that the licensee has intended not to argue the invalidation of the patent, solely on the basis that the licensee was granted a licence.

III OBTAINING PROTECTION

Under the Korean Patent Act, the patentable categories of inventions are a product, a method and a method of preparation. Use is not a patentable category of invention. Furthermore, since a method for treatment, prevention and diagnosis on a human being is deemed to lack industrial applicability and, thus, is not allowed, a medical use invention is generally drafted in a product form, such as a pharmaceutical composition or a medicament, and the medical use should be identified by a pharmacological effect with respect to the diagnosis, treatment, alleviation or prevention of a disease. That is, the medical use should be identified with reference to a specific disease. Note if the claim is drafted in the form of a compound, the claim will be deemed to be directed to the compound itself regardless of the medical use defined in the claim.

Other types of subject matter, such as genetic materials and genetically engineered cells, plants and animals (except a human being), are patentable.

Software inventions can be protected by method, apparatus, recording or storage medium claims, or claims for a computer program (or an application) stored in a medium. To qualify as patent-eligible subject matter, the information processing by the software must be concretely realised through the use of hardware. This hardware requirement is also applicable to business methods. Further, claims directed to a program signal, a data signal or a computer program list and claims that involve human acts, economic rules, artificial decisions, mathematical algorithms or human mental processes are not allowable for patent protection.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

A patent infringement lawsuit for damages or injunction may be filed with one of the following five specialised district courts according to jurisdiction: Seoul Central District Court, Daejeon District Court, Daegu District Court, Busan District Court and Gwangju District Court. A preliminary attachment or a preliminary injunction may be requested from one of the five specialised district courts, or one of the 58 district courts or any of their branches across the nation that has personal jurisdiction over the defendant.
ii Requirements for jurisdiction and venue

The jurisdiction and venue of a patent infringement lawsuit for damages or injunction, and a preliminary attachment or a preliminary injunction, depend on the defendant's address and the place where the infringement occurred. Notwithstanding the foregoing, regardless of jurisdiction, a plaintiff may elect to have the case heard at the Seoul Central District Court.

iii Obtaining relevant evidence of infringement and discovery

According to the Korean Code of Civil Procedure, if a party requests the court to investigate certain evidence, and it is deemed that it would be difficult to use the relevant evidence later, the court may investigate the evidence even prior to the filing of the complaint. The granting of such a request is limited to cases where it would not be possible to investigate the evidence later. To prove a patent infringement, the patentee usually relies on publicly available evidence at the time of filing the complaint, since evidence in the hands of the opponent is difficult to obtain before a lawsuit. Once a party shows a reasonable ground for the court to determine that the opponent or a third party is in possession of relevant information, the court may issue, upon the party's request or ex officio, an order to the person who is in possession of the evidence to submit it.

The Code of Civil Procedure provides a variety of mechanisms for obtaining evidence from adverse parties in a lawsuit. Mechanisms to collect evidence, via filing a motion with the court during the litigation procedures, include live examination of witnesses, requests for production of documents and requests for inspection of premises. To facilitate a party's investigation into the opponent's written evidence, the party may file a motion asking the opponent to submit a list of related documents that are under the opponent's control or are planned to be introduced as evidence by the opponent.

The most common mechanism for obtaining third-party discovery is a material production request ordered by a court upon the motion of a party. However, the motion must specify the material to be produced and the person or entity from whom such production is sought.

iv Trial decision-maker

A panel consisting of three judges examines a patent infringement action with the assistance of technical experts. Technical experts are assigned mainly to the Seoul Central District Court and the five courts dedicated to patent infringement lawsuits for damages or injunction, and not to all courts. There are about 20 technical experts at the Seoul Central District Court who assist in decisions.

v Structure of the trial

A patentee bears the burden of proving the infringement of the patent, whereas a party challenging the patent bears the burden of proving invalidity or unenforceability. Although the Korean Patent Act does not specifically provide a presumption of validity, a patent claim granted after substantive examination by the examiner is presumed valid. As the district court has no power to declare patent invalidity, it may simply refuse to enforce a patent when a serious doubt has been raised as to the validity of the patent. Patent invalidation actions are litigated before the IPTAB, not a district court.
In limited circumstances, a patentee can be relieved of the burden of establishing infringement and the burden of establishing non-infringement be placed on the alleged infringer. This occurs in cases involving a patented process for making a product that has not been known to the public on the filing date of the subject patent application.

The Korean Patent Act was revised to relax the burden of proof in a patent infringement litigation. According to this revision, as from 8 July 2019, the accused infringer who denies the act of infringement that is claimed by a patentee or an exclusive licensee will be required to produce his or her actual products or process.

vi Infringement
A patent can be infringed when a person performs activities satisfying all the elements required as defined in a patent claim (all elements rule).

Even if infringement is not established pursuant to the all elements rule, infringement may be found under the doctrine of equivalents (DOE). Specifically, Korean courts apply the DOE rule to determine whether an allegedly infringing product or process that does not literally include exactly the same elements as defined in a patent claim may still be found to infringe if the difference between the elements of the patent claim and the allegedly infringing product or process is not substantial.

In addition, when a person performs activities satisfying some elements defined in a patent claim and the remaining elements of the patent claim are performed by another, and as a result, the patented invention is performed by two (or more) persons, the two performers may be liable for a patent infringement as joint tortfeasors.

The Korean Patent Act prescribes that one is liable for contributory infringement when making, offering for sale, selling or importing a product that may be used solely for manufacturing a patented device. When a patent claim defines a process or method, the same rule is applied to a product that may be used solely for exploiting the patented process or method.

The above provisions of the Korean Patent Act are construed to exclude supplying staple products from contributory infringement by limiting the product as being used solely for manufacturing the patented device. It is not explicitly prescribed whether a direct infringement is a prerequisite to establishing a contributory infringement. This issue matters since the liability of patent infringement requires exploitation of a patent to be ‘commercial’ activity. When the patented product is employed for a personal use, rather than for a commercial use, supplying the patented device is not deemed a patent infringement.

In addition, the Korean Supreme Court has held that in order to establish a contributory infringement, the production act in ‘solely for manufacturing the patented device’ is required to be performed domestically.

vii Defences
Patent invalidity
To challenge the validity of a patent, an invalidation action can be filed with the IPTAB of the KIPO. Only an interested party or an examiner can request an invalidation trial. An invalidation trial can be requested for each patent claim.

In addition, during the period from the registration date to six months after the publication of the patent, any person can request the cancellation of a registered patent to the IPTAB by submitting prior art, which have not been cited during the examination.
Patent unenforceability

In Korea, a valid patent will be unenforceable under the good faith principle of the Civil Act if the enforcement of the patent is deemed as an abuse of the patent right. According to court decisions in Korea, when a patent is apparently deemed to lack novelty or an inventive step, the patent is unenforceable even before a decision to invalidate the patent becomes final and conclusive.

If an act of working a patent falls under any of the unfair trade practices (e.g., filing a patent infringement lawsuit while being aware of the invalidity of the patent) prescribed in the Fair Trade Act, the patent enforcement will be restricted so as not to violate the Fair Trade Act, and the patentee will be liable to pay a fine levied by the Fair Trade Commission.

Prior user defence

If an accused infringer has been commercially using the accused method or device prior to the filing of the patent, the accused infringer may assert the ‘prior user rights’ defence to patent infringement.

Under the Korean Patent Act, a person, who, without knowledge of the content of an invention claimed in a patent application, made an invention identical to the said invention or learned of the invention from a person who made an invention identical to the said invention and has been working the invention or making preparations to work the invention in Korea at the time of the filing of the patent application, is entitled to have a non-exclusive licence (prior user right) on the patent right within the scope of the objective of the invention or the business related to the invention that the person is working or making preparations to work.

Preparations to work the invention mean substantial preparations to conduct business based on the invention, including purchase of a plant site or business facilities.

In the case where a patent based on an application filed by an unlawful person is transferred to the proper person upon a request, if before the transfer, a patentee, an exclusive licensee or a non-exclusive licensee has been practising or preparing to practice the patented invention in Korea without being aware that the application was filed by an unlawful person, he or she may be deemed to have a non-exclusive licence for the patent.

Time to first-level decision

The average duration of a patent infringement suit from filing of a complaint to entry of judgment varies depending upon the complexity of the case and the court with which the case is filed. The Seoul Central District Court has heard the largest number of patent cases and has developed institutional expertise in patent cases, and an infringement suit before that court can be resolved within 12 to 18 months.

Remedies

Monetary damages can be awarded to a patentee (or exclusive licensee) when its patent is found to be valid and infringed and the patentee loses its profits as a result of the infringement. The damages are intended to fairly compensate the patentee for losses suffered as a result of the infringement. A patentee is entitled to its lost profits on all lost sales resulting from the infringement if the patentee can show that, but for the infringement, the patentee would have made the sales that the infringer made. Accordingly, the patentee must show demand for the product in the market and sufficient capacity to make non-infringing products.
When there are losses caused by the infringer’s sales of infringing products, but the actual lost profits are not easily proven, the amount of losses may be calculated by multiplying the number of sold products by the profit per unit of the product that the patentee might have sold but for the infringement. In such cases, the damages may not exceed an amount calculated by multiplying the estimated profit per unit by the amount obtained from subtracting the number of products actually sold from the number of products that the patentee could have produced. However, if the patentee was unable to sell his or her product for reasons other than the infringement, a sum calculated according to the number of products subject to the said circumstances shall be deducted.

The profits gained by the infringer as a result of the infringement shall be presumed to be the amount of damage suffered by the patentee.

The pecuniary amount of reasonable royalty to which the patentee would normally be entitled may be claimed as the amount of lost profits of the patentee. Notwithstanding, if the amount of losses exceeds the amount of the reasonable royalty, the amount in excess may also be claimed as damages. In such cases, the court may take into consideration whether or not there has been willfulness or gross negligence on the infringer when awarding damages.

Nevertheless, if the nature of the facts of the case makes it difficult to provide evidence proving the amount of losses, the court may determine a reasonable amount on the basis of an examination of the whole circumstances.

In addition, according to the revised Korean Patent Act, as from 8 July 2019, the courts will be allowed to award punitive damages up to treble the actual damages for a wilful infringement of a patent right or an exclusive license thereof, thereby strengthening the protection of patent rights.

A patentee (or exclusive licensee) can request a preliminary or permanent injunction against a person who infringes or is likely to infringe on his or her own patent right. A patentee can demand the measures necessary to prevent the infringement. To obtain a preliminary injunction, the patentee must show a likelihood of success on the merits for the validity of the patent and infringement. In deciding whether to grant a preliminary injunction, the court must also take into consideration the balance of hardships between the parties, the prospects of irreparable harm to either party and the public interest. Both preliminary and permanent injunction apply only to the defendant. Thus, an injunction is not effective against the infringer’s suppliers or customers.

### Appellate review

The patent court has jurisdiction over appeals of judgments in patent infringement lawsuits. However, appeals of preliminary attachment or preliminary injunction judgments are heard at appellate divisions of the district court or at the High Court in one of the five large cities within which the district court resides. For patent invalidity decisions as well as declaratory judgments made by the IPTAB, all appeals are heard at the Patent Court.

Appeals of decisions issued by the High Court or the Patent Court may be heard at the Supreme Court. The Supreme Court may decide to refuse to deliberate within four months of the date a notice of appeal is lodged to the Supreme Court.

### Alternatives to litigation

The common forms of alternative dispute resolution for resolving patent disputes in Korea are mediation and arbitration. The KIPO has established and operates the Industrial Property Dispute Mediation Committee for patent, trademark and design rights. For arbitration, the
Korean Commercial Arbitration Board was established for various commercial disputes for internal and international trade disputes, including patent infringement disputes, although this institution does not specialise in patent disputes.

As another alternative to litigation, a patentee may request an investigation of unfair trade practices to the Korea Trade Commission (KTC), which is an administrative agency. When potentially infringing goods are being imported into or exported out of Korea, a patentee may alternatively, or additionally, request that the KTC institute an investigation of the potential infringement. Unlike a patent infringement action or preliminary attachment or injunction, a patentee may request an investigation to the KTC without being subject to personal jurisdiction. Based on its investigation and determination as to whether unfair trade practices (e.g., a patent infringement) have taken place, the KTC may impose sanctions, such as penalties or a ban on the import of infringing goods, against the parties that engage in unfair trade practices.

V TRENDS AND OUTLOOK

Pursuant to the revisions of the Korean Patent Act, the courts will be allowed to award punitive damages up to treble the actual damages for a wilful infringement of a patent right or an exclusive licence thereof, and the burden of proof in a patent infringement litigation can be shifted to the accused infringer who, if he or she denies the act of infringement that is claimed by a patentee or an exclusive licensee, can be required to produce his or her actual products or process. It is expected that this revision will strengthen the protection and facilitate the enforcement of patent rights, thereby triggering changes in patent litigation environment, such as an increase in patent disputes in Korea.
Chapter 15

NETHERLANDS

Wim Maas and Maarten Rijks

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Overview

In terms of intellectual property law and litigation, the Netherlands ranks among the most important jurisdictions in Europe. IP cases in the Netherlands are handled by several courts that can boast extensive experience in that respect. The Hague Court, in particular, has exclusive jurisdiction in patent cases and other specific types of IP litigation, employing specialist judges to assess such cases. Rulings handed down in the Netherlands consequently carry significant weight in the rest of Europe as well.

In terms of entering the European market, the Netherlands is an essential starting point. Enforcing IP rights in the Netherlands, therefore, can prove instrumental in the protection against infringement in Europe. IP litigation in the Netherlands is efficient in terms of both time and costs; hence it is a favoured venue for IP litigation. IP proceedings in the Netherlands primarily concern patents, trademarks, designs and copyright. These will be discussed in greater detail, below.

ii Patents

There are several ways to obtain patent protection in the Netherlands, of which filing a patent application with the Dutch Patent Office is the first. Second, the protection of patents in the Netherlands can ensue from a European application before the European Patent Office (EPO). In addition, the Netherlands is a member of the Patent Cooperation Treaty (PCT). Whether it be via a national application or an international treaty (e.g., European Patent Convention (EPC), PCT), a patent that is issued for the region of the Netherlands will be governed by the Dutch Patents Act (DPA).

**National Dutch patent application**

National Dutch patents are granted through a patent application procedure before the Dutch Patent Office. Several requirements must be met before patent protection is granted: the invention must be novel, must involve an inventive step and must be capable of industrial application.

The term ‘unexamined’ is often used when referring to Dutch national patents. Even though patent application procedures always involve a search into the prior art (national or international, depending on the choice of the applicant), the actual grant of the Dutch
national patent will not be affected by the results of such a search. Hence, the results of the search into documents that destroy novelty or are prejudicial to inventive step never prevent applications for Dutch national patents from being granted. The underlying idea is that this would allow smaller companies to obtain patent protection as it limits prosecution costs. Subsequent enforcement proceedings will then address the issue of the patent’s validity.

**European patents**

A European patent will be valid in the Netherlands once the corresponding patent application that designates the Netherlands is granted. The rules of the DPA will govern the Dutch part of that European patent. The DPA distinguishes, in some respects, between Dutch patents granted via a European application and those granted following a Dutch national application. The distinction in their respective treatments relates primarily to the unexamined nature of Dutch national patents. However, the remedies are the same for both types of patents.

Most of the patents valid in the Netherlands are issued following application procedures with either the EPC or the PCT.

### Trademarks

In the Netherlands, there are two legal regimes that govern trademark protection.

**Benelux trademarks**

First, there is the Benelux Convention on Intellectual Property (BCIP) of 1 September 2006, that has been amended on 1 March 2019 to implement the Trademark Directive (EU 2015/2436). In the Benelux territory, covering the Netherlands, Belgium and Luxembourg, this treaty governs the grant, scope of protection and validity of trademarks (and design rights). From the date on which the application was filed, trademarks under the BCIP have an initial 10-year term of protection. This initial term can be extended with successive 10-year terms. It is worth noting that a trademark under the BCIP is a unitary trademark for the Netherlands, Belgium and Luxembourg. Such trademarks can be transferred only as a whole, so for the entire Benelux, even though they can be licensed for only one of those three territories. There is no national trademark system in the Netherlands.

Even though the position occupied by Benelux trademarks is separate from that of European Union trademarks (see below), Dutch courts interpret the BCIP in conformity with the Trademark Directive (EU 2015/2436). Dutch courts take the case law of the Court of Justice of the EU (CJEU) into account in their interpretation of the BCIP provisions.

The most important legislative changes, owing to the implementation of the Trademark Directive and the two protocols amending the BCIP, are the following. Owners of trademarks now have the possibility to file opposition against similar trademarks filed for goods or services that are not similar, based on a trademark that enjoys a reputation in the Benelux, when use without due cause of the later mark would take unfair advantage of or be detrimental to the distinctive character or the repute of the earlier trademark. In addition, the BOIP has introduced a new procedure at the BOIP that makes it possible to apply (at any given time) for the invalidity or the revocation of a Benelux trademark in an office action before the BOIP. Invalidity may be claimed on absolute grounds (in particular owing to a lack of distinctive character) and on relative grounds owing to similarity with an earlier trademark. Revocation of a Benelux trademark can be claimed in cases of non-use. Furthermore, the Second Chamber of the Benelux Court of Justice will now be exclusively competent to handle all appeals against decisions of the BOIP in opposition proceedings and in cases
Regarding the refusal of a Benelux trademark. Before the legislative changes, those appeals were handled by three different courts in the three Benelux countries. Now the handling of the appeal proceedings is centralised. Moreover, the requirement that the trademark must include a graphic representation is no longer required by law and the absolute grounds for refusal for shape marks are broadened, and are not limited anymore to the shape of a mark, but now also include ‘other characteristics’ of the mark (e.g., colour or smell).

European Union trademarks

European Union trademarks (EUTMs) are valid in the Netherlands provided they have been registered on the basis of EU Regulation 2015/2424 (the Trademark Regulation). The protection conferred by European Union trademarks applies to all EU Member States. The prosecution of European Union trademarks is the responsibility of the European Union Intellectual Property Office (EUIPO). The system of European Union trademark protection is independent of that of the Benelux trademarks, enabling applications to have their brands protected in the Netherlands by both Benelux and European Union trademarks.

Dutch courts interpret European Union trademarks, and the protection that they confer, in accordance with the case law of the Court of Justice of the EU. The protection of a European Union trademark in the Netherlands should, thus, correspond with that of the same trademark protected under the BCIP, although the BCIP, contrary to the Trademark Directive, also provides the trademark owner the right to oppose the use of a sign other than for the purposes of distinguishing goods or services, where that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

iv Designs

In reference to the trademarks above, the structure of protection of designs is more or less the same.

Benelux design rights

The protection of design rights for the Netherlands, Belgium and Luxembourg is also covered by the BCIP. Considering no national design right system exists in the Netherlands, design right protection under the BCIP is as close as one can get to obtaining Dutch national design right protection. The initial term of protection is five years. This term may be extended to a maximum of 25 years, by five years at a time. The protection of design rights for EU Member States, similarly to that of trademarks, is subject to the standards set in a European directive, which in this case is the Design Right Directive (Directive EU 98/71). In their interpretation of the BCIP, Dutch courts will be attentive to the Design Right Directive and the CJEU case law on this Directive.

Community design rights

Design right protection in the Netherlands can also be obtained through a Community design right. EU Regulation 6/2002 governs this Community design right. Designs may be granted for the appearance of either three-dimensional designs, or drawings under both systems. The requirements for such a design are (1) novelty and (2) individual character. The BCIP dictates that the aspects of the design that are necessary for obtaining a technical effect
are not covered by the protection of designs. All the technical aspects of a design must be patent protected (see above), and the Dutch system does not acknowledge design rights with a limited technical functionality, such as utility design rights.

v Copyright
The protection of copyright in the Netherlands is governed by the Copyright Act. Pursuant to the Copyright Act, copyright protection is provided to works of literature, science or art. The definitions of such works is further specified in the Act to include books, plays, industrial design, pantomimes, movies, photographs and also computer software. Only original works with their own individual character that bear the personal mark of the author can qualify for copyright protection, as established in Supreme Court case law. It is noteworthy that the threshold for copyright protection in the Netherlands is relatively low. For the test of copyright protection, neither the absolute novelty of the relevant work nor the amount of effort dedicated to its creation are contributing factors. Copyright protection has been granted to characters (from books, comics or movies) in some cases. In such a case, the character must also consist of at least an original combination of character elements to be protected by Dutch copyright.

Copyright protection in the Netherlands does not extend to ideas, plans, trends, style or any other types of works that have not been stated in or translated into a concrete form, as established in Dutch case law.

vi Trade secrets
In the Netherlands, the general rule of tort protects trade secrets or know-how. Even though the Netherlands is a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which contains a dedicated clause on trade secret protection, before 2018 there was no separate Dutch law that protected proprietary confidential business information. On 23 October 2018, the Dutch Trade Secrets Act entered into force, implementing the EU Directive 2016/943 on the protection of trade secrets that came into force on 5 July 2016. Before the Dutch Trade Secrets Act, the Dutch legislator always considered that the general rule of tort offered ample protection for trade secrets and know-how. In the Netherlands, there is thus an extensive body of case law on the subject and the protection of proprietary information is generally considered adequate. Furthermore, Dutch tort law protected the owner of proprietary information against acts by third parties unlawfully handling such information (e.g., stealing the information or obtaining the information through fraud) and against acts that violated confidentiality agreements. The filing for seizure of evidence in trade secret cases was already possible based on case law of the Supreme Court of 2013.

The Dutch Trade Secrets Act that has entered into force introduced a separate Dutch law on the protection of trade secrets. Trade secrets ought to enjoy a wider scope of protection in the Netherlands, because the Netherlands made use of the option of the EU to provide a broader protection than provided by the EU Trade Secrets Directive. The Trade Secrets Act defines ‘infringing goods’, as goods of which the design, characteristics, functioning, production process or marketing significantly benefits from trade secrets that are unlawfully acquired, used or disclosed. The legislator prescribes a broad interpretation of the term ‘significantly benefits’. If trade secrets are only partly used for the production of a good, the whole good will therefore be defined as infringing. In addition, in line with the Trade Secrets Directive, the Trade Secrets Act enables the possibility (which is not limited to cases that are specifically about trade secrets) that the access to a trade secret is reserved to lawyers or
representatives that have received special permission hereto from the court. The Trades Secret Act also includes the possibility to recover legal costs, which will be granted by the court to the winning party in respect of all ‘reasonable and equitable’ legal and other costs.

vii Other
For the types of protection stated above, the Dutch legislature has put in place specific regimes for the protection of databases, the design of chip typographies and plant breeder rights. The Dutch Databases Legal Protection Act is a promulgation of the EU Directive 96/9 on the legal protection of databases, and provides for the protection of collections of works, data or other elements that have been systematically or methodically arranged following a substantial investment. The entity that has carried the risk for the substantial investment in question is granted a sui generis database right on the basis of the Databases Legal Protection Act.

The European regulation on the protection of typographies of chips has been implemented in the Netherlands. This has led to the adoption of a law granting protection for a typography that is original in the sense that it is the result of the maker’s intellectual efforts and is not generally known within the chip industry. This law bestows upon the maker of a typography an exclusive right to reproduce and make such typographies. The law does require this typography to be registered with the Dutch patent office.

II RECENT DEVELOPMENTS
i Copyright
On 23 May 2017, the Arnhem-Leeuwarden Court of Appeal referred questions for a preliminary ruling to the CJEU relating to the extent to which a specific taste may qualify for protection under copyright law. The main question is if Union law precludes the taste of food – as the author’s own intellectual creation – from being protected by copyright.2 The dispute is between two cheese manufacturers. The claimant, Levola, and the defendant, Smilde Foods, are both producers of a cheese product – the former called “Heks’nkaas” (witches’ cheese) and the latter ‘Witte Wievenkaas’. Heksenkaas is a spreadable dip made of cream cheese, fresh herbs and ‘a tiny bit of magic’. According to Levola, the cheese spread called ‘Witte Wievenkaas’ infringes Levola’s copyright on the taste of Heks’nkaas.3 On 13 November 2018 the Grand Chamber of the CJEU ruled that the taste of food products is not eligible for copyright protection.4 The CJEU considered that in order to obtain copyright protection, one must be able to identify, clearly and precisely, the subject matter protected and it is necessary that there is no element of subjectivity in the process of identifying the protected subject matter, which is – according to the CJEU – not possible with the taste of food. The CJEU concluded that in the current state of scientific development it is not (yet) possible by technical means to precisely and objectively identify the taste of food products and therefore the protection under copyright law of a specific taste was rejected by the CJEU.

On 13 December 2017, the District Court of The Hague5 ruled that the Swiss company Vitra, manufacturer of the ‘dining sidechair wood (DSW)’ chair designed by Ray and Charles

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2 Case C-310/17.
Eames cannot prohibit Kwantum from selling a similar chair. The Court noted that the chair was first exhibited in the United States and is not protected by copyright law there. Therefore, applying the Paris Convention for the Protection of Industrial Property, the Berne Convention and the EU Directive on the term of protection of copyright, the Court decided that the chair is not protected by copyright in the Netherlands. The Court also ruled that Vitra’s chair did not have its own place in the market when Kwantum launched its product. Therefore, Kwantum did not act unlawfully under the Dutch doctrine of slavish imitation.

The Court of Appeal of Amsterdam also denied copyright protection to a two-coloured chocolate curl in a case between Dobla and Chocolate King, because the combination of two contrasting colours forming stripes and the shape of the chocolate curl is according to the court too simple and trivial to meet the threshold of copyright protection. The Court is of the opinion that a bell-shaped chocolate curl, varying in colour, and a tapered sliced piece of chocolate can be protected by copyright, but that the scope of protection is so limited that the products of Chocolate King are not infringing the copyright of Dobla.

The Court of Appeal of Amsterdam also ruled on 29 January 2019 that the Charly and Chaplin chairs from Montis no longer enjoy copyright protection. The Court of Appeal denied the applicability of the EU Directive on the term of protection of copyright and ruled that the Charly and Chapin chairs are no longer copyright protected because Montis failed to file the maintenance declaration in time (which was obligatory because of the Benelux Design law at that time). The court ruled that the maintenance declaration was not a violation of the Berne Convention and TRIPS, referring to the decision of the Benelux Court of 11 July 2018, the judgment of the CJEU of 20 October 2016 and different judgments of the Dutch Supreme Court on copyright in the Montis v. Goossens case.

In addition, the Copyright Contract Law Disputes Committee began operating on 1 October 2016. The setting up of this committee is the direct result of the implementation of Article 25(g) DCA, which provides for the creation of a dispute resolution committee competent to rule on matters of (1) fair remuneration; (2) additional fair remuneration (bestseller clause); (3) non-use of a work; and (4) unfair contract terms. The only fees involved are a complaint fee of €150, and, for the exploiter, registration fees of €150. Legal representation is not required. On 27 July 2018 the committee rendered a decision on the applicability of Article 25(g) DCA, and more specifically the article that enables the author to ask for an additional fair remuneration, also known as the ‘bestseller clause’. The decision is initiated by the screenwriter and the director of a Dutch movie titled ‘Soof 2’. The committee ruled that total return of exploitation of the movie by the producers is highly disproportionate to the agreed royalty payment of the screenwriter and the director. Therefore the committee ruled in favour of the director and screenwriter and concludes that the producers must increase the royalty payment from 5 per cent to 10 per cent respectively from 7 per cent to 12 per cent.

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6 Kwantum is represented by Taylor Wessing.
7 Court of Appeal Amsterdam 9 October 2018, ECLI:NL:GHAMS:3747 (Dobla v. Chocolate King).
8 Court of Appeal Amsterdam 29 January 2018, IEF 18212 (Montis v. Klaver).
10 CJEU 20 October 2016, C-169/15.
11 Geschillencommissie Auteurscontractenrecht 27 July 2018, dossier number 113417 and 113462.
Patents
As from 1 February 2019, the DPA contains a new exemption to the exclusive right of the patentee. The new exemption of Article 53(3) DPA allows pharmacists to prepare drugs that are still patent-protected. The exemption states that the exclusive right shall not extend to the preparation of drugs for direct use for the purpose of individual cases on medical prescription of drugs in pharmacies. The exclusive right shall also not extend to any acts regarding the preparation of drugs in this regard.

In 2018, several judgments were delivered by the District Court of The Hague in the extensive patent dispute between Nikon and ASML, which comprises 11 separate infringement actions based on 11 different patents in the Netherlands. The patentee, Nikon, owns different patents on the semiconductor lithography technology. Lithography systems are used by ASML to fabricate chips. In the judgments of 18 July 2018, 6 June 2018, 22 August 2018, the District Court of The Hague ruled that three invoked patents of Nikon are (partly) invalid, because of a lack of an inventive step and they can therefore not be infringed by ASML. In the judgment of 1 August 2018, the court ruled that that ASML was not infringing the patent, because Nikon had not proved that ASML was using an exposure apparatus with a reference (MFM) that was covered with light-transmissive material. The court therefore did not get to the assessment of the validity and prior-use of this specific patent. Carl Zeiss SMT GmbH also asked the court in several procedural issues to order a joinder of related cases with the cases that Nikon had started against ASML, which the court rejected.

On 3 November 2017, the Dutch Supreme Court handed down a landmark decision on the direct and indirect infringement of second medical use patents in the MSD v. Teva case. This case relates to MSD’s Swiss-type second medical use patent protecting a combination therapy of Ribavirin and Interferon Alpha for a specific group of hepatitis C patients (EP 861).

Teva had introduced on the Dutch market a generic Ribavirin product. The product included a skinny label, in which the indication of EP 861 (the specific group of hepatitis C patients) had been carved out. The parties did not disagree that there was a substantial market for both a Ribavirin therapy according to EP 861 and for a Ribavirin therapy that was not protected by EP 861 (or by any other patent).

The Supreme Court held that a manufacturer or seller directly infringes a patent with a Swiss-type claim if he or she foresees or ought to foresee that the generic substance he or she manufacturers or offers will intentionally be used for treatment covered by the second medical indication patent. This requires that the average person skilled in the art, on the basis of the SmPC or the product information leaflet or some other circumstance, will consider that the substance is (also) intended for or suited to that patented treatment. The manufacturer or seller will then have to take all effective measures that can reasonably be required of him or her to prevent his or her product from being dispensed for the patented

second medical indication. The mere circumstance of a carve-out in the SmPC and product information leaflet of the generic drug – as in the present case – is generally not sufficient to rule out direct infringement.

The Supreme Court also held that the reasonable protection of the patent proprietor prescribed by Article 1 of the Protocol justifies that there can be an indirect infringement of a Swiss-type claim (in the same way as an EPC 2000 claim). The Supreme Court held that the patented use protected by Swiss-type claims is ‘an essential element of the invention’, which is a requirement for establishing indirect infringement. It is not an objection that a manufacturer of a generic medicine can both directly and indirectly infringe such a patent.

With regard to second medical use patents, the District Court of The Hague invalidated on 11 April 2018 on the grounds of the lack of an inventive step AstraZeneca’s patent covering the use of fulvestrant in the preparation of a pharmaceutical formulation for the treatment of breast cancer.\footnote{District Court of The Hague 11 April 2018, ECLI:NL:RBDHA:2018:4127 (Sandoz v. AstraZeneca).} The Court of Appeal reversed this decision and ruled on 27 November 2018 that the patent is valid and Sandoz had infringed it.\footnote{Court of Appeal of The Hague 27 November 2018, IEF 18122 (Sandoz v. AstraZeneca).} In its judgment of 8 May 2018, the Court of Appeal of The Hague held in preliminary proceedings that Fresenius Kabi had infringed Eli Lilly’s patent covering the use of pemetrexed disodium in combination with vitamin B12 for the treatment of cancer.\footnote{Court of Appeal of The Hague 8 May 2018, ECLI:NL:GHDHA:2018:1105 (Fresenius Kabi v. Eli Lilly).}

On 8 February 2017, the Dutch district court in The Hague ruled in the Archos v. Philips case for the first time in the Netherlands since the Huawei decision on standard-essential patents (SEPs) and fair, reasonable and non-discriminatory (FRAND) issues. In this case the court was specifically asked by Archos to give a ruling on the ‘FRANDness’ of the licence proposals of both parties. The Court ruled that Archos, as the claimant, carried the burden of proof. Archos had not argued that the burden should shift to Philips because of the special position of Philips as a SEP holder, which possessed the information to determine how FRAND its offer really was. In fact, Archos apparently claimed it could prove Philips’ offer was not FRAND on the basis of public information.

The Court further indicated that FRAND is a range. Both the offer of the SEP holder and the counter-offer of the SEP user must be FRAND, but that does not mean they must be exactly the same.

The Court also noted that a large part of the negotiation history took place before the Huawei decision. Before Huawei, the jurisprudence (Philips v. SK Kasseten in Holland and Orange Book in Germany) required the SEP user to take the initiative of making a FRAND licence offer, rather than the SEP holder. According to the Court this meant the Huawei judgment justified a ‘moment for new negotiations’ between Philips and Archos. Philips took the initiative ‘in accordance with said judgment’ by making an offer in July 2015 and Archos appears (from the judgment) to have ended the possibility of negotiating a FRAND licence by making a low counter-offer. Although the Court decision does not say so explicitly, it appears the Court considered Archos was not a willing licensee (an obligation of a SEP user under Huawei).

The Court decision thoroughly analyses Archos’ submission regarding the Philips FRAND offer and Philips’ rebuttal. However, in the Court’s finding against Archos it is noted that it could have raised points during the course of the negotiations.
Philips also initiated three parallel infringement proceedings against Asus, thereby relying on the same three patents as in Archos v. Philips. The District Court of The Hague declared\(^{20}\) the three patents invalid due to lack of novelty and inventive step.\(^{21}\)

### iii Trademarks

Louboutin, whose characteristic red sole for women’s high-heeled shoes is protected as a trademark, enforced its trademark against local Dutch shoe trader Van Haren.\(^{22}\) The legal proceedings in the Netherlands were initiated by Louboutin in 2013,\(^{23}\) claiming that Van Haren infringed the Benelux trademark rights of Louboutin by selling ladies’ shoes with high heels having red soles. On 9 March 2016, the District Court of The Hague asked the CJEU if the definition of ‘shape’ within Article 3(1)(e)(iii) of Directive 2008/95 is limited to the three-dimensional elements of a product or can also include two-dimensional ones like, for instance, a colour. The Advocate General answered this question in the affirmative in his opinion of 22 June 2017. On 13 September 2017, the Chamber of the CJEU handling this case referred the case to the Grand Chamber (15 judges) of the CJEU because of the potential impact of this case on the overall functioning of the European Union trademark system. After a second round of pleadings, the CJEU also asked the Advocate General to deliver a new opinion. In his opinion of 6 February 2018, the Advocate General confirmed his earlier opinion that Article 3(1)(e)(iii) of Directive 2008/95 is to be interpreted as being capable of applying to a sign consisting of the shape of a product and seeking protection for a certain colour.

The CJEU ruled on 12 June 2018\(^{24}\) to the contrary and decided that a sign consisting of a colour applied to the sole of a high-heeled shoe, such as that at issue in the proceedings, does not consist exclusively of a ‘shape’ in the context of Article 3(1)(e)(iii) of Directive 2008/95. To follow on from the judgment of the CJEU, the District Court of The Hague ruled on 6 February 2019,\(^{25}\) in line with the reasoning of the CJEU, that Louboutin’s Benelux trademark does not solely consist of a shape because it is not intended to protect the shape of a product but only the application of colour on a specific place on a product. Therefore the court granted an injunction under pain of a penalty and also ordered van Haren to provide a report of sales figures, destroy the remaining stock and pay compensation for procedural costs.

The Court of Appeal of The Hague rendered a decision in 2017 on the decisive role of conceptual similarity in trademark proceedings. The decision involves the issue between the Dutch company Levola that is known for its cream cheese sold as ‘Heksenkaas’,\(^{26}\) the same one as discussed under the recent developments on copyright and the company Fanofinefood, which filed different marks for its product ‘Witte Wievenkaas’.\(^{27}\) The Court of Appeal of The Hague ruled that – merely because of the conceptual similarities – the

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\(^{21}\) Asus is represented by Taylor Wessing.

\(^{22}\) Van Haren is represented by Taylor Wessing.

\(^{23}\) Preliminary Relief Court The Hague, 18 April 2013 (Louboutin v. Van Haren).


\(^{26}\) Literally translates as ‘Witches’ Cheese’.

\(^{27}\) Literally translates as ‘white woman cheese’.
Pending oppositions against the ‘WITTE WIEVENKAAS’ trademarks must succeed. Witte Wieven\textsuperscript{28} are often portrayed in Dutch mythology and legends as white ghosts, and also female and malicious individuals, that frighten people and live alone. The court ruled that, if broken down by type, Witte Wieven would be characterised by a significant part of the public as a witch and both figures have negative connotations. According to the Court of Appeal a significant part of the public will therefore consider both cheeses as cheeses originating from or designated for fictitious females with negative connotations. Therefore, given the conceptual similarities, the court considered the latter marks conceptually similar enough to cause confusion. This case came before the Supreme Court. The Advocate General considered in his opinion of 26 January 2018\textsuperscript{29} that the judgment of the Court of Appeal of The Hague, that a substantial part of the public knows the meaning of the notion witte wieven, was unfounded. He recommended the annulment of the decision and the case’s referral for further judgment. The Supreme Court set the judgment of the Court of Appeal aside in its judgment on 13 July 2018.\textsuperscript{30} The Supreme Court was also of the opinion that a substantial part of the public did not know the meaning of witte wieven. According to the Supreme Court, the Court of Appeal had not substantiated on what grounds a significant part of the public would characterise Witte Wieven as female and fictitious individuals with negative connotations. The Supreme Court therefore annulled the decision and referred the case back to the Court of Appeal for further judgment.

On 5 February 2019, the Court of Appeal of Amsterdam\textsuperscript{31} ruled in a protracted dispute between Hauck and Stokke on the validity of the shape mark on the well-known design of the Tripp Trapp children’s chair. The Court of Appeal judged in line with the answers given by the CJEU in this case and ruled that the shape mark of Stokke is null and void, because of the ground for refusal of registration set out in Article 3(1)(e), 1st indent. This ground applies to a sign that consists exclusively of the shape of a product with one or more essential characteristics that are inherent to the generic function or functions of that product and which consumers may be looking for in the products of competitors and therefore the shape mark of Stokke is invalid.

On 18 December 2018, the District Court of The Hague\textsuperscript{32} rendered a decision in an interesting case on the scope of protection of the famous Lacoste mark. Lacoste owns the figurative mark including the famous Lacoste crocodile. Hema is the defendant, which is a well-known Dutch company that sells in its 350 stores in the Netherlands and other EU countries a variety of consumer goods. Hema offers for sale children’s underwear that bear several images of different crocodiles and reptiles and a blue undershirt containing one crocodile. The District court concluded that Hema was not infringing the trademark of Lacoste by selling the underwear, because the reptiles were used in a decorative way and not as a trademark since the crocodiles were displayed all over the underpants and undershirt of the underwear set. The court was of the opinion that it was very common to use animals on children’s underwear. Regarding the blue undershirt, the court concluded that the reptile was not merely used in a decorative way, because only one crocodile was printed on the shirt of a relatively small size. The Court therefore thought that there was a likelihood of confusion.

\textsuperscript{28} Literally translates as ‘white woman’.
\textsuperscript{29} Advocate General Supreme Court 26 January 2018, IEF 17464 (Heks en Kaas v. Witte Wievenkaas).
\textsuperscript{31} Court of Appeal Amsterdam 5 February 2019, ECLI:NL:GHAMS:2019:262 (Hauck v. Stokke).
\textsuperscript{32} District Court of The Hague 18 December 2018, IEF 18163 (Lacoste v. Hema).
but because the blue undershirt was only sold with the grey underwear set as a set, the court held that the public was not likely to be confused as it was not likely that they would think that the shirts were made by Lacoste. Accordingly, the District Court rejected the claims of Lacoste.

iv  Trade secrets

As mentioned above, since 23 October 2018 the Dutch Trade Secrets Act came into force. On 28 September 2018, the Supreme Court already anticipated in a decision on the Dutch Trade Secrets Act. The case pending concerned Dow, which requested access to material seized at Organik on the basis of the alleged theft of Dow’s trade secrets by Organik.

The Court of Appeal granted Dow (part) access to the seized materials. According to the Supreme Court, this was correct and there was no need to specify the trade secrets in more detail. The Supreme Court ruled that there was no violation of Article 6 of the European Convention of Human Rights, more specifically the right to hear the arguments of both parties, nor to the right to a fair trial, when the Court of Appeal and Organik were not aware of the specific substance of the trade secrets that were allegedly stolen. There was no need for Dow to specify the allegedly stolen trade secrets in more detail according to the Supreme Court.

v  Designs

On 20 February 2018, the Court of Appeal of The Hague rejected the infringement of design right of a table gas heater. Happy Cocooning obtained a Community design right on the minimalist and squared design of a table gas heater with a round cut-away in the middle. According to the Court of Appeal, the squared design of Arpe did not infringe the community design right of Happy Cocooning, because the gas heater of Arpe was not a minimalistic designed product with lining, but had a more messy wood look. In combination with other more minor differences, the Court of Appeal concluded that no Community design right infringement occurs.

III  OBTAINING PROTECTION

i  Patents

The Dutch Patents Act provides that patent protection can be obtained for inventions that meet three conditions: they must be new, involve an inventive step and be capable of industrial application. In addition, the invention has to be sufficiently disclosed in the patent and needs to be described clearly therein. These requirements reflect those stated in the EPC. As is the case in the EPC, certain subjects are not considered to be inventions under the DPA. These subjects include scientific theories and mathematical methods, aesthetical shapes, computer programs and business methods. The DPA also describes inventions that cannot be patented, such as the human body in its various stages of development, and the discovery of parts of it that include sequences or partial sequences of the genome, plants and animal breeds, methods that are predominantly biological in nature and methods for the treatment of the human or animal body. To be more specific, the DPA provides that certain

methods would be contrary to public policy and therefore cannot be patented. Such methods include human cloning, methods whereby the genetic identity of humans can be changed, using human embryos, methods changing the genetic identity of animals that would cause suffering without any medical use and methods that could damage the health of humans, animals or plants or lead to significant damage to the environment.

In the Netherlands, patent protection can be obtained by filing a patent application with the Dutch Patent Office. Once 18 months have passed from the date on which the application was filed, the application will be recorded in the patent register at the earliest opportunity. The patent application is made public at that time. The patentee will then have to apply for a novelty search within a period of 13 months of the filing or the priority date. While the search may bring to light documents that could destroy the novelty of the invention or be prejudicial to its inventive step, the results of the search have no impact on the actual grant of the patent. The patent will be registered at least two months after the publication of the search and be thereby granted, affording it a protection period of 20 years. After learning the results of the novelty search, the patentee can amend the patent application if need be.

While Dutch national patents are not examined per se, the validity of the patent will become the issue at the heart of any enforcement action initiated by the patentee.

It bears noting that most of the patents enforced in the Netherlands are actually Dutch parts of European patents that have been issued by the EPO after a successful patent application.

The wording of the patent claims determines the scope of protection of a Dutch patent, which must be interpreted in light of the descriptions and the drawings accompanying the patent. In Dutch case law, reference is often made to Article 69 EPC and the protocol belonging thereto. In some cases, the prosecution file may carry relevance for the scope of protection of patents in the Netherlands.

ii Trademarks

In the Benelux, trademarks can be obtained by filing an application with the Benelux Office of Intellectual Property (BOIP). Following the publication of the application, the BOIP will assess whether the trademark satisfies certain requirements, such as whether a distinctive character is lacking, whether it contains signs that actually indicate certain aspects of the goods or services or signs that have become descriptive. Whenever the BOIP plans to refuse a trademark application, it will substantiate its intentions with reasons. Afterwards, the applicant will be given the opportunity to counter the BOIP's decision by advancing arguments supporting its case. In the event that the BOIP finally refuses the trademark, this decision can be appealed against before the Second Chamber of the Benelux Court of Justice.

After the trademark has been registered, third parties will have a period of two months, starting on the first day of the month after publication, to lodge an opposition to the trademark. Trademarks will be valid for an initial period of 10 years once they have been registered. This initial validity period can be renewed for additional 10-year periods, which is not subject to any cap.

Because trademarks are liable to be revoked if they are not put to normal use, a trademark should, in practice, be used within five years of registration.
A Benelux trademark bestows upon its owner an exclusive right that can be invoked against signs that are either identical or similar and that are used for goods or services that are either identical or similar. Trademarks of a certain reputation are granted a broader scope of protection on account of said reputation.

iii  Designs

The BOIP is also charged with the processing of applications for Benelux designs. Design right applications are registered first and then published, and must contain a picture, drawing or some other graphic representation of the design that is registered.

Whether the formal registration requirements are met by design is not for the BOIP to examine. The registration requirements aforementioned are novelty and individual character. The former requirement, that of novelty, is met if no identical design has been made public prior to the application date. The latter requirement, that of individual character, is met if, to the informed user, the general impression of the design is different from the general impression resulting from designs that have been made available to the public prior to the date of application.

The Benelux design right confers upon the design right owner the right to object to any use of a product that in which the same design as the registered design has been incorporated or any use that does not give a different overall impression. Objection can be lodged against the production, offering, trade, sale, rent and importation of the product in question.

iv  Copyrights

Copyright protection under the Dutch Copyright Act (DCA) is conferred on a work by the actual creation thereof, such to the extent that the work has an original character and bears the personal mark of the maker. As the Netherlands is a party to the Berne Convention, the registration of copyright is not subject to any requirements. There is no copyright register in the Netherlands.

A copyright under the DCA provides the copyright holder with an exclusive right to copy or make available to the public the copyright-protected work or adaptations thereof that cannot be considered a new work.

v  Trade secrets

The Netherlands now has a separate law for the protection of proprietary confidential business information, as has been mentioned in the foregoing. The Trade Secrets Act defines a ‘trade secret’ as information that is kept secret, which means that it is not generally known or readily accessible to persons within the circle that normally deals with the kind of information being considered. The second requirement is that the information must be commercially valuable because it is (kept) secret. The third requirement is that the person in control of the information must take reasonable steps to keep it secret. The best way of protecting information is thus by maintaining and safeguarding its confidentiality, by imposing confidentiality obligations on all parties that gain access to the confidential information.
IV ENFORCEMENT OF RIGHTS

In the Netherlands, valid intellectual property rights can be enforced through the regular system of civil proceedings. The EU Enforcement Directive (No. 2004/48) has been implemented in the Dutch Code for Civil Procedure (DCCP), which includes such measures as **ex parte** injunctions, seizure of evidence and full cost orders for losing parties.

Typically, the Dutch enforcement of IP rights starts with a letter to the alleged infringer, stating the details of the infringement, the IP rights that are invoked and the steps that the infringer is requested to take. If no settlement is reached, the IP holder will typically start preliminary injunction proceedings or proceedings on the merits.

In practice, most IP cases are brought before the courts in The Hague and Amsterdam. Consequently, these courts can boast most experience in this regard. For more information on exclusive jurisdiction, see below.

i Possible venues for enforcement

The legal enforcement of IP rights generally needs to be initiated before one of the district courts in the Netherlands. These district courts are equipped to rule on the merits of cases regarding IP infringement or the validity of the IP rights in question. Cases involving an urgent interest can be heard in preliminary injunction proceedings before these district courts.

ii Requirements for jurisdiction and venue

If the defendant has its place of business in the Netherlands, or if the actual IP infringement takes place on Dutch territory, Dutch courts can assume international jurisdiction to take cognisance of disputes. Once international jurisdiction has been established, to the extent necessary, the jurisdiction of the relevant district court is determined in much the same way. The court of the district in which the defendant has its office, or in which the infringement actually takes place, will have local jurisdiction. These rules allow the possibility of multiple district courts having jurisdiction within the Netherlands.

On the basis of several Dutch IP laws, exclusive jurisdiction to hear certain cases, such as those relating to patent infringement and the validity of patents, lies with the District Court in The Hague. The exclusive jurisdiction of the court in The Hague furthermore extends to cases regarding European Union trademarks and Community designs.

iii Obtaining relevant evidence of infringement and discovery

Dutch procedural law does not provide for a general concept of discovery or disclosure of documents. In principle, the parties are free to collect the evidence that they require in the proceedings, and the Dutch courts are free to weigh that evidence as they deem appropriate.

The implementation of EU Directive 2004/48 on the enforcement of intellectual property rights has led to the implementation of certain possibilities to seize and safeguard information into the DCCP. These rules allow the right holder to request the district court in preliminary relief proceedings to grant permission to seize evidence that is in the possession or under the control of the infringer. The preliminary relief judge will assess such requests for permission, mostly on an **ex parte** basis. The requests must explain and elaborate on why a legitimate fear of infringement exists. After permission for a seizure has been granted, the right holder may direct a bailiff to inspect the premises of the infringer. Accordingly, the bailiff will do so with the help of the necessary experts, such as IT specialists or technical experts. Any information collected by the bailiff will not, however, be handed over to the
right holder directly. The information will initially be held by a custodian who has been appointed for this purpose when the leave for seizure was granted. The right holder will then have to institute separate proceedings, requesting the court for disclosure of the relevant documents that were seized. The right holder will not be able to access the seized documents until the court grants the request for such disclosure.

iv  Trial decision-maker

The court of The Hague, especially, employs specialist judges to adjudicate IP cases, all of whom are seasoned experts. Because jurisdiction in patent cases lies exclusively with The Hague court, some of the specialist patent judges on this court's payroll can boast technical acumen as well. IP proceedings on the merits are typically heard by a three-judge division. Preliminary relief proceedings, in which right holders have an urgent interest in relief, are adjudicated by a single judge, who is referred to as the preliminary relief judge.

Although the procedural rules that apply in the Netherlands allow courts to appoint independent experts who specialise in a particular technical field or to request the parties to produce additional evidence to support the facts they are relying on, parties rarely ask for such an appointment. Instead in patent cases, the parties to the proceedings are usually assisted by technical experts of their own choosing, who will file written expert statements on behalf of the party that engaged them. These experts often show up at the hearing as well.

The examination and cross-examination of party witnesses, be they experts or not, has no place in the proceedings, as litigation advances primarily through the exchange of written briefs (see further below).

v  Structure of the trial

Dutch proceedings on the merits are conducted mainly by the exchange of written briefs in which the parties set out their arguments and defences. This exchange is often followed by a court hearing during which the parties will have the opportunity to present further arguments. Proceedings are initiated with a writ of summons, in which the claimant describes the IP right that it invokes, the infringement against which the action is brought and the relief that is requested. In setting out the particulars of the case, the claimant has to be as complete as possible. Also, the claimant is required to substantiate its claims in the writ of summons with evidence. Writs of summons in patent cases typically provide a technical background to the technical field at the heart of the dispute.

Being served a writ of summons, the defendant will be given the opportunity to file a statement of defence, which enables the defendant to raise defences and file exhibits that support its position. The defendant can furthermore avail itself of the opportunity to bring a counterclaim against the claimant. It can do so, for example, to claim the revocation of the IP right in question. The course of events to follow hinges on the proceedings themselves. The court will either schedule a hearing after the statement of defence, and after the claimant has had the opportunity to respond to the counterclaim, or it will allow the parties to continue the exchange of written arguments, after which a court hearing usually follows.

During the hearing, the parties will be able to argue their case before the court. Court sessions in standard IP cases generally last between two and four hours. The court may take longer to hear the parties if the complexity of the patent matter at hand merits such. For reasons of judicial efficiency, however, Dutch courts do not allow a full elaboration on every single one of the arguments exchanged between the parties, thereby preventing needless repetition of what has already been argued in the written statements.
Patent cases in which the validity of the European patent is challenged offer the patentee the opportunity to file auxiliary requests. Pursuant to such requests, the court may decide to uphold the patent in its present form or in amended form.

In the Netherlands, evidence in proceedings is usually presented by the production of documents. Similarly, witness testimony is usually produced by filing written statements. District courts have to schedule separate sessions in case they want to hear witnesses. While this is certainly an option, it rarely happens in IP cases.

vi Infringement

In the assessment of IP infringement claims, Dutch courts take heed of the relevant CJEU case law. Moreover, there is a significant corpus of case law on the scope of protection and criteria for infringement of copyright, trademarks, trade names and design rights.

In their adjudication of patent cases, the Dutch courts will interpret the claims in conformity with Article 69 of the EPC and the protocol belonging thereto. Dutch case law provides a number of criteria applicable to that Article (see Section II). Besides literal infringement, the Dutch courts can also establish infringement by equivalence.

In consonance with Supreme Court case law, the patentee’s actions during the patent’s prosecution can be a relevant factor in the assessment of the scope of patent protection.

vii Defences

In intellectual property infringement proceedings, the most important defences are those directed at the invalidity of the IP rights. The district court can deal with these defences in the same proceedings that involve the actual infringement. In preliminary relief proceedings, the preliminary relief court will make a provisional assessment of the validity of the IP right in question. Although the right cannot be invalidated for the Netherlands in these proceedings, infringement claims will be denied if the court considers it likely that the right will be found invalid in proceedings on the merits. Claims on the grounds of inequitable conduct or similar defences are not recognised within the Dutch system.

In patent cases, the validity of patents can be challenged on account of a lack of novelty or inventive step. This can be done in much the same way such challenges would be lodged with the European Patent Office.

viii Time to first-level decision

In IP cases, proceedings on the merits usually take around 12 to 16 months from the moment at which the writ initiating the proceedings is filed until the court renders a decision in the first instance. The Court of the Hague has established an accelerated regime for patent cases, which is known as the ‘VRO-regime’ in Dutch. This regime can be used for infringement claims and revocation actions. On the basis of this regime, the dates on which the substantive documents must be filed and on which the hearing will take place are set out in a fixed schedule before the proceedings are set to commence. Because the parties are bound to this schedule, a first instance decision can typically be handed down within 12 months of the date on which the writ of summons is filed. Decisions in preliminary relief proceedings can be rendered within a few weeks, and even sooner in cases of extreme urgency.

In cases involving a manifest infringement, causing irreparable harm to the rights holder, the Dutch system also allows for an ex parte injunction. Injunctions such as these can be issued without hearing the defendant, and can be obtained in just days.
ix Remedies

Remedies that are most often sought in Dutch IP cases are:

a injunctions;
b accountability relating to the trade and infringing products (prices, quantity of products, customers, suppliers, etc.);
c destruction of the products;
d damages or the surrender of profits; and
e compensation of all reasonable and fair legal fees.

Relief by the court will typically be granted notwithstanding appeal, meaning that the decision will be enforceable immediately once it has been served on the defendant and before a decision on appeal is available. If the first instance decision is overturned on appeal, the party enforcing the first instance decision will be liable for the damages it thereby caused.

A cross-border injunction for countries in the EU for infringements on an EU trademark or Community design may be granted by a Dutch court if the defendant has its office in the Netherlands. A cross-border injunction for the whole Benelux may be granted for a Benelux trademark or design infringement.

In the same way, a cross-border injunction for all EU countries in copyright cases may be granted by Dutch courts that base those decisions on case law of the European Court of Justice that several copyright definitions are harmonised in the EU.

In the Netherlands, the losing party can be ordered (if claimed) to compensate all reasonable and fair legal costs and other expenses of the winning party. The starting point is reimbursement of costs that were actually incurred within certain guidelines, unless actual costs are not reasonable and proportionate.

The Netherlands is perceived as being a cost-effective jurisdiction for enforcing IP rights. The Netherlands ranks very highly for patent enforcement and challenge. This is no surprise because the Netherlands has for a long time been regarded as a heavyweight jurisdiction in this area of IP. Its specialist judges are highly valued, it is very cost effective and its practitioners are very experienced.

x Appellate review

Dutch law provides that decisions in the first instance are open to appeal. There are four courts of appeal in the Netherlands, all of which can hear IP cases. Like the District Court of The Hague, however, the Court of Appeal in the Hague has exclusive jurisdiction to hear certain cases, which is why it can boast the most experience in IP-related matters. Under the Dutch system, appeals are de novo. The Court of Appeal has complete jurisdiction to decide on both the main claim (e.g., infringement) and the counterclaim (invalidity or revocation), such being subject to the parts of the decision that the parties take issue with. In such appeal proceedings, parties are free to adopt new positions and adduce new evidence.

As is the case in first instance proceedings, most proceedings are conducted through the exchange of written briefs between the parties, after which the case will be heard by the Court of Appeal. Defendants on appeal also have the opportunity to file a counter appeal, in which

35 TW Global Intellectual Property Index, p. 11.
36 TW Global Intellectual Property Index, p. 37.
they can advance their own grievances to the decision rendered in the first instance. Appeal cases are typically handled by a panel of three judges, taking anywhere between 16 and 20 months from the moment the appeal is filed until an appeal decision is reached.

Alternatives to litigation

Dutch law also allows for alternative dispute resolution. However, IP disputes are not often alternatively resolved.

V TRENDS AND OUTLOOK

It is hard to predict when the unified patent system will enter into force. The German ratification has been delayed owing to a case pending in the German Constitutional Court on the UPC’s compatibility with the German Constitution. There is speculation that a ruling will be issued in 2019. On the basis of this system, applicants will have the opportunity to obtain a single unified patent in Europe and to enforce this patent before one Unified Patents Court. This system is anticipated to change the patent litigation practice dramatically.
Chapter 16

PHILIPPINES

Editha R Hechanova1

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Republic Act No. 8293 or the Intellectual Property Code of the Philippines (the IP Code) defines the term ‘intellectual property rights’ as the following:

a copyright and related rights;
b trademarks and service marks;
c geographical indications;
d industrial designs;
e patents;
f layout designs (topographies) of integrated circuits; and
g protection of undisclosed information.2

i Copyright and related rights

Under Part IV of the IP Code,3 which covers the law on copyright, literary and artistic works refer to original intellectual creations in the literary and artistic domain, which are protected from the moment of their creation. Copyright registration is not required, but in an action for infringement, registration shall be prima facie proof of the matters stated therein, until proved otherwise, and of ownership of the copyright. Under the newly amended IP Code, the moral right of an author insofar as his or her right of attribution as author is concerned shall last during his or her lifetime and in perpetuity after death and shall not be assignable or subject to licence. Copyright infringement is actionable by administrative, civil and criminal proceedings and in the latter case punishable by imprisonment and fine. The Philippines is a signatory to the Berne Convention.

ii Trademarks and service marks

Only visible signs capable of distinguishing the goods (trademarks) or services (service marks) of an enterprise, including a stamped or marked container, are registrable in the Philippines. The rights in a mark are acquired through registration made validly.4 The filing of a declaration of actual use (DAU) is required within three years of the filing date of the applicant, with evidence of such use, otherwise the application shall be refused or the mark shall be removed from the register. A certificate of trademark registration shall remain in force

1 Editha R Hechanova is managing partner at Hechanova Bugay Vilchez & Andaya-Racadio.
2 Section 4, IP Code.
3 The IP Code was amended by Republic Act No. 10372, which took effect on 22 March 2013.
4 Section 122, IP Code.
for 10 years, renewable for periods of 10 years at its expiration provided that a DAU is filed within one year of the fifth anniversary of the date of registration of the mark, otherwise the mark shall be removed from the register.

iii  Geographical indications
Marks consisting exclusively of signs or indications that may serve in trade to designate a geographical origin are not registrable in the Philippines.5

iv  Industrial designs
The law on industrial designs and layout-designs (topographies) of integrated circuits is included in the law on patents.6 An industrial design refers to any composition of lines or colours or any three-dimensional form that gives a special appearance to and can serve as a pattern for an industrial product or handicraft. It must be new or ornamental to be registrable. Two or more industrial designs may be the subject of the same application provided that they relate to the same subclass of the international classification or to the same set or composition of articles. No substantive examination is conducted on an industrial design application. Registration ensues upon compliance with the formal requirements and shall be for a period of five years from the filing date of the application, renewable for two consecutive periods of five years each.

v  Patents
The law on patents is Part II of the IP Code. Any technical solution of a problem in any field of human activity that is new, involves an inventive step and is industrially applicable, is patentable. It may relate to a product, or process or an improvement of the foregoing.7 Among the inventions that are not patentable in the Philippines are methods of doing business; computer programs; methods for treatment of the human body by surgery or therapy; and diagnostic methods practised on humans or animals.8 The Philippines switched from the first-to-invent rule to the first-to-file rule when the IP Code took effect on 1 January 1998. The Philippines acceded to the Patent Cooperation Treaty on 17 August 2001. There are no pre-grant or post-grant oppositions to patent applications, but third parties are allowed to submit their observations in writing within six months of the publication date of the application in the e-Gazette or the request for substantive examination by the applicant, whichever is later. In the case of utility models and designs, the Intellectual Property Office of the Philippines (IPOPHL) notifies the concerned community upon publication. Any person may present written adverse information in the form of a sworn statement concerning the registrability of the utility model or design application within 30 days of the date of publication. These third-party observations are communicated to the applicant by the IPOPHL for comment, and these comments are considered by the Director of Patents when granting the patent. After the patent is granted, the available action is one of cancellation of the patent itself, or any of the claims thereof on the grounds of lack of novelty, failure to disclose the invention sufficiently clear and complete for it to be carried out by any person

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5  Section 123(j), IP Code.
6  Sections 112–120.3.
7  Section 21.
8  Section 22.2, 22.3.
skilled in the art, or that the patent is contrary to public order or morality. The making, using, offering for sale, selling or importing of a patented product or a product obtained directly or indirectly from a patented process without the authorisation of the patentee constitutes patent infringement. However, there are certain acts that patentees cannot prevent third parties from performing without their authorisation: using a patented product that has been put on the Philippine market by the owner of the product or with their express consent; when the act is done privately and on a non-commercial scale or for a non-commercial purpose; and for experiments. An action for patent infringement may be administrative or civil. A criminal action for patent infringement is available only if it is repeated by the infringer or by anyone in connivance with him or her after the finality of the judgment of the court against the infringer.

II RECENT DEVELOPMENTS

i Nagoya Protocol

On 28 December 2015, the Philippines acceded to the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization. The Protocol is a supplementary agreement to the 1992 Convention on Biological Diversity (CBD), and the latter’s instrument for the implementation of its access and benefit provisions. The objective of the Protocol is the fair and equitable sharing of the benefits arising from the utilisation and access to genetic resources. The Philippines joined in approving the Cancun Declaration crafted in December 2016 during the 13th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 13), which recognises that ‘it is essential to live in harmony with nature as a fundamental condition for the well-being of all life’. Enhancing the ability of the Philippines to contribute to the implementation of the objectives of the CBD, on 28 February 2017, the president of the Philippines signed the Instrument of Accession to the Paris Agreement on Climate Change, which the Senate ratified on 14 March 2017 voting 22-0. This officially binds the Philippines to limit its average global temperatures to ‘well below 2 degrees Celsius (3.6 degrees Fahrenheit) above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels’. The Philippines is not a major carbon emitter.

ii Patent Prosecution Highway (PPH)

The IPOPHL has renewed the Patent Prosecution Highway programme with the Japan Patent Office (JPO) for another three years starting 12 March 2018. The IPOPHL has existing bilateral PPH agreements with the JPO, the US Patent and Trademark Office (USPTO), the Korean Intellectual Property Office (KIPO), and the European Patent Office (EPO).

iii ASEAN Patent Examination Cooperation programme (ASPEC)

The ASPEC commenced on 15 June 2009, but it is only in 2014 that the IPOPHL begun accepting ASPEC request forms, and after rules implementing the said programme had been modified or amended. The nine participating ASEAN Member States (AMS) are: Brunei,
Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The ASPEC is the first regional patent cooperation project among intellectual property offices in the ASEAN to use the search and examination results from another participating AMS IP Office as its reference in its own search and examination work. The participating AMS Office may consider the search and examination documents it shall receive under the ASPEC. It is not, however, obliged to adopt any of the findings and conclusions reached by the other IP Office, and shall decide whether to grant the patent in the manner in accordance with its national laws. The objectives of the ASPEC are to reduce work and have a faster turnaround time, and better search and examination. All documents for the purpose of the ASPEC must be in English.

### iv  IPOPHL Regulations

The IPOPHL issued several Memorandum Circulars in 2018:

- **a** IPOPHL Memorandum Circular No. 2018-007, IPOPHL’s Trademark Registration Incentive Package (Juana Make A Mark) has been extended up to 14 February 2009 or until the additional 1000th trademark application has been filed.
- **b** IPOPHL Memorandum Circular No. 2018-008, effective 5 October 2018 – Revision of the Rules of Mediation, making mediation mandatory, aligning the IPOPHL rules with those of the regular courts.
- **c** IPOPHL Memorandum Circular No. 17-013, effective 1 August 2017 – Amendment to the Revised Implementing Rules and Regulations for Patents, Utility Models and Industrial Design. This Circular allows for the revival without cost of an application deemed withdrawn due to the loss of the applicant’s response or the examiner’s action that was not received as evidenced by the post office return card, or other unforeseen circumstances that may be considered as fault by the IPOPHL, provided that the revival petition is filed within four months of the mailing date of the notice of withdrawal.

### The IPOPHL as international searching authority

The IPOPHL is now an international searching authority and international preliminary examining authority (ISA and IPEA), and shall operate as such in May 2019. It was duly appointed under the Patent Cooperation Treaty (PCT), at the 57th World Intellectual Property Organization (WIPO) General Assembly and 49th Session of the PCT Union Assembly on 5 October 2017. With its designation, IPOPHL’s goal to contribute to the more efficient functioning of the PCT system and to promote the use of the patent system in the Philippines and other developing countries can be achieved. As the second international searching authority in South East Asia, the Philippines is expected to spur innovation and technological advancement that are key factors in deepening ASEAN economic integration.
v  **Data Privacy Act of 2012**

The Data Privacy Act of 2012 of the Philippines (RA 10173) took effect on 8 September 2012 mandating the creation of the National Privacy Commission (NPC). The NPC, however, was only established in March 2016, and the implementing rules and regulations of the Act became effective on 9 September 2016. This brings the Philippines, with a growing IT and business processing industry, on a par with international data protection standards.

Protected information under the implementing rules and regulations refers to personal information such as ‘any information, whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual’. The implementing rules and regulations also protect privileged information, such as client–attorney communications.

The implementing rules and regulations impose penalties of imprisonment and a fine for violations. Personal information controllers and processors have one year to register data-processing systems that process sensitive personal information of 1,000 data subjects or more with the NPC.

vi  **Philippine Design Competitiveness Act of 2013 (RA 10557)**

On 15 May 2013, President Aquino signed into law Republic Act No. 10557 or the Philippine Design Competitiveness Act of 2013 with the objective of promoting and strengthening the Philippine design industry. One of the provisions of the Act is to promote the protection of designs by registration and licensing through the Intellectual Property Office of the Philippines. The implementing rules and regulations of the Act took effect on 25 October 2015.

vii  **The Philippine Competition Act**

The Philippine Competition Act (RA No. 10667) was signed into law on 21 July 2015 and created the Philippine Competition Commission, a quasi-judicial body, to enforce it. Its implementing rules and regulations took effect on 19 June 2016 with the main objective of regulating and prohibiting combinations in restraint of trade or unfair competition. Some of its major provisions are:

a  prohibiting: (1) anticompetitive agreements; (2) abuse of dominant position; and (3) anticompetitive mergers and acquisitions; and

b  compulsory notification of mergers and acquisitions wherein the value of the transactions exceeds 1 billion pesos.

Anticompetitive agreements may be classified into two types: those are prohibited *per se* (e.g., price fixing) and those that contemplate controlling or setting production, markets, technical developments, etc. The PCA imposes administrative, civil and criminal liabilities that apply to anticompetitive agreements. For violations involving abuse of dominant position and anticompetitive mergers, only administrative and civil liabilities shall be imposed.

viii  **Accession to the Marrakesh Treaty**

On 12 November 2018, the Philippines acceded to the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or otherwise Print Disabled, and on 18 December 2018 the instrument of accession was deposited at the WIPO. It was in force as from 18 March 2019. Earlier, in anticipation of joining the Marrakesh Treaty,
changes were introduced in the Intellectual Property Code (RA 8293) by RA10372, which took effect on 22 March 2013. The relevant change is reflected in Section 184.1, which states that the following shall not constitute copyright infringement:

[T]he reproduction or distribution of published articles or materials in a specialized format exclusively for the use of the blind, visually and reading-inpaired persons: Provided, that such copies and distribution shall be made on a non-profit basis and shall indicate the copyright owner and the date of original publication.

The original provision in Section 184 on Limitations of Copyright was not changed and states:

The provisions of this section shall be interpreted in such a way as to allow the work to be used in a manner which does not conflict with the normal exploitation of the work and does not unreasonably prejudice the right holder’s legitimate interest.

The foregoing provisions are compliant with the Marrakesh Treaty which allows for optional commercial availability and system for remuneration, subject to notification to the WIPO.

ix  Supreme Court decisions on intellectual property law

Some of the more notable decisions of the Supreme Court of the Philippines issued in 2018 relate to intellectual property law.

Asia Pacific Resources International Holdings, Ltd v. Paperone Inc

An action for unfair competition in the Philippines has two essential elements as pronounced by the Supreme Court in a number of cases: (1) confusing similarity in the general appearance of the goods, and (2) intent to deceive the public and deceive a competitor. On the issue of confusion, two types have been noted and these are: confusion of goods and confusion of business or source of origin. In this case, the Supreme Court found Paperone guilty of unfair competition.

Asia Pacific, manufacturer and seller of pulp and premium wood-free paper, is the owner of the trademark, PAPER ONE, applied for with the Intellectual Property Office (IPOPHL) in 1999 and registered in 2003. The respondent, PAPERONE, on the other hand, is engaged in the business of paper conversion, manufacturing table napkins, notebooks and writing pads, and the corporation has existed since 2001. It averred that the Department of Trade and Industry, and the Securities and Exchange Commission have allowed it to use PAPERONE as its corporate name, and that it did not use PAPERONE as a trademark, but only identified itself as the manufacturer of the product. The Supreme Court, affirming the decision of the IPOPHL and reversing the Court of Appeals, noted that: (1) the goods of both parties are related as paper products, (2) PAPER ONE as a trademark of Asia Pacific had been used even before its application in 1999, and (3) some of Paperone, Inc.’s stockholders had knowledge of the existence and use of the mark PAPER ONE and even wrote a letter expressing the desire to be the exclusive distributor of PAPER ONE multi-purpose copy paper, as the evidence showed. The Court admitted that while there was a noticeable difference in how

the tradename of respondent PAPERONE is being used on its products as compared to the trademark of Asia Pacific, but held that ‘there could likely be confusion as to the origin of the products. Thus, a consumer might conclude that PAPER ONE products are manufactured by or are products of Paperone, Inc.’

*De La Salle Montessori International of Malolos v. De La Salle Brothers*13

De La Salle Montessori International of Malolos (DLSM) obtained a certificate of registration from the Securities and Exchange Commission (SEC) under its name. The De La Salle Brothers filed a complaint against DLSM before the SEC to remove the term ‘DE LASALLE’ from DLSM’s name, arguing that the use gave an erroneous impression that the DLSM is part of its group. On 12 May 2010, the SEC issued an order directing DLSM to change its corporate name. DLSM appealed the decision all the way up to the Supreme Court. The Supreme Court affirmed the decision of the Court of Appeals, sustaining the SEC decision. The Supreme Court ruled that to fall within the prohibition of Section 18 of the Corporation Code, two requisites must be proven: (1) that the complainant corporation acquired a prior right over the use of the corporate name; and (2) that the proposed name is either: (a) identical, (b) deceptively or confusingly similar to that of any existing corporation or to any other name already protected by law, or (c) patently deceptive, confusing or contrary to existing law. The first requisite was found to be present. The De La Salle Brothers and other member schools of the La Salle group were incorporated earlier than the petitioner. The second requisite was also present since there was a confusing similarity between petitioner’s and respondents’ corporate names. While these corporate names were not identical, it was evident that the phrase ‘De La Salle’ was the dominant phrase used. The Supreme Court affirmed that the phrase ‘De La Salle’ was not merely a generic term and that DLSM’s use of the phrase in its corporate name was patently similar to that of the De La Salle Brothers so that even with reasonable care and observation, confusion might arise. The Court noted also not only the similarity in the parties’ names, but also the business they were engaged in. They are all private educational institutions offering pre-elementary, elementary and secondary courses.

### III OBTAINING PROTECTION

**i Genetic material**

Genetic material may be protected by patent. The IP Code in Section 22.4 states that exclusion from patent protection does not apply to ‘micro-organisms and non-biological and microbiological processes’. Such protection is also implied in Section 35.1, which states:

*The application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art. Where the application concerns a microbiological process or the product thereof and involves the use of a microorganism that cannot be sufficiently disclosed in the application in such a way as to enable the invention to be carried out by a person skilled in the art, and such material is not available to the public, the application shall be supplemented by a deposit of such material with an international depository institution.*

13 G.R. No. 205548, 7 February 2018.

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The Revised Implementing Rules and Regulations for Patents, Utility Models and Industrial Designs (Revised IRRs) are clearer on the protection of genetic material in Rules 408 and 409, which are provisions on the requirements of application relating to biological materials and microorganisms and the requirements of application relating to biological materials and microorganisms before allowance, respectively. These rules require that a culture of the microorganism used in the subject of the patent application be deposited in a depositary institution.

ii Genetically altered cells, plants and animals
Genetically altered cells are protected by patent as discussed previously. A genetically altered plant may be protected under Philippine Plant Variety Protection Act of 2002. A certificate of plant variety protection will be granted for varieties that are new, distinct, uniform and stable. According to Section 36 of that law, the right holders of plant varieties have the right to authorise any of the following acts:

a production or reproduction;
b conditioning for the purpose of propagation;
c offering for sale;
d selling or other marketing;
e exporting;
f importing; and
g stocking for any purpose mentioned above.

Animal breeds are excluded from the protection of a patent in Section 22.2 of the IP Code; however, the provision includes the phrase ‘shall not preclude Congress to consider the enactment of a law providing sui generis protection of . . . animal breeds’. There is currently no policy proposal regarding the protection of animal breeds.

iii Methods of production in cells, plants, animals
The methods of production in cells, plants and animals may be covered by microbiological processes (see Section III.i).

iv Business methods
Among the non-patentable inventions enumerated in Section 22 of the IP Code are ‘schemes, rules and methods of . . . doing business’. The Revised IRRs expand on this non-patentable invention further in Rule 202(d) as a ‘method of doing business, such as a method or system for transacting business without the technical means for carrying out the method or system’.

v Computer software
The provision regarding patents in the IP Code states in Section 22.2 that ‘programs for computers’ are excluded from patent protection. However, in the Section 172.1(n) or the IP Code, concerning copyright, ‘computer program’ is included in the enumeration of literary and artistic works protected from the moment of their creation.
Methods for treating patients, both with drugs and medical procedures

The method for treatment of humans or animals by surgery or therapy and diagnostic methods practised on the human or animal body is another item excluded from patent protection by Section 22 of the IP Code.

IV ENFORCEMENT OF RIGHTS

Possible venues for enforcement

Administrative action

The BLA is the IPOPHL's adjudications bureau. It has jurisdiction over intellectual property violation cases claiming not less than 200,000 Philippine pesos in damages. Below this amount, administrative action can be filed before the Department of Trade and Industry's Office of Legal Affairs. The BLA has original jurisdiction over inter partes cases (i.e., opposition to the application for registration of marks, cancellation of trademarks, cancellation of patents, utility models, and industrial designs, and petitions for compulsory licensing of patents).

Civil and criminal actions

The regional trial courts (RTCs) designated as special commercial courts have jurisdiction over civil and criminal actions involving intellectual property. RTCs can issue search warrants in the case of criminal actions and writs of seizure in the case of civil actions. The Rules of Procedure for Intellectual Property Rights Cases (see Section II.iii, above) govern these actions, but the Rules of Court are applied supplementarily. Independent of the civil and administrative sanctions imposed by law, a criminal penalty of imprisonment from two years to five years and a fine ranging from 50,000 to 200,000 Philippine pesos shall be imposed on any person found guilty.14

Border control measures

Complying with the TRIPS agreement on special border control to prohibit the entry of certain prohibited merchandise, the Bureau of Customs (BoC) Customs Administrative Order 6-2002 was issued establishing the administrative guidelines to expedite the handling and disposition of prohibited goods. The prohibited goods are: (1) those that copy or simulate any mark or trade name registered with the IPOPHL; (2) those that copy or simulate any well-known mark declared as such by competent authority; (3) those that are judicially determined to be unfairly competing with products bearing marks that are registered or not; (4) those that constitute a piratical copy or likeness of any work, published or unpublished, on which a copyright subsists; (5) those that present themselves as a substantial simulation of any machine, article, product or substance duly patented under the IP Code, without the authorisation of the patentee or its authorised agent; and (6) those that use a false or misleading description, symbol, or label that is likely to cause confusion, mistake or deception as to the affiliation, connection or association of the imported goods with another person's goods, or those that misrepresent their nature, characteristics, qualities or geographic origin.

14 Section 170.
origin. Recording of the intellectual property right holders of their products with the BoC is desirable; each record is good for two years and serves as a continuing complaint against any and all counterfeit and infringing goods.

**Trademarks**

Actions for trademark infringement, unfair competition, false or fraudulent declaration, false designation of origin, false description or representation may be filed as administrative, civil or criminal actions. The measure of recoverable damages is the reasonable profit that the complaining party would have made, had a defendant not infringed his or her rights, or the profit that the defendant actually made out of the infringement, or in the event such measure or damages cannot be readily ascertained, then the court may award as damages a reasonable percentage based upon the amount of gross sales of the defendant or the value of the services in connection with which the mark or trade name was used in the infringement of the rights of the complaining party.\(^{15}\) On application by the complainant, the court may impound sales invoices and other documents evidencing sales during the pendency of the action.\(^{16}\) Where there is actual intent to mislead the public or defraud the complainant, at the discretion of the court, the damages may be doubled.\(^{17}\) The complainant, also, upon proper showing may be granted injunction.\(^{18}\) The court may also order the destruction of the infringing materials.\(^{19}\)

### ii Requirements for jurisdiction and venue

**Administrative action**

The BLA of the IPOPHL has original jurisdiction over administrative actions involving intellectual property rights cases where the claim of damages is not less than 200,000 Philippine pesos. These proceedings are adversarial and trial of the case is required. The BLA has the authority to hear and decide cases involving opposition and cancellation of trademarks, patents, utility models, industrial designs, and petition for compulsory licensing of patents. These proceedings are summary in nature and no trial is conducted. Referral to mediation is compulsory except in cases where preliminary injunctive relief is sought.

**Civil action**

A civil action relating to intellectual property violations is cognisable by the special commercial court where the plaintiff or respondent resides. The complaint must be verified. The application for a writ of seizure, however, may be filed with any of the special commercial courts, and the applicant has 30 days from the issuance of the writ to file the verified complaint before the proper special commercial court. The respondent can raise the relevant counterclaims coupled with payment of the docket fees, if applicable.

**Criminal action**

As previously discussed, the special commercial courts have authority to act on applications for the issuance of search warrants involving violations of the IP Code; these search warrants

\(^{15}\) Section 156.1.

\(^{16}\) Section 156.2.

\(^{17}\) Section 156.3.

\(^{18}\) Section 156.4.

\(^{19}\) Section 157.
shall be enforceable nationwide. Within their respective territorial jurisdictions, the special commercial courts in the judicial regions where the violation of intellectual property rights occurred shall have concurrent jurisdiction to issue search warrants. Whether or not there is a raid, if the intellectual property owner has sufficient evidence to take action, then a verified complaint should be filed with the prosecutor’s office. The verified complaint for preliminary investigation should be filed with the Office of the Public Prosecutor (Department of Justice) in the territorial jurisdiction where one of the elements of the crime is committed. Should the Public Prosecutor find probable cause, he or she shall then file the information (criminal complaint) before the special commercial court in that territory. With the filing of the information, the court shall issue the warrant of arrest, and the accused can put up the required bail. The court schedules the arraignment of the accused and the case is set for pretrial. Under the new procedures, the court has the discretion to resolve the case by asking for the submission of position papers, or schedule the same for trial. This procedure is also applicable to civil actions.

iii Obtaining relevant evidence of infringement and discovery

Discovery is allowed for administrative, civil and criminal actions involving intellectual property violations. However, discovery is not as widely used in the Philippines as in the United States. In the case of administrative actions, if the information sought in discovery can be obtained from witnesses presented during the trial, motions for discovery will be denied.

iv Trial decision-maker

Special commercial courts

These are regional trial courts presided over by one judge per court designated by the Supreme Court to handle civil and criminal cases involving intellectual property cases. In patent infringement cases, the court, on its own motion or upon motion by a party, may order the creation of a committee of three experts to provide advice on the technical aspects of the patent in dispute. To assist in trials involving highly technical evidence or matters, the court may also request the IPOPHL to provide equipment, technical facilities and personnel.

Administrative cases

In actions for the cancellation of patents or any claims therein, involving highly technical issues, on motion of any party, the Director of the BLA may order that the petition be heard and decided by a committee composed of the Director as chairman and two members who have the experience or expertise in the field of technology to which the patent relates.

v Structure of the trial

Civil action and criminal actions

Subject to the issues stated in the pretrial order, trials in the regional trial courts proceed as follows:

20 Section 2, Rule 10, AM 10-3-10-SC.
21 Section 4, Rule 17, AM 10-3-10-SC.
The plaintiff adduces evidence in support of the claim. The plaintiff may present ordinary witness to support facts and may call on expert witnesses to lay down opinion on matters requiring special knowledge, skill, experience or training that they are shown to possess. Witnesses are to be examined in open court. The order of their questioning is: direct examination of the proponent; cross-examination by the opponent; further direct examination of the proponent; and further cross-examination of the opponent. In civil cases, the party having the burden of proof must establish his or her case by a preponderance of evidence.

The burden of proof falls on the party presenting evidence on the facts in issue necessary to establish a claim or defence. The defendant adduces evidence to support a defence or counterclaim, cross-claim or third-party claim.

Third parties and so forth, if any, shall adduce evidence in support of their claim.

The parties against whom any counterclaim or cross-claim has been pleaded shall adduce evidence in support of their defence.

The parties adduce rebuttal evidence.

The case is submitted for decision.

Criminal action
The civil liability aspect is deemed instituted in a criminal case. A private complainant may be represented by its own private prosecutor, with the consent of the public prosecutor, for proving civil damages, and conducts the trial. The order of the trial, and witnesses to be presented, is similar to that in a civil action. The accused is entitled to an acquittal unless guilt is proved beyond reasonable doubt.

Administrative action
The proceeding is similar to that of the civil action. A fact may be deemed established if it is supported by substantial evidence.

Infringement
A civil action and an administrative action to recover damages are available to the patent owner for patent infringement, which is defined as the making, using, offering for sale, selling or importing a patented product or a product obtained directly or indirectly from a patented process, or the use of a patented process without the authorisation of a patentee. Aggrieved patentees or patent owners can also recover attorneys’ fees plus litigation expenses, and also secure an injunction for the protection of their rights. If the damages are inadequate or cannot be readily ascertained with reasonable certainty, the court may award a sum equivalent to reasonable royalty. The court may, according to the circumstances of the case, award

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22 Section 49, Rule 130, Rules of Court.
23 Section 4, Rule 132, Rules of Court.
24 Section 1, Rule 133, Rules of Court.
25 Section 1, Rule 131, Rules of Court.
26 Section 5, Rule 30, Rules of Court.
27 Section 2, Rule 133, Rules of Court.
28 Section 5, Rule 133, Rules of Court.
29 Section 76.2.
30 Section 76.3.
damages in a sum above the amount found as actual damages sustained, but which should not exceed three times the amount of such actual damages. Destruction or disposition outside the channels of trade may also be ordered for infringing goods, materials and implements used in the infringement.31 The IP Code also provides for contributory infringement. No damages can be recovered for acts of infringement committed more than four years before the institution of the action for infringement.32 In the case of a second offence by the same infringer, criminal action is available. An action for infringement may be defeated by claiming that the patent, or any claim thereof, is invalid and must be cancelled; the grounds available are that the invention lacks novelty, the patent is not sufficiently disclosed for a person skilled in the art to carry out, or the patent is contrary to public policy or morality. The above remedies are also available to utility models and industrial designs covered by the law on patents.

vi Extent of protection
Section 75 of the IP Code states that the extent of protection conferred by the patent shall be determined by the claims, which are to be interpreted in the light of the description and drawings, and that due account shall be taken of elements that are equivalent to the elements expressed in the claims, so that a claim shall be considered to cover not only all the elements as expressed therein, but also equivalents.

vii Defences
The following defences may be raised in a patent infringement case: (1) the patented product has been put on the market with the consent of the patent owner; (2) the act is done privately and on a non-commercial scale or for a non-commercial purpose that does not significantly prejudice the economic interests of the patent owner; (3) the use is for experimental purposes; (4) the invention is used in the preparation by a medical professional for individual cases in accordance with a medical prescription; (5) the invention is used in any ship, vessel, aircraft or land vehicle of any other country entering Philippine territory for its exclusive needs, and not used for the manufacturing of anything to be sold within the Philippines; and (6) use of a prior user in good faith.33

The invalidity of the patent can be raised as a defence by presenting, for example: prior art that consists of everything that has been made available to the public anywhere in the world, before the filing date or the priority date of the application claiming the invention; and the whole contents of an application for a patent, utility model or industrial design registration, published in accordance with the IP Code, filed or effective in the Philippines. National emergency, public interest and non-commercial use of the patent without satisfactory reason are some of the grounds for compulsory licensing.

viii Time to first-level decision
For administrative actions, it usually takes two to three years from the filing of the complaint to the issuance of the decision by the BLA. For civil and criminal cases, it takes a little longer, about three to five years, because of the backlog of the regional trial courts. However, the

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31 Section 76.5.
32 Section 79.
33 Section 73, IP Code.
issuance of the new procedures by the Supreme Court, allowing for the resolution of a case on the basis of position papers, may well reduce the period for the issuance of the decision at the regional trial court level.

**ix Remedies**

At any time before the decision is issued, whether the action is administrative or civil, the plaintiffs or any proper party may move for and avail of the provisional remedies of preliminary attachment and preliminary injunction. Preliminary attachment of the adverse party’s property as security for the satisfaction of any judgment is allowed in the following cases: (1) in an action against a party who has been guilty of fraud in procuring the registration of a mark by false or fraudulent declaration or representation, or by any false means; (2) in an action for unfair competition; (3) in an action against a party who does not reside and is not found in the Philippines, or on whom summons may be served by publication; (4) in an action for the recovery of a specified amount of money or damages on a cause arising from a violation of the IP Code against a party who is about to depart from the Philippines with intent to evade the execution or judgment; or (5) in an action against a party who has removed or disposed of property, or is about to do so, with intent to defraud the aggrieved party. The party applying for the order of attachment must give a bond in the amount fixed by the court, on the condition that the applicant will pay all the costs that may be adjudged to the adverse party and all damages he or she may sustain by reason of the attachment, if the court shall finally adjudge the applicant was not entitled thereto. Preliminary injunction may be granted when it is established that the applicant has a right in esse, that the commission, continuance or non-performance of the act complained of during the litigation would probably cause injustice to the applicant, or that a party is doing, threatening to do or attempting to do some act in violation of the rights of the applicant tending to render the judgment ineffectual.

**Damages**

No damages can be recovered for acts of infringement committed more than four years before the institution of the action for infringement. The amount of damages may be based on reasonable profit or business loss of the complaining party. The court may impound during the pendency of the action sales invoices and other documents evidencing sale. For civil actions, the special commercial court may issue a writ of seizure of the infringing goods.

**Border control measures**

The BoC has the power to issue a warrant of seizure and detention if it has found that a shipment violated the Tariff and Customs Code or the IP Code. It will then give an opportunity to the intellectual property owners to be heard. If, with due notification, no claimant, owner or agent can be found, then such properties will be forfeited in favour of the government.

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34 Rule 4, Rules and Regulations of Administrative Complaints for Violation of Laws Involving IP Rights.
35 Section 79, IP Code.
36 Section 156, IP Code.
37 Section 2, Rule 2, AM 10-3-10-SC.
Appellate review

Administrative actions, including inter partes cases decided by the BLA, are appealable to the ODG within 30 days of the date the parties receive the decision. The ODG can refer the case again to mediation. The ODG will request the adverse party to file its comments. No oral argument is allowed. Decisions of the ODG are appealable to the Court of Appeals, and the decision of the latter to the Supreme Court. A division of the Court of Appeals is composed of three justices. Oral arguments may be allowed. The Court of Appeals will review the facts of the case and issue its decision. The Supreme Court, in general, only deals with questions of law, but on exceptional grounds will rule upon questions of fact.

Alternatives to litigation

For both the IPOPHL and the regular courts, mediation is mandatory. For the IPOPHL, an alternative dispute resolution office has been created, giving parties access to any and all alternative modes of dispute resolution, such as mediation and arbitration.

TRENDS AND OUTLOOK

The IPOPHL published its proposed amendments to the IP Code (Republic Act No. 8293) on 18 February 2019, aimed to take effect on January 2020, that shall be forwarded to the Philippine Congress. Some of the major amendments are as follows:

a. expanding the functions and powers of the Bureau of Legal Affairs (BLA), which is the adjudication arm of the IPOPHL, to include: (1) declaration of marks as well-known, including revocation of said declarations, (2) declaration as true and actual inventor, (3) declaration of ownership or having the right to intellectual property, (4) having original and exclusive jurisdiction over administrative complaints for violation of intellectual property laws, and (5) awarding of damages;

b. creation of the Bureau of Innovation and Business Development, and the IP Academy, and dissolving the Documentation, Information and Technology Transfer Bureau;

c. allowing the filing of two patent applications for the same subject as an invention patent application and a utility model application within one year of the filing of the first application, with the applications being processed independently. However, once the invention patent application has been granted, the utility model registration shall be automatically cancelled, and the letters patent shall be issued;

d. allowing parts or components of products or handicrafts as subject of industrial design registrations;

e. granting power to the director general of the IPOPHL to issue a compulsory licence to exploit a patented invention even without the agreement of the patent owner;

f. amending the definition of a trademark by removing the requirement that it has to be visible, which would allow non-traditional marks such as scent and sound marks to be registrable; and

g. allowing the registration of certification marks.

The IPOPHL also published on 28 March 2019 draft rules for IPOPHL Mediation Outside Litigation, encouraging parties to settle their disputes prior to litigation.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

In Portugal there are two meanings of intellectual property in both a broad and a strict sense. The former covers industrial property – patents, models, trademarks, logos, trade secrets, designations of origin and geographical indications – and the latter encompasses copyright and related rights. Therefore, for the sake of terminological simplicity we will adopt the broad meaning of the expression throughout this article.

In the Portuguese legal system, provision is made for both more common intellectual property rights – patents, models, trademarks, logos, designations of origin, geographical indications and copyright – and less common rights, such as topographies of semiconductors and plant variety rights in the law. Finally, we have trade secrets or know-how that, despite being well established in Portuguese legal practice, namely under unfair competition rules, were expressly included in legislation in December 2018, by DL No. 110/2018 to implement the EU Trade Secrets Directive.

The main legal instrument of protection is the Industrial Property Code (IPC), which was approved by Decree-Law No. 36/2003 and has been amended and updated by several legal acts. 

It was in these amendments to the IPC that the transposition, into Portuguese law, of the following legal instruments of the EU took place: Directive 98/44/EC of 6 July on the protection of biotechnological inventions; Directive 98/71/EC of 13 October on the legal protection of designs; Regulation No. 1768/92/EC of 18 June on the creation of a supplementary protection certificate for medicinal products; Regulation No. 1610/96/EC of 23 July on the creation of a supplementary protection certificate for plant protection products; and EU Directive No. 2015/2436 of 16 December as regards trademarks and EU Directive No. 2016/943 of 8 June as regards trade secrets.

Regarding the protection of copyright, this was laid down for the first time in 1927 in Decree-Law No. 13725, of 27 May 1927 (Regime of Literary, Scientific and Artistic Property) and later, the Code of Copyright and Related Rights was created by Decree-Law No. 46980 of 27 April 1966. The Code has undergone several changes since then. 

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1 Gonçalo Moreira Rato is a partner at Magalhães Associados Sociedade de Advogados, RL.
3 DL No. 100/2017, of 23/08; Law No. 36/2017, of 02/06; Law No. 49/2015, of 05/06; Law No. 32/2015, of 24/04; Law No. 82/2013, of 06/12; Law No. 65/2012, of 20/12; Law No. 16/2008, of 01/04; Law No.
Although patents provide an important role in intellectual property rights, in our opinion, they do not present the main form of intellectual property protection in Portugal. In 2018, 1,371 applications for the protection of Industrial Designs and 22,856 applications for the registration of trademarks and other distinctive trade signs, such as logotypes, were filed. However, only 1,318 applications for utility models, patents and complementary protection certificates were filed.\(^4\)

Portugal is one of the EU countries with the highest number of trademark applications per 1 million inhabitants.

II RECENT DEVELOPMENTS

In accordance with the effort that is being made in the implementation of measures of access and simplification to the system of protection of trademarks and patents and, to ensure the compliance of the Portuguese legal system with the most recent EU Directives (No. 2015/2436 and No. 2016/943 concerning the harmonisation of trademarks and the protection of know-how and confidential information), they have been implemented by Decree-law No. 110/2018 of 10 December.

With regard to the harmonisation of trademarks, a more efficient and accessible system was created for companies and citizens, in terms of the speed of administrative procedures, predictability and costs, and in the definition of a set of rules for all trademark registrations, regardless of the trademark type.\(^5\)

Regarding trade secrets, Decree-law No. 110/2018 incorporates the transposition of the Directive on the protection of know-how and confidential information (trade secrets) against its illegal acquisition, and use and disclosure by third parties, thereby protecting innovative companies and preventing the intellectual assets of these economic agents from being improperly used.

In addition to the inclusion of this topic in other articles of the IPC, the Decree-law establishes the creation of five new articles on trade secrets. These new provisions concern the definition of trade secrets, the creation of a criminal offence in relation to their illegal attainment and disclosure and, consequently, the definition of what attainments and disclosures can be considered legally justified. A fine is also set for trade secret infringement, starting at €1,000 and potentially reaching up to €100,000. Finally, the law also makes provision for the preservation of evidence when trade secret damages are at stake.

Although the subject of trade secrecy is the main amendment, it is still important to mention another change foreseen in the Decree-law.

This concerns the end of the ban on double patent protection in Portugal. Article 139(3) of the European Patent Convention gives Member States the freedom to decide whether an invention, subject to a European and national patent, can be doubly protected. This amendment allows for double protection, as was already possible in other countries such as Austria, Sweden or Norway.

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\(^4\) This data can be found on the following link: https://partilha.justica.gov.pt/Transparencia/Dados-e-Estatisticas#&organismo=inpi.

\(^5\) The legal system currently in force in Portugal only provides uniform rules for the European trademarks.
III OBTAINING PROTECTION

i Trademarks

Trademark protection is regulated by Title II, Chapter 4 of the IPC. Trademarks may consist of a sign or set of signs capable of being represented graphically, namely words, including names of persons, designs, letters, numbers, sounds and the shape of the product or its packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings. They may also consist of advertising phrases for the products or services to which they relate, provided they have a distinctive character, regardless of the protection that is granted by copyright.

Anyone who has a legitimate interest in protection may apply for registration.\(^6\)

The trademark registration application consists of an application form, the payment of a fee, addressed to the National Institute of Industrial Property (INPI), and written in Portuguese. The application for registration is usually filed online since it is more efficient, expeditious and economically more advantageous for the applicant. In the application, in addition to the applicant’s personal data, the name of the trademark, and the goods or services for which the mark is being applied for must be indicated, as well as the type of trademark in question (verbal, combined, three-dimensional), the colours used in the sign (in these cases it is mandatory to file a graphic representation of the sign), and finally, if the applicant wishes to claim priority over the right, the country, the first application for registration of the trademark and the date and number of that application should also be presented.

The application is later published in the Industrial Property Bulletin. From the date of publication in the Bulletin there is a period of two months for any possible oppositions from third parties who are interested in filing them.

If there are no oppositions filed, the INPI studies the file. This study consists of the examination of the trademark and its comparison with other trademarks and distinctive signs.

The registration is granted if, after the examination, no grounds for refusal have been detected and the opposition, if there were any, is considered unfounded.

In Portugal, the average time between the filing of the application and the decision – grant or refusal – is approximately four months.\(^7\)

The trademark registration is valid for 10 years from the date of the decision of grant, and can be indefinitely renewed for equal periods.

Industrial designs

The design regime is laid down in Title II, Chapter III of the IPC and is defined as the designation of appearance in whole or in part of a product resulting from the characteristics of lines, contours, colours, shape, texture or materials of the product itself and its ornamentation.

As far as the registration procedure is concerned, applications for designs are very similar to those for trademarks, differing only in some aspects.

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\(^6\) In Portugal, although the requests for protection can be made by anyone, the most common way is to resort to a specialised lawyer or to the figure of the agent of industrial property.

\(^7\) Data withdrawn: 'Innovation - Brands, Patents, Models and Drawings in the Portuguese Economy' 2016, by Catarina Nunes and José Eduardo Matos.
One of the differences concerns the documentation to be attached to the application. In trademark applications it is only necessary to attach a graphic representation in certain cases, whereas in the case of designs it is always mandatory to attach a graphic or photographic representation of the design.

Another difference concerns its description. The applicant, on its own initiative or by notification of the INPI, may submit a description, containing not more than 50 words per product, referring only to the elements appearing in the representations of the design or sample presented, omitting references concerning novelty, individual character or technical value of the design.

Once the application for registration has been submitted to the INPI, the formal requirements established in the same Chapter shall be examined within one month.

If there are no irregularities or if they are remedied, the application will be published for possible oppositions, and if there are no oppositions the application will be granted.

The validity of the registration is five years from the date of the request, and can be renewed, for periods of five years, up to the limit of 25 years.

**Patents**

Patents are regulated by Title I, Chapter I of the IPC. Any new inventions involving an inventive step may be subject to protection if they are capable of industrial application, even where they concern a product composed of biological material or containing biological material or a process that allows the production, treatment or use of biological material. The Industrial Property Code further states that any inventions, whether products or processes, in all fields of technology, new processes for obtaining already known products, substances or compositions may be patented.

As for the procedure for registering a Portuguese national patent, it is similar to the procedures mentioned above save for a few additional peculiarities.

In addition to the application, the applicant must file a description of the object of the invention, the drawings necessary for the perfect understanding of the description, an abstract of the invention and the patent claims of what is new and characterises the invention (i.e., the claims that define the requested scope of protection).

If the applicant does not have all the elements stated above at the time of the filing, he or she can submit a provisional patent application, delaying the delivery of these elements by up to a maximum of 12 months; in this way he ensures the priority of the patent application. This provisional application has to be converted into a definitive application, otherwise the application will be considered withdrawn.

If the application is submitted under regular circumstances, it will be published in the Industrial Property Bulletin 18 months from the date of submission (or at an earlier date at the request of the applicant), with the transcription of the abstract and international classification of patents. Once the publication has been made, any person may request a copy of the information contained in the application. After the deadline for oppositions has passed, and if none have been submitted, the INPI will take a decision within a month.

When the patent is granted, it is valid for a period of 20 years from the date of the application.

It should also be noted that applications for European patents may not only be filed at the European Patent Office but also at the INPI. Moreover, where the applicant for a
European patent has his or her domicile or registered office in Portugal, the application must be filed with the INPI, otherwise the patent will not have effect in Portugal unless the priority of an earlier application is claimed in Portugal.

These applications may be drawn up in any of the languages provided for in the European Patent Convention, in which case the applicant shall have one month from the date of the request to submit the Portuguese translation of the description, claims and abstract, as well as a copy of the drawings, even if they contain no words to translate, to the INPI.

Copyright

Copyright is defined in Article 1 of the Code of Copyright and Related Rights as work. All intellectual creations of the literary, scientific and artistic domain, that have been somehow externalised will be considered to be work. To be protected, the work must be original and, as a rule, the copyright will belong to the intellectual creator of the work.

The registration of copyright in most cases is not mandatory and, therefore, it will not be through registration that the right will be constituted. Its registration is therefore optional and will have declarative effects. This will not be the case unless unpublished work titles, newspaper headlines, or periodical publications’ titles are in question. In these situations, the registration will make the legal protection effective.

In case of the registration of the right, the competent authority is the General Inspection of Cultural Activities, a department body attached to the Ministry of Culture.

The validity of copyright, as a rule, expires 70 years after the death of the intellectual creator.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

Intellectual Property Court

In most cases, when there is an infringement of intellectual property rights, this infringement will be subject to civil law. In such cases, the action must be brought before the specialised court, namely, the Intellectual Property Court.

Court of Criminal Jurisdiction

In addition to civil actions, there are also many cases of criminal offences for the infringement of intellectual property rights. When this happens, the competent court will be the criminal court of first instance. The most common cases of criminal offences are cases of product counterfeiting.

Arbitral Tribunal

The INPI is a partner of the Arbitration Tribunal (ARBITRARE), which presents itself as an institutionalised arbitration centre of national scope within the network of Portuguese

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When we refer to civil law, we are also including in the terminology the misdemeanour law. Normally, this is subject to civil law: unfair competition, misuse of the name, insignia, logo or mark belonging to third parties.
arbitration centres supported by the state. The existence of this arbitral tribunal causes many disputes to be addressed to it through the INPI or even through the parties concerned. However, there is nothing to prevent other arbitral tribunals from being used.

ii Requirements for jurisdiction and venue

As noted above, the infringement of intellectual property rights may lead to civil or criminal action, thereby leading to the jurisdiction of the Intellectual Property Court or the Criminal Jurisdiction Court.

In Portugal, when the violation of the IP right is known, the first reaction of the applicant, either by himself or herself or through an agent, is generally to send a cease-and-desist letter to the infringer stating that he or she should cease the illegal actions under penalty of the applicant having to resort to the appropriate legal means to solve the problem. This notice is not mandatory, but is an alternative means to avoid litigation. If, even after sending the cease and desist letter, the infringer continues to act illegally, the rights holder has the right to bring an action before the competent court. If, on the contrary, the offender accepts the notice, the parties may then try to reach an agreement, for example, through arbitral tribunals.

In terms of consequences, the punishment of the offender can be determined according to three types of responsibilities.

Misdemeanour responsibility

The offender shall be punished with a fine of between €3,000 and €30,000, in the case of a legal person, and between €750 and €3,740, in the case of a natural person, when practising the following acts:

a use in unfair competition;
b use in their establishment, advertisements, correspondence, products or services or in any other way the name or insignia that constitutes a reproduction or imitation of a name, insignia or logo already registered by others;
c manufacture, import, acquire or keep for themselves or for others constituent signs of registered trademarks, names, insignia, logotypes, designations of origin or geographical indications; and
d use in the name or insignia of their establishment or logotype the name or company name belonging to the applicant.

Civil liability

In addition to a fine, the offender may still be liable to compensate the rights holder for damages or losses and may be prohibited from practising certain activities.

The compensation will be calculated based on the profit obtained by the offender, on the damages or loss of profit suffered by the injured party, taking into account the costs incurred in the protection, investigation and termination of the prejudicial conduct to his or her right. The rights holder may, in certain cases, be compensated for non-pecuniary damages.

The court, in its decision, may also determine accessory measures, such as: temporary inhibition on the exercise of certain activities or professions, deprivation of the right to participate in fairs or markets, or the temporary or permanent closure of their establishment.
Criminal liability

In Portugal, the law provides for different types of sanctions depending on the type of crime committed.

A penalty of imprisonment of up to three years or a fine of up to 360 days, will be applied to those who:

a. manufacture the artefacts or products covered by the patent or utility model;
b. reproduce or apply the means or processes that are object of the patent or utility model;
c. explore or imitate, totally or partially, a registered design, designation of origin or registered geographical indication;
d. manufacture the artefacts or products covered by the patent or utility model;
e. counterfeit, totally or partially, or by any other means reproduce a registered trademark;
f. imitate a registered trademark, totally or partially its characteristic parts;
g. use counterfeited or imitated marks, or trademarks belonging to others; or
h. use, in their products, services, establishment or company, a registered trademark belonging to another.

A penalty of imprisonment of up to 18 months or a fine of up to 120 days, will be applied to those who sell, put into circulation or conceal counterfeit products.

A penalty of imprisonment of up to one year or a fine of up to 120 days, will be applied to those who in bad faith, obtain a patent, utility model or design registration that does not legitimately belong to them.

iii Obtaining relevant evidence of infringement and discovery

The Portuguese legal regime allows for certain types of evidence in court. Regarding intellectual property rights, the IPC expressly provides for measures to obtain evidence as well as measures to preserve evidence.

With respect to measures for obtaining evidence, when the evidence is in the possession, dependence or control of the opposing party or a third party, the interested party may request the court to have the evidence produced. At the time of the request to the court, the interested party must justify the existence by providing a sufficient summary of evidence of an infringement of the industrial property rights.

As far as measures for the preservation of evidence are concerned, these may be required whenever there is a breach or a fear that the third party will cause serious and difficult-to-repair damage to the industrial property right. Measures to preserve evidence may include a detailed description, with or without the taking of samples, or the actual seizure of the goods suspected of infringing industrial property rights and, when appropriate, the seizure of the materials and instruments used in the production or distribution of such goods, as well as the relevant documents.

iv Trial decision-maker

Since 2012, there has been a specialised court with jurisdiction to deal with intellectual property issues – the aforementioned Intellectual Property Tribunal. This court is currently composed of three judges specialised in intellectual property responsible for all litigation of first instance in intellectual property matters. This will not be the case if litigation is settled by alternative means.
v Structure of the trial
The procedure begins with the rights holder lodging an action before the court. These actions comprise the facts and the applicable law, by which the infringement of the right is alleged. It is also at this time that the evidence is attached; however, there is nothing to prevent the court from subsequently requesting additional pieces of evidence. After the lodging of the action by the rights holder, the infringer, may file a response to the action in the same terms as the author did.

After an initial assessment of the case by the judge, a preliminary hearing is usually scheduled, and normally, an attempt for the parties to reach an agreement is proposed by the judge. If there is no agreement, any existing irregularities of the process are resolved, the subject matter of the proceedings and themes of evidence are defined and the process will then proceed to trial. It is during the trial that witnesses and experts are heard. Once the production of evidence has been completed and the final allegations have been handed down, the judge assesses the entire process and issues a decision. This decision is later published in the Industrial Property Bulletin.

vi Infringement
As mentioned in the previous paragraph, when the rights holder sees their right threatened, he should propose an action. Although the action has to comply with the procedural requirements required by law (such as legitimacy, jurisdiction of the court, value of the case, among others), there is no obligation regarding its structure. However, the usual structure is a tripartite structure: facts that underlie the action, grounds of law and, finally, the requests (these are mandatory).

vii Time to a first-level decision
The time taken to reach a decision will depend on the type of action that has been proposed. When an action is brought before a court of criminal jurisdiction, the average decision time varies from a year and a half to three years. If it consists of an action of competence of the Intellectual Property Court, it is common to have a court decision up to six months from the date of the action.

viii Remedies
In the Portuguese law system, when transposing Directive 2004/48/EC, of 29 April – the Enforcement Directive – the legislator decided to autonomously regulate interim measures in the IPC and in the Code of Copyright and Related Rights. An article was then included in both diplomas with the following wording:

Whenever there is a violation or a fear of others causing serious and hard to repair damages to the industrial property right, the court may, at the request of the interested party, order the appropriate measures to:

a) Inhibit any imminent infringement; or
b) Prohibit the continuation of the violation.
In addition to precautionary measures, there are also evidence preservation measures that are discussed above.\(^9\)

**ix  Appellate review**

The scarcity of available means of justice obliged the national legislator to limit the admissibility of appeals, in particular, to the Court of Justice. Thus, it is possible to appeal the decision of the Intellectual Property Court to the Court of Appeal, but it will no longer be possible to appeal against this latter decision.

Appeals from the Court of Appeal will only be admitted to the Supreme Court of Justice under the civil procedural law, where appeals are always admitted to the Supreme Court. These situations are defined in the Portuguese Civil Procedure Code, and are as follows:

\(a\)  When the case is of a value higher than the jurisdiction of the Court of Appeal and the contested decision is unfavourable to the appellant in an amount above that court’s jurisdiction.

\(b\)  Regardless of the value of the cause and of loss, an appeal is always admissible:

- when it is based on the violation of rules of international jurisdiction, on the rules of jurisdiction based on matter or hierarchy, or in the case of an offence of res judicata; and
- in decisions rendered within the scope of the same legislation and on the same fundamental question of law, against the well-established jurisprudence of the Supreme Court of Justice.

**x  Alternatives to litigation**

**Arbitration**

As mentioned above,\(^10\) arbitral tribunals have a relevant role in the area of intellectual property in Portugal. Arbitral tribunals appear to be the most used alternative to litigation in Portugal. In the Portuguese legal system, the judgment of an arbitral tribunal and the sentence issued by a court of law have the same legal value. If a party fails to comply with the arbitral decision, the opposing party is entitled to appeal to a court of first instance to execute the decision rendered by the arbitral tribunal. The arbitration proceedings have a maximum duration of 12 months.

**Justices of the peace**

Although arbitral tribunals are most often used, the interested parties may also resort to justices of the peace. However, the justices of the peace are limited by the subject matter of the proceedings. These special instances only have the competence to resolve certain conflicts, for example, those relating to contracts, property and consumption.

Usually, the procedure begins with the assignment of a mediator by the Ministry of Justice who will try to get the parties in conflict to reach an agreement. If this is not possible, the case is referred to a justice of the peace.\(^11\) The decision of the justice of the peace has the same value as a sentence of a traditional court. Finally, if the conflict has a value higher than €2,500, it will always be possible to appeal to a court of first instance to review the decision.

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9  Chapter IV, paragraph iii. Obtaining relevant evidence of infringement and discovery.
10  Chapter IV, paragraph i. Possible venues for enforcement.
11  Justices of the Peace can only decide on actions with values of up to €15,000.
Mediation
Lastly, mediation is possible. Once again, the resolution of the conflict is dependent on the parties, though there is also a mediator present. The difference between this alternative means of resolution is that here the mediator cannot decide, it is the parties themselves who must reach a decision together.

V TRENDS AND OUTLOOK
The social phenomenon of entrepreneurship is widespread across Europe, however, we think that in recent years it has significantly increased awareness in Portugal of intellectual property and the importance of its protection. Along with the various initiatives that Portugal has been involved in,\textsuperscript{12} entrepreneurship has led to a greater awareness of the importance of protecting industrial property rights not only among companies and the public, but also in the government. The measures created to ensure the effective protection of intellectual property rights are evidence of this.

Intellectual property is increasingly considered by the population and by companies as an asset and a competitive advantage over third parties. A change has taken place in which intellectual property is assessed at its true value – as a business tool. Proof of this change of mentality can be seen in the changes proposed in the draft revision of the Industrial Property Code that, if approved, will greatly benefit the holders and future owners of intellectual property rights, giving them more means of defence, protection and reaction against infringements of their rights.

\textsuperscript{12} See the 8th and 9th Editions of Websummit that took place in Portugal.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property includes the results of intellectual activity, which can enjoy legal protection in accordance with the Fourth Part of Civil Code of the Russian Federation. The Russian Civil Code regulates copyright and neighbouring rights, the system of collective management of copyright and neighbouring rights, patentable inventions, utility models, industrial designs and means of individualisation.

There are two distinct categories of intellectual property protected in Russia. The first group includes objects of copyright and neighbouring rights, patentable inventions, industrial designs and utility models, while the second one covers means of individualisation.

Patentable inventions (technical solutions related to a product or to a process) may be protected if they meet the necessary requirements: novelty, inventive step and industrial applicability. The duration of a patent in Russia is 20 years. This may be extended for a further five years for inventions in agrochemistry or in pharma.

Russian law also protects utility models and industrial designs. Patent protection for utility models can be granted for 10 years. To be patentable, a utility model must be new and capable of industrial application.

Industrial designs relate to the appearance of a product. An industrial design is required to be new and original. Industrial designs can be protected for five years, and this can be extended for a further five years with a limitation of the entire validity up to 25 years.

In addition to national registration, the invention can be protected on the international level by filing one international application under the Patent Cooperation Treaty. Alternatively, the invention can be protected on the basis of a single Eurasian patent valid on the territory of the nine member states of the Eurasian Patent Convention including Russia.

Since 28 February 2018 Russia is a party to the Hague Agreement concerning the International Registration of Industrial Designs. This international procedural treaty allows obtaining protection of industrial design in Russia and many other states through a faster and less expensive procedure by filing an international application.

Russian IP legislation protects, inter alia, the means of individualisation, being the names or designations that are used to distinguish and identify companies, or goods or services that they offer. These are company names, trade or commercial names, trademarks and service marks, as well as appellations of origin of goods.

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1 Anton Bankovskiy is a partner and leads the intellectual property practice and Vladislav Eltovskiy is an associate in the intellectual property practice at CMS in Moscow, Russia.
To be protected in Russia, a trademark or a service mark needs to be registered. The duration of a trademark protection is 10 years calculated from the filing date. This 10-year protection can be renewed an unlimited number of times. Trademarks may also be protected in Russia under the Madrid System of the International Registration of Marks.

It should also be noted that Russia is a party to a number of the most important international treaties and conventions covering different aspects of intellectual property, including:

a. the Convention establishing the World Intellectual Property Organization;
b. the Universal Copyright Convention;
c. the Berne Convention for the Protection of Literary and Artistic Works;
d. the Paris Convention for the Protection of Industrial Property;
e. the Madrid Agreement on the International Registration of Marks and the Madrid Protocol;
f. the Singapore Treaty on the Law of Trademarks;
g. the Nice Agreement on the International Classification of Goods and Services for the Purposes of Registration of Trademarks;
h. the Patent Cooperation Treaty;
i. the Eurasian Patent Convention;
j. the Locarno Agreement Establishing an International Classification for Industrial Designs;
k. the Geneva Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of their Phonograms;
l. the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS); and
m. the Hague Agreement Concerning the International Registration of Industrial Designs.

II RECENT DEVELOPMENTS

The key institutions in intellectual property regulation in Russia are the Federal Service for Intellectual Property (Rospatent), which is a regulatory authority responsible for registering intellectual property, and the Russian Intellectual Property Court. The creation of the IP Court in 2013, which was the first, and remains the only specialised commercial civil court in Russia (including in the Soviet era system), was a big step towards establishing and developing practice in the application of the law and developing legal precedents. This innovation has also obviously improved professionalism and provided a sound legal basis for judgments in this area of law.

The Intellectual Property Court, as part of the Russian commercial court system, reviews as a court of first instance; regulatory and legal acts of Rospatent and considers cases on the invalidation of intellectual property and disputes over the ownership of intellectual property rights. As a court of third instance (i.e., a court of second appeal or cassation) it hears cases concerning the infringement of intellectual property rights between legal entities and individual entrepreneurs. The cassation rulings of the IP Court can be further appealed to the Supreme Court of Russia. Other rulings are appealed to the presidium of the same Intellectual Property Court.

Judging by its activity since the launch, the introduction of the Intellectual Property Court has been an important and a long-awaited development in Russian intellectual property practice. Intellectual property owners have benefited, since these (including those associated with intellectual property prosecution issues) in Russia are now reviewed by judges
specialising in this area of law. Furthermore, the creation of the Intellectual Property Court has meant that courts now have a common approach to decision-making and their practices have become more uniform. It has also helped identify gaps in Russian intellectual property legislation.

Russian law has also been developed to combat piracy with the introduction of more efficient ways to block illegal content on the internet, including mirror websites, with the possibility of permanent blocking.

In addition, the online industry in Russia took a step towards self-regulation in the sphere of anti-piracy. A memorandum on cooperation for the protection of exclusive rights over digital technologies was signed by, on the other hand, Russian associations for the protection of the rights of owners and licensees, and large Russian media holdings and TV companies; and on the other, Russian search engines and large Russian platforms that host video content. This memorandum is aimed at more efficiently combating illegal content on the internet.

III OBTAINING PROTECTION

Rospatent is subordinated to the Ministry of Economic Development and it is responsible for the registration of intellectual property rights to trademarks (service marks and collective marks), appellations of the origin of goods, inventions, utility models, industrial designs, software, databases, as well as for the registration of any licence (and sub-licence), assignment contracts or pledge contracts in respect of registered intellectual property rights.

Currently discoveries, scientific theories, mathematical methods, purely aesthetic elements, rules and methods of intellectual or economic activities, computer programs and solutions that provide information only without an element of technical application cannot be patented in Russia. Furthermore, plant varieties, species of animals or biological ways of obtaining them (except for microbiological processes), the products of these techniques and circuit layouts cannot be protected as inventions.

Methods of cloning of human beings, human genetic modification techniques, the use of human embryos for industrial and commercial purposes and other objects that are contrary to morality cannot be registered. However, Rospatent is known to have registered inventions related to molecular biology, namely DNA selection methods.

As a general rule, patent applications in relation to business processes are refused; however, it is thought that Rospatent is becoming more receptive to applications to register inventions that, although structured in the form of methods, are essentially business methods. Methods of treatment or diagnosis may be patentable methods, and there are precedents of these inventions having been registered.

A number of disputes concerning the registration of intellectual property, as well as the cancellation of their legal protection, are to be settled in out-of-trial administrative procedures. The Chamber for Patent Disputes, which is a division of Rospatent, was established in 2005 as an administrative body to resolve disputes related to the protection of intellectual property. The Chamber for Patent Disputes also considers objections to the decisions of the PTO examiners. Russian customs officers can also assist in protecting intellectual property rights provided the right owners applied to have the relevant rights entered into a special Customs Intellectual Property Register. However, the powers of customs officials are limited to copyrights and trademark rights (they do not cover inventions, utility models or industrial designs).
Along with the traditional results of intellectual activities, non-traditional objects of intellectual property are also protected. These may be know-how (trade secrets), breeding achievements, circuit layouts, etc.

For instance, information with actual or potential commercial value for the manufacturer can be protected in Russia as know-how. The owner of this information must take active measures to protect its confidentiality and to ensure that the information is unknown to third parties.

Any type of computer program (including software), which may be expressed in any language and in any form, including the initial text and compiled code, is protected in the same way as the copyright to literary works. However, it should be noted that the ideas, languages and algorithms of the elements of a program are not subject to copyright protection.

### IV ENFORCEMENT OF RIGHTS

#### i Possible venues for enforcement

There are various mechanisms in law for enforcing intellectual property rights, including administrative, civil and criminal enforcement. The best approach to defending rights would depend upon the type of the infringement, as well as upon the scope of the damage.

A civil court, either a court of general jurisdiction or a commercial court (see Section IV.ii), would be the primary venue for the civil route of enforcement.

The administrative procedure provides for the possibility of the owner of intellectual property rights submitting a complaint to the Federal Anti-Monopoly Service, law-enforcement agencies or customs depending on the type of infringement.

Criminal cases may be initiated by filing an application to law-enforcement agencies, if certain thresholds of damage are met.

#### ii Requirements for jurisdiction and venue

There are two systems of civil courts in Russia: the courts of general jurisdiction and state commercial courts. The general principle is that the commercial courts hear disputes in the economic sphere (normally involving legal entities or individual entrepreneurs), and all other disputes are handled by the courts of general jurisdiction (normally involving individuals). In particular, the courts of general jurisdiction hear disputes on the authorship or the protection of the rights of authors, and the commercial courts hear the majority of disputes on the protection of exclusive rights, if the IP owners are legal entities.

Depending on the nature of the dispute, the proceedings may take place in the commercial courts, with the Russian Intellectual Property Court as a cassation court, or in the courts of general jurisdiction. The judicial protection of intellectual property rights allows the court to order the infringement to cease, counterfeit goods to be seized and destroyed, and damages (or alternatively compensation) paid to the rightholder.

#### iii Obtaining relevant evidence of infringement and discovery

In a case involving the infringement of exclusive rights to intellectual property, collecting relevant evidence ahead of time is vital to increase the chance of success, since in Russia there is no such procedure as disclosure or discovery as in some other jurisdictions.
In addition to all the documents presented on a case-by-case basis, the owner of the rights will often want to produce to the court evidence of counterfeit goods being offered for sale or any other purpose found on the infringer’s website. This protocol of the inspection is to be prepared by a notary public.

In the majority of patent infringement cases, the main evidence is the examination statement of a forensic examiner appointed by the court.

iv Trial decision-maker

As discussed, many disputes in the area of intellectual property are subject to the jurisdiction of the Russian Intellectual Property Court, where the judges are lawyers specialising in IP matters. They can also use the assistance of external technical specialists.

The court shall properly consider all evidence submitted by the parties. In patent disputes, where technical issues are crucial, a great deal of emphasis is put on the patent technical forensic examination.

v Structure of the trial

Usually a trial will begin with the acceptance of the statements of claim and the commencement of the case, resolved by a judge alone. This is sometimes preceded by a preliminary injunction procedure. Once the statements of claim have been accepted, the judge rules that the proceeding is instituted. This ruling states that the case is at the preparation for trial stage and also sets out the steps to be taken by parties participating in the case, and when they must be completed.

The defendant must normally submit a defence brief to the court and to other parties in reasonable time so that it can be reviewed before the start of the trial.

The preparation of the case for trial should be completed within two months after the date of the filing of the statements of claim with the court. As a general rule, preparation of the case for trial is completed at a preliminary hearing that is normally scheduled by the judge within a month after submission of the statements of claim.

The preliminary hearing is heard by a judge alone to consider the results of the preparatory work by the court and persons involved in the procedure, as well as to decide if the case is ready for a court hearing and if a court hearing in first instance can be appointed.

In accordance with the law, any written or other physical evidence, expert and professional advice or testimonies, audio and video records, and other documents and materials can be submitted as evidence. The parties are entitled to request and submit additional evidence, as well as to present motions to call witnesses in the trial or motions to conduct examinations at all stages of court proceedings. This allows the parties to bring additional evidence. A court hearing may be postponed to require additional evidence or to conduct an examination and hear the testimony of witnesses or third parties.

After all evidence has been provided in the court procedure, the parties hold a debate, summarising and presenting their position to the court. The court makes a decision, which can then be appealed to a court of second instance. In an ideal situation, the court procedure takes no more than four months from the date when the statement of claim is filed until a decision is made, but in practice the process is likely to be much longer.

vi Infringement

If the plaintiff’s claims contain monetary demands (e.g., a claim for damage or recovery of compensation), the law stipulates for a mandatory pre-trial procedure, requiring the
prospective plaintiff to send a cease-and-desist letter attempting to amicably settle the dispute. The claim must contain clear demands, the grounds of these demands, and other information necessary to resolve the dispute. After this pre-trial settlement attempt, the dispute may be transferred to the court once 30 days from the date of the cease-and-desist letter have elapsed. This procedure is a statutory requirement in most civil cases, except for non-use cancellation proceedings in respect of trademarks and service marks, where a specific procedure is established.

Pre-trial procedures may be beneficial for the IP owner, allowing them to decrease litigations costs (e.g., state fees, legal expenses and expert costs).

The statement of claim should be filed with the court in writing or electronically and be signed by the plaintiff or his representative.

The plaintiff’s position and claims against the defendant should be clearly set out and the statement should refer to the relevant laws and other regulatory legal acts. The plaintiff should set out the circumstances on which his or her claim is based and support these circumstances with evidence. As well as the value of the claim, the statement should also set out the calculation of the sum payable, information on compliance with the pre-trial procedure (if any), and information on the measures taken by the court to ensure property interests prior to the commencement of the action.

The statement of claim may include any other information, if it is necessary for the proper and timely examination of the case. For example, a motion requesting discovery of evidence from the defendant or other persons may be included.

The plaintiff can also provide the results of non-forensic examination as evidence. Despite the fact that the findings of this examination would reflect only the opinion of one of the parties, the court hearing these cases can take into account all evidence in case. In some situations, for example, if a forensic examination is conducted by two expert organisations and their views are different, the opinion of the non-judicial examination could play a decisive role.

The plaintiff is obliged to provide other persons participating in the case with a copy of the statement of claim and the documents annexed to it. These requirements must be complied with, otherwise the court may not take action and leave the case at a standstill until the requirements of the law are satisfied.

vii  Defences

As mentioned above, the defendant is obliged to submit a statement of defence to the court and other parties in the case, stating its objections to the claims of plaintiff. The structure of the statement of defence is similar to the plaintiff’s statement, namely, it must specify clearly the defendant’s position and refer to relevant evidence.

Building a successful defence is typically based on certain tactics, including defensive invalidation of a patent or cancellation of a trademark for non-use. A patent could be deemed invalid for various reasons throughout the period of its validity. Proceedings on patent infringement are normally suspended until the validity of a patent is determined, subject to some procedural exclusions.

Patent protection can generally be cancelled on the following grounds: non-compliance of a patent with the patentability criteria; omission of data from the original application to register the invention or utility model, or from the list of essential features relating to it; the
grant of a patent in the case of several identical applications with the same priority date; the issue of a patent with the names of persons as the authors who are not the real authors, or not specifying the persons who are the real authors.

These tactics may be unfairly used on a pre-trial stage. For example, an infringer, who is intentionally violating intellectual property rights, after receipt of the pre-trial cease-and-desist notice, could use the 30-day period allowed to file an objection via administrative proceedings to have the intellectual property rights of the plaintiff in question deemed invalid, and then could use this argument to suspend a prosecution. Such examples show that the obligatory pre-trial procedure may be not useful in every case of IP infringement, and it can even undermine the position of rightholders.

If a defendant has used an identical product before the disputed patent was granted, the defendant can argue that he is entitled to continue to use it based upon the right of prior use.

The defendant can also provide the results of non-forensic examination. As mentioned above, patent infringement cases are rarely heard without forensic examination in Russia. As the forensic examination is normally conducted by examiners suggested by the parties and appointed by court, it is always important to persuade the judge that your candidate is most appropriate to prepare this.

In general, the strategy and the tactics of defence in patent litigation depend upon the particular aspects of each case.

viii Time to first-level decision
In an ideal situation, the court procedure takes no more than four months from the date when the statement of claim is filed, until a decision is made, but in practice, the process is likely to be much longer from six months to one year.

ix Remedies
Russian law also allows parties to apply for injunctions, including for preliminary relief. Injunctions may be applied for at any stage of the court proceedings, including up to 15 days before filing the statements of claim, if otherwise the enforcement of the judgment may become problematic or impossible.

Injunctions may be ordered in the form of the prohibition of certain acts, or the seizure of counterfeit products or equipment used for producing illegal products.

Practically, however, Russian courts are often reluctant to impose preliminary injunctions in intellectual property disputes, other than seizing fake products, blocking the transfer of infringing domain names or blocking infringing websites. In these three types of intellectual property cases, the plaintiff can reasonably rely upon a Russian court to impose interim or preliminary injunctions.

On the merits, the IP owners usually submit claims for the termination of the infringement; the seizure or destruction of the counterfeit goods (or removal of counterfeit signs or labels); and the payment of compensatory damages or statutory compensation (in an amount from 10,000 roubles to 5 million roubles (i.e., from EUR 143 to EUR 71,500), or double the value of the infringing goods or double the fees for the licence to use the infringed trademark under regular market conditions).

x Appellate review
As mentioned above, the proper venue for the appellate proceeding depends on the nature of a dispute.
For instance, the decisions of the Chamber for Patent Disputes related to the patentability of inventions, utility models or industrial designs are appealable to the Russian Intellectual Property Court within three months.

Judgments made by the Russian Intellectual Property Court in the first instance may be reviewed in cassation (appeal order) by the Presidium of the Russian Intellectual Property Court.

Judgments made by state commercial courts and by the courts of general jurisdiction are reviewed in appeal order by the superior court. Appellate rulings can further be appealed under cassation (second appeal) and supervisory procedure.

The appellate court considers the case on the basis of evidence submitted during the first instance proceedings. New evidence may be accepted, if a party is able to prove that it was unable to adduce it in the first instance proceeding. The appellate court reviews whether the law has been correctly applied and evidence is properly assessed.

**xi Alternatives to litigation**

Alternative dispute resolution procedures are available for IP disputes. For example, IP owners can settle a dispute through the mediation procedure. In accordance with the law, the mediation procedure is applicable on the basis of an agreement between the parties, including a reference in the contract to a document containing conditions for the settlement of the dispute with the assistance of a mediator.

In addition to mediation, IP disputes can be transferred by parties on the basis of an arbitration agreement to an arbitration. Despite the fact that the alternative methods of resolving disputes have some advantages, for example, confidentiality of the information involved, in practice these methods are not frequently used by IP owners in Russia.

**V TRENDS AND OUTLOOK**

Intellectual property protection in its modern sense is considered to be quite young in Russia, although most of global trends are reflected in Russian laws and practices. Some regulation is still changing, which leads to new amendments, improvement proposals and legal discussion.

The main trend in the development of legislation in the field of intellectual property today is towards optimising defence mechanisms for the protection of the intellectual property. Active development in the legislation is not only natural but also necessary in the context of the development of modern scientific technology. For example, it has become clear that protecting intellectual property on a national level is not enough. For example, the Eurasian Economic Union has established a common customs registry of intellectual property, which will help to suppress counterfeit products.

The issue of parallel importation is still being discussed. Notably, parallel importation is considered as a trademark infringement in Russia, although recent trends in the court practice and relevant legislative initiatives are controversial in this respect. For example, the Constitutional Court has decided that parallel importation may be allowed, if the trademark owner follows unfair practices, such as price regulation or the restriction of competition. Moreover, the Russian authorities have been pushing for parallel imports to be allowed, at least in relation to certain types of goods (such as pharmaceuticals, medical devices, automotive parts, cosmetics, perfumes, alcoholic beverages (except beer) and hygiene products). The issue of the legalisation of parallel imports has also been considered on the Eurasian Economic
Union level. In 2017, the Eurasian Intergovernmental Council was given the right to allow parallel import of certain goods, but only provided that all the members of the Eurasian Economic Union come to an agreement, which has not happened yet.

At the legislative level, there are many ongoing discussions related to possible amendments to the legislation aiming to address the current gaps in the law and improve the protection of intellectual property with due account to new unfair practices and technology development.

The Russian legal framework in the area of intellectual property is generally in line with international standards, allowing Russian and foreign IP owners to effectively protect their intellectual property rights.
Chapter 19

SINGAPORE

Stanley Lai SC and Amanda Soon

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Patents

The law of patents in Singapore is governed by the Patents Act (Cap. 221) (PA). For an invention to be patentable, it must be new, involve an inventive step and be capable of industrial application. Once granted, the term of a patent is 20 years from the date of filing, subject to the payment of renewal fees.

ii Copyright

The law of copyright in Singapore is governed by the Copyright Act (Cap. 63) (CA). There is no system of registration for copyright protection. Copyright protection arises automatically once an author creates and expresses his original work in a tangible form.

The term of protection depends on the type of copyright work concerned. For example, for literary, dramatic, musical and artistic works, the term of copyright protection is 70 years from the end of the year in which the author died. For published editions of literary, dramatic, musical or artistic works (layout), the term is 25 years from the end of the year in which the edition was first published. For sound recordings and films, the term is 70 years from the end of the year in which the sound recording or film was first published.

iii Trademarks

Trademarks are protected under the Trade Marks Act (Cap. 332) (TMA) and at common law. It is possible to protect non-conventional trademarks such as sound, three-dimensional shape, colour, movement, aspect of packaging and hologram marks. Registration lasts indefinitely as long as it is renewed every 10 years.

Unregistered trademarks are protected under the common law action of passing off.

iv Registered designs

The law of registered designs is governed by the Registered Designs Act (Cap. 266) (RDA). To qualify for registration, a design must be new and must be applied onto an article or non-physical product. A registered design is protected for an initial period of five years from the date of filing the application. Thereafter, the registration may be renewed every five years up to a maximum of 15 years, subject to the payment of renewal fees.

1 Stanley Lai SC is a partner and Amanda Soon is a senior associate at Allen & Gledhill LLP.
v International treaties
Singapore has acceded to various international IP treaties, including the Agreement on Trade-Related Intellectual Property Rights (TRIPS), the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty.

After TRIPS, the US–Singapore Free Trade Agreement (USSFTA) is the international document that has made the greatest impact on Singapore’s IP laws. The USSFTA came into force in January 2004. Some amendments made to Singapore’s IP legislation to comply with the provisions of the USSFTA include:

a patents:
• extension of patent term where there is unreasonable delay in the grant of the patent or in getting marketing approval for the patented pharmaceutical product; and
• restrictions on parallel importation of pharmaceutical products;

b trademarks:
• registration of non-visual marks such as sound and smell marks; and
• protection of well-known marks; and

c copyright:
• extension of the term of copyright protection; and
• more stringent enforcement measures against infringement

II RECENT DEVELOPMENTS

i Patents

Legislation
In 2017, the PA and Rules were amended and key features of the amendments include the following.

Broadening of grace period
Before the amendments, public disclosures were only disregarded under very narrow circumstances, for instance when the disclosure was in breach of confidence. Public disclosures outside these narrow circumstances would lead to the invention being ineligible for patent protection. The amendments allow any public disclosure originating from the inventor to be disregarded if it occurs within 12 months before the patent application.

Changes to supplementary examination
Currently, patent applicants can submit an examination report issued by a foreign patent office for the same invention and IPOS then conducts a simplified examination that does not cover key patentability requirements. Under this ‘foreign route’, granted patents may not fully satisfy Singapore’s patentability standards.

The foreign route will no longer be available for patent applications filed on or after 1 January 2020. All patent applications must be fully examined by IPOS, which ensures that all granted patents fully satisfy Singapore’s patentability criteria.
**Cases**

*Sunseap Group Pte Ltd and others v. Sun Electric Pte Ltd*²

The respondent patent proprietor alleged that the appellants had infringed eight out of the 12 claims in its patent (the other four claims being the ‘unasserted claims’). The appellants contended that all the patent’s claims were invalid. The appellants sought a declaration of invalidity and an order that the patent be revoked.

The High Court Assistant Registrar³ held that the validity of the unasserted claims could not be put in issue by way of defence in infringement proceedings pursuant to Section 82(1)(a) PA. However, the Assistant Registrar also held that revocation proceedings could be commenced in the High Court by way of counterclaim. The respondent patent proprietor appealed against this second finding.

The High Court held that⁴ it did not have original jurisdiction over an application to revoke a patent. Accordingly, the High Court allowed the respondent patent proprietor’s appeal and ordered that the defence and counterclaim be amended so as to remove any references to revocation.

On appeal, the Court of Appeal disagreed with the High Court’s decision and held that in cases involving applications for revocation by way of counterclaim in infringement proceedings, the High Court has original jurisdiction but only the validity of the asserted claims for infringement may be put in issue as part of the counterclaim for invalidity. In cases involving applications for revocation brought independently of infringement proceedings, the Court of Appeal held that the Registrar of Patents, not the High Court, has exclusive jurisdiction over this category of cases.

*Lee Tat Cheng v. Maka GPS Technologies Pte Ltd*⁵

The appellant was the proprietor of a patent for an in-vehicle camera, and alleged that the respondent had infringed the patent by offering three models of in-vehicle cameras for sale. The respondent claimed that the appellant had made groundless threats of infringement proceedings.

The High Court held that⁶ the respondent, being the recipient of two cease-and-desist letters from the appellant demanding fees and damages, was a ‘person aggrieved by the threats’ as set out in Section 77(1) PA. Pursuant to Section 77(2) PA, the appellant’s threats of infringement proceedings were not justified as the respondent’s acts did not constitute an infringement of the patent. Therefore, a grant of relief for the respondent under Section 77 PA for the appellant’s threats had to be considered. The High Court took the view that under Section 77 PA, it did not have discretion as to whether to award relief. Once a claimant had established all the requisite elements under Section 77(1) PA, and the threats were shown to be unjustified, the claimant would be entitled to be granted a form of relief.

The Court of Appeal disagreed with the High Court’s decision and held that the grant of relief under Section 77 PA is not mandatory even if a claim for groundless threats had been made out. The grant of relief remains at the discretion of the court. The claimant bears

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³ Sun Electric Pte Ltd v. Sunseap Group Pte Ltd and others [2017] SGHCR 6.
⁴ Sun Electric Pte Ltd v. Sunseap Group Pte Ltd and others [2017] SGHC 232.
⁵ [2018] SGCA 18.
the onus of satisfying the court that he or she is ‘aggrieved’ by the defendant's threats before he or she will be entitled to relief. A claimant would not be able to satisfy the court that he or she is ‘aggrieved’ if he or she is unable to satisfy the court that the circumstances are such that it would be appropriate to grant him or her at least one of the forms of relief set out in Section 77(3) PA. If there is no evidence that the claimant has suffered any loss as a result of the defendant's threats; or no evidence that it is appropriate for the court to intervene by granting a declaration (to the effect that the threats are unjustified) or an injunction (to restrain the defendant from continuing the threats), then the claimant cannot, in the first place, be said to have been ‘aggrieved’ by the defendant's threats even though they were found to be groundless.

Rohm and Haas Electronic Materials CMP Holdings, Inc (formerly known as Rodel Holdings, Inc) v. NexPlanar Corp and another

The patent in this suit was a pad used to polish the surface of semiconductor wafers. The plaintiff sued the defendants for patent infringement, and the defendants alleged, *inter alia*, that the patent was invalid because it was not novel as it was anticipated by the prior use and sale of the plaintiff's pads to Intel Corporation before the patent's priority date. The plaintiff argued that the prior sale and disposal of the pads to Intel were made under obligations of confidentiality (both expressed and implied).

In considering the question of whether Intel owed the plaintiff an express obligation of confidence, the High Court held that it was unable to recognise the existence of any express confidentiality undertaking or agreement providing for an obligation of confidence, on the basis of the available evidence. While the plaintiff claimed that three non-disclosure agreements existed with Intel, they were only able to produce a copy of one of them, which post-dated most of the sales of the pads and also did not refer to the pads that had already been sold.

However, the High Court found that Intel owed an implied obligation of confidence as information of a commercial or industrial value was given on a business-like basis with a common object and project in mind. A reasonable person standing in Intel's shoes would have realised that the information was given in confidence, considering that the pads given to Intel were experimental and stored in secure research facilities. Further, presentations about the pads were only made at a conference that was expressly stated to be ‘confidential’. The plaintiff also distributed a brochure before the priority date of the patent, but the brochure contained only broad and general information about the pads. It was therefore held that these prior disclosures were not enabling.

### Copyright

#### Legislation

On 17 January 2019, the Ministry of Law (MinLaw) and IPOS issued the Singapore Copyright Review Report (Report), which outlines proposed changes to the CA with the aim of updating Singapore’s copyright regime to better support creators and the use and enjoyment of creative works in the digital age.

Key proposed changes to the CA include the following.

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7 [2018] 5 SLR 180.
New civil and criminal liability provisions relating to streaming of audio-visual content

Civil and criminal liability will be imposed on people who wilfully make, import for sale, commercially distribute or sell a product (which can be a hardware device or a software application) that can be used to access audio-visual content from an unauthorised source. Additionally, it must be designed or made primarily for providing access to such content; advertised as providing access to such content; or sold as providing access to such content, where the retailer sells a generic device with the understanding that ‘add-on’ services such as the provision of website links, instructions or installation of subscription services will subsequently be provided.

Civil and criminal liability will also be imposed on service providers who do not sell devices, but instead, for a fee, either sell software, or otherwise enable devices to access content from unauthorised sources (e.g., on devices that a consumer already owns, installing and setting up applications that enable access to content from such sources).

Attributing creators whenever their works are used

A new right of attribution will be imposed for authors of literary, dramatic, musical and artistic works in relation to those works and adaptations of them, and for performers for performances. The right, which will be personal to the author or performer (and not transferable), will not apply to specified works and performances, for example a computer program or a work created in the course of employment. The right will last for the duration of copyright or protection period of a performance (as the case may be). Defences and exceptions to the right of attribution have also been proposed.

Granting creators default ownership of certain commissioned works

Default ownership of commissioned photographs, portraits, engravings, sound recordings and cinematograph films will be with the creator instead of the commissioning party.

For the general employment situation, employers will continue to have default copyright ownership of literary, dramatic, musical and artistic works. Moreover, employers will have default ownership of the rights in other subject matter (such as sound recordings and cinematograph films) created by employees. The current default ownership rules would be retained for journalist–employees.

Facilitating uses of works for text and data mining

Copying of copyrighted materials will be allowed for the purpose of data analysis. Additional safeguards and conditions will have to be met for the exception to apply, for example the user must have lawful access to the works that are copied and the user cannot distribute the works to those without lawful access to the works.

Strengthening the general fair use exception

The CA currently provides for an open-ended fair use exception, which permits uses of copyrighted works without permission from the copyright owner, as long as the courts deem the specific use as being fair. The CA lists five non-exhaustive factors to take into account when determining whether a particular use is fair or not: (1) the purpose and character of the use, including whether the use is commercial in nature or for non-profit educational purposes; (2) the nature of the creative work; (3) the amount of the creative work that has been copied, or whether the part that is copied is substantial to the whole of the creative work.
work; (4) the effect of the use on the potential market for, or value of, the creative work; and (5) the possibility of obtaining the creative work within a reasonable time at an ordinary commercial price.

The amendments will remove the fifth factor because it may not be relevant in all cases, will describe the open-ended exception as fair use, and will clarify how the fair use exception operates vis-à-vis the other exceptions, including the specific fair dealing exceptions.

**Facilitating educational uses by non-profit schools**

A new purpose-based exception for educational uses will apply to any online work that is accessible without the need for payment at the time of access. The use of the online work must be in the course of any activity that has an educational purpose (such as giving or receiving instruction) and limited to reproducing, adapting or communicating it. The persons who can avail themselves of the exception will be limited to students, teachers and government officers who perform curriculum or content development functions.

**Protecting certain exceptions from being restricted by contracts**

A contractual term which attempts to override an exception will not be allowed if it is unreasonable. The current list of exceptions that cannot be restricted by contracts will be expanded to include exceptions for reproduction for purposes of judicial proceedings or professional advice, exceptions relating to galleries, libraries, archives and museums, and the new exception for data analysis.

**Enhancing collective rights management**

A new class licensing scheme for collective rights management organisations will be administered by IPOS. Any entity that carries out collective licensing activities in Singapore will be automatically subject to and have to comply with all licence conditions.

**Setting an expiry date for the protection of unpublished works**

The amendments will limit the duration of copyright protection for unpublished works. The draft legislative bill has not yet been made available to the public for comments.

**Cases**

*Disney Enterprises, Inc and others v. M1 Ltd and others*[^8]

The plaintiffs were the copyright owners of numerous films. The defendants were network service providers. The plaintiffs applied for blocking orders pursuant to Section 193DDA CA, which would require the defendants to block their subscribers’ access to online locations that infringe or facilitate the infringement of copyright. The online locations were websites that were accessible via fully qualified domain names (FQDNs). Two types of orders were sought: (1) an order requiring the defendants to disable their subscribers’ access to the FQDNs listed in the schedule to the application that provided access to 53 websites (the main injunction); and (2) an order requiring the defendants, upon notification from the plaintiffs, to block additional FQDNs not listed in the schedule that were subsequently discovered to provide access to the same 53 websites (the dynamic injunction).

The High Court granted the application. The court had jurisdiction to grant the dynamic injunction as Section 193DDA was worded broadly and did not expressly preclude the granting of a dynamic injunction. The acts that the defendants were required to undertake pursuant to the dynamic injunction were reasonable since the defendants were not required to block additional websites that had not been included in the main injunction and only required the defendants to block new means of access to the same websites. The dynamic injunction was necessary to ensure that the main injunction operated effectively owing to the ease and speed at which circumventive measures could be taken by website operators to evade the main injunction. Under the dynamic injunction, the plaintiffs would have to provide evidence that the new FQDNs to be blocked provided access to the same websites that were the subject of the main injunction, and the defendants would not be required to block the new FQDNs if the grounds for disabling access provided by the plaintiffs were insufficient.

* Nanofilm Technologies International Pte Ltd v. Semivac International Pte Ltd and others*

The first defendant was a business that was similar to the plaintiff’s business. The second defendant was an employee of the plaintiff and was subject to an employment contract, under which he was not to disclose any confidential information relating to the plaintiff or to engage himself in any business other than the plaintiff’s, and an agreement of invention assignment and confidentiality, which provided that any work created by him related to the plaintiff’s business would belong to the plaintiff. The plaintiff discovered a set of slides bearing the first defendant’s name, which contained several alleged reproductions of the plaintiff’s copyrighted works. The plaintiff also discovered that the second defendant had created technical drawings, some of which were based off the plaintiff’s technical drawings. The plaintiff sued for copyright infringement in relation to the slides and the drawings.

The High Court held that the rightful copyright owner of the slides and drawings was the plaintiff, under Sections 130(1B), 30(5), and 30(6) CA. Whether a work was created by an employee in pursuance of the terms of his employment was a question of fact. The mere fact that the employee used the employer’s equipment to create the work did not mean that the work was created in pursuance of the terms of his employment. The Court held that the drawings were made in the course of the second defendant’s employment with the plaintiff, as he was a manager of a high position in the plaintiff company and was given special access to the plaintiff’s database of technical drawings. In any event, even if the drawings were not made in the course of the second defendant’s employment with the plaintiff, the plaintiff was still entitled to the copyright in the drawings as a consequence of the agreement.

The Court found that the copyright in the slides had been infringed as they were reproduced by the first defendant in a nearly identical manner, and the additional elements or points of graphic detailing in the slides did not make a difference to copyright infringement. The question was whether a substantial part of a copyrighted work had been reproduced, not whether the part taken formed a substantial part of the infringing reproduction. Copyright infringement was also found in all but two of the drawings (which lacked originality and were not protected by copyright) as there was evidence of at least two-dimensional reproduction of the drawings in Singapore for quotation purposes. The first defendant failed to invoke the useful article defence under Section 70(1) CA as it could not show that the drawings had been industrially applied by the making of more than 50 reproductions in three-dimensions.
iii Trademarks

Burberry Ltd v. Megastar Shipping Pte Ltd and another appeal\(^\text{10}\)

The respondent was a freight forwarder company providing transhipment services in Singapore. An Indonesian company hired the respondent to arrange for the transhipment of two sealed containers originating from China to Batam. During the transhipment process, Singapore Customs found and seized more than 15,000 counterfeit goods. The appellant trademark proprietors commenced proceedings against the respondent for trademark infringement under Section 27 TMA.

The High Court in this case (sub nom Louis Vuitton Malletier v. Megastar Shipping Pte Ltd (PT Alvenindo Sukses Ekspress, third party) and other suit\(^\text{11}\) was of the view that for the purposes of the TMA, the importer or exporter of the goods was either the shipper in China or the ultimate consignee of the cargo in Batam. The mere fact that the respondent was named as the consignee in documents did not mean that it was an importer or exporter for the purposes of the TMA, and the respondent was not liable for trademark infringement.

The Court of Appeal agreed with the High Court decision and dismissed the appeal. Mere intention to export is insufficient to find liability under Section 27 TMA, although where there are accompanying actions that are clearly directed at fulfilling the intention to export or where there is clear evidence that export would definitely take place (for instance, the alleged exporter is under a contractual obligation to do so), a trademark proprietor could apply for an injunction against the alleged exporter. The evidence must be clear that the export is imminent or would definitely take place. To establish liability, the alleged importer or exporter must have intended to do the act constituting the infringing use with knowledge or reason to believe that there was a sign present on the goods in issue. On the facts of the case, there was no evidence that the respondent knew or had reason to believe that there were signs on the goods in issue. Thus, the respondent did not ‘use’ the signs and was therefore not liable for infringement of the trademarks.

Courts (Singapore) Pte Ltd v. Big Box Corporation Pte Ltd\(^\text{12}\)

Big Box Corporation Pte Ltd (the proprietor) is the proprietor of the registered trademark ‘BIG BOX’ in class 35. Courts (Singapore) Pte Ltd (the applicant) opened a retail warehouse store and placed newspaper advertisements that described the store as ‘COURTS BIG BOX MEGASTORE’. The proprietor sent the applicant a cease-and-desist letter, alleging infringement of the trademark. The applicant filed for a declaration of invalidity, but the Trade Marks Registry refused the application. The applicant appealed against the Registry’s decision.

The High Court dismissed the appeal. The grounds of invalidation were focused on the assertion that the term BIG BOX should be available for use in Singapore in relation to retail establishments, because BIG BOX generally referred to a physically large retail establishment, usually part of a chain. The High Court agreed that the trademark lacked distinctiveness, as the applicant’s argument relied on dictionary definitions of BIG BOX from American and North American sources instead of Singaporean ones, and was not sufficient to establish that some traders and consumers in Singapore would have understood or been aware of

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\(^{10}\) [2019] SGCA.

\(^{11}\) [2017] SGHC 305.

\(^{12}\) [2018] 5 SLR 312.
the definitions alleged and relied on by the applicant at the application date. Further, the ‘relevant public’ in Singapore was not solely comprised of a few large multinational retail chains, but included retailers, warehouse businesses in general, and the average consumer in Singapore. The applicant had failed to establish, on a balance of probabilities, that the words BIG BOX were customary in the current language or in established practices of the trade as at the application date. Hence, the trademark was not descriptive and was inherently distinctive as an indication of trade origin at the application date.

iv Registered designs

Amendments to the RDA

The RDA was amended in 2017. The amendments are not a significant overhaul of Singapore’s registered designs regime, but enhance the existing registered designs regime to better support Singapore’s economic and design initiatives. The key changes include the following.

Broader scope of design protection

The new definition of ‘design’ includes virtual or projected designs, the design of artisanal or handcrafted items and colours as a design feature. The new definition is flexible enough to permit dynamic designs to be registered as it does not restrict the features of shape, configuration, colours, pattern or ornament that are applied to only static features.

Designer of a design will be the owner by default

The designer is the owner by default instead of the person who commissioned the designer to create the design, but both designer and commissioner are free to contract otherwise.

Broadening and lengthening of grace period provision

The grace period within which designers must file a design application after first disclosure of their design has been lengthened from six months to 12 months.

Allowing filing of multiple designs within a single application

Subject to certain conditions, multiple designs may be filed in the same design application, and every such application will be treated as if a separate application had been filed for the registration of each of those designs.

Facilitating the correction of non-compliance of formal requirements in application

An applicant who fails to comply with certain formal requirements in relation to an earlier application for registration of a design may correct the non-compliance by filing one or more new applications. Each of the subsequent applications will be treated as filed on the date of filing of the earlier application if certain requirements are satisfied.
Graphical user interfaces

IPOS has issued a Practice Direction, which came into effect on 20 June 2018, for the registration of graphical user interfaces (GUIs) as designs. The Practice Direction states that applicants can seek the registration of GUIs as designs under the RDA, according to the following guidelines:

a  Applicants must indicate the article or non-physical product that the GUI is applied to.

b  Applicants must file a dynamic GUI as a series of static representations of the design, where each representation shows a freeze-frame of the GUI in action.

c  Each application should contain a sufficient number of different views to completely disclose the appearance of the claimed design. A total of up to 40 different views of the same GUI may be filed as representations of the design which protection is being sought for, although the Registry may, on written request, allow for more than 40 views to be filed.

v  Geographical indications

The Geographical Indications Act 2014 (GIA) will come into operation on 1 April 2019, except for the following sections:

a  Sections 4(6) to (9) (application to any use of a registered geographical indication which identifies any agricultural product or foodstuff (other than a wine or a spirit) belonging to a category of goods listed in the Schedule, in relation to any goods which are of the same category but which did not originate in the place indicated by the registered geographical indication);

b  Section 15 (certain uses of registered geographical indications excepted);

c  Section 16 (exceptions for prior users of registered geographical indications and trademarks);

d  Sections 55 to 74 (assistance by border authorities);

e  Section 75 (registration to be prima facie evidence); and

f  Section 76 (certificate of validity of contested registration).

The GIA seeks to repeal and re-enact with amendments the Geographical Indications Act (Cap 117B, 1999 Rev Ed):

a  to provide statutory protection for producers and traders of goods identified by geographical indications, at standards not lower than those set out in TRIPS;

b  to introduce certain other measures relating to geographical indications which Singapore will be required to implement under the proposed Free Trade Agreement between the European Union and the Republic of Singapore (EUSFTA); and

c  to make related amendments to the Intellectual Property Office of Singapore Act and the Trade Marks Act.

III  OBTAINING PROTECTION

i  Patents

National application

The national application should be filed with IPOS. It is possible to file a provisional application, where claims are not required to be furnished at the time of filing. However, the claims should be furnished generally within 12 months to complete the application as
failure to do so would result in the application being treated as abandoned. The application will be published in the Patents Journal 18 months after the declared priority date or the date of filing.

Once the formal filing requirements have been met, the applicant may proceed to the search and examination process. There are three options for the search and examination:

a All-local approach. An applicant may request to undergo either a search-then-examination process or a combined search-and-examination process.

b All-foreign approach. The applicant furnishes the final search and examination results of a corresponding or corresponding international application.

c Combination approach. The applicant files an examination request relying on the search results of a corresponding or corresponding international application.

After completion of the search and examination process, the applicant may request issuance of the certificate of grant.

The time for processing a patent application typically ranges from two to four years, depending on factors such as complexity of the invention, amendments to the application, and the search and the examination processes.

PCT application

An applicant, who is a resident or national of Singapore, may file an international application under the PCT directly with IPOS or the International Bureau (IB) at WIPO. Any person resident in Singapore is required to obtain written authorisation from the Registrar of Patents for an invention, before he files or causes to be filed outside Singapore an application for a patent for that invention. Failure to do so is a criminal offence.

During the international phase, the application will be assessed and an international preliminary report on patentability will be issued indicating whether the invention meets the patentability criteria. The application will enter national phase at the 30th month from the date of filing of the application. This is extendible for up to 18 months, subject to the payment of extension fees. Upon receiving the request for national phase entry, if all national phase requirements are complied with, IPOS will issue a date of filing notification and the application may proceed to the search and examination process. After completion of the search and examination process, the applicant may then request for issuance of the certificate of grant.

ii Trademarks

National application

A national application is filed with IPOS. If no objections to the application are raised, the application will be published in the online Trade Marks Journal. Within two months of the date of publication, any interested party who wishes to oppose its registration may initiate opposition proceedings at IPOS. If there is no opposition, or if the outcome of the opposition hearing is in favour of the trademark applicant, a certificate of registration will be issued.

For applications that do not face any objections, the total processing time from the filing date to registration of the mark is about nine months.
Madrid Protocol application
To file an international application in Singapore, the applicant must be a resident or national of Singapore, or have a real and effective industrial or commercial establishment in Singapore. The trademark will need to be applied for or registered in Singapore before the international application is filed, and the goods or services in the international application must be covered by the Singapore mark.

If the international application conforms to the applicable requirements, the IB will publish the mark in the Gazette. The IB will also notify IPOS of the designation, and IPOS will then examine the application, similar to a national application.

iii Registered designs
National application
A national application is filed with IPOS. If all formalities are met, the design will be registered and published in the Designs Journal upon registration. Applicants may request to defer the publication of the design for up to 18 months from the date of filing of the application.

Generally it takes about four months from the date of filing the application to the successful registration of a design, assuming there are no deficiencies that must be corrected.

Hague System application
An international application may be filed with IPOS or directly with the IB. If the formal requirements are met, the IB will publish the relevant details and a reproduction of the design in the International Designs Bulletin. Upon publication of the Bulletin, IPOS will identify the international registrations in which Singapore has been designated in order to examine them. Any refusal of protection will be notified to the IB within six months from the date of publication. If no refusal is notified within the six months limit, the international registration will enjoy protection in Singapore.

IV ENFORCEMENT OF RIGHTS
All courts in Singapore have jurisdiction to adjudicate infringements of copyright and passing off. Whether the proceedings are to be commenced in the state courts or the High Court will depend on the value of the claim as well as the stipulation of statute. Civil suits under the RDA and TMA are to be commenced in the High Court. Patent infringement proceedings are to be brought before the High Court. The PA provides that the court or the Registrar may make a declaration that an act does not, or a proposed act would not, constitute an infringement of a patent in proceedings between the person doing or proposing to do the act and the proprietor of the patent, and a declaration made by the Registrar shall have the same effect as a declaration made in court.

The state courts have jurisdiction to hear and determine criminal offences for infringement under the CA and TMA. There are no criminal offences for infringement under the RDA or PA.

i Requirements for jurisdiction and venue
In a cross-border dispute, for the Singapore court to exercise its jurisdiction over a matter, there must be a legal connection between the case or the defendant and Singapore, or the Singapore court must be satisfied that it is the most appropriate forum for the dispute.
The Singapore court has jurisdiction over a defendant who is served with originating process when he is present in Singapore, or when he has agreed to submit to the jurisdiction of Singapore in an agreement with the plaintiff and has also agreed to a means for service within Singapore and the service is effected accordingly. The Singapore court also has jurisdiction if in the course of legal proceedings, the defendant takes a step that unequivocally demonstrates that he has accepted the court’s jurisdiction; the defendant in this case has submitted to the jurisdiction of the court.

ii Obtaining relevant evidence of infringement and discovery

The court may order any party to a cause or matter to give discovery by making and serving on any other party a list of the documents that are or have been in his or her possession, custody or power, unless the court is satisfied that discovery is not necessary, or not necessary at that stage of the cause or matter. The documents that a party to a cause or matter may be ordered to discover are the documents on which the party relies or will rely; and the documents that could adversely affect his or her own case, adversely affect the other party’s case or support the other party’s case.

Pre-action discovery is available but permitted only in limited circumstances (i.e., when the potential plaintiff does not have sufficient facts to commence proceedings). Other methods of obtaining evidence from an adverse party or from third parties include pre-action interrogatories.

iii Trial decision-maker

Singapore has established a specialist IP court within the High Court with four designated IP judges, each with substantial expertise and experience in handling IP cases. However, IP cases that involve broader commercial disputes may still be heard by other non-specialist judges.

iv Structure of the trial

Infringement proceedings are started with the prospective plaintiff filing a writ of summons and serving the endorsed writ on the defendant. The plaintiff will also have to file its statement of claim. The defendant will then have to file its defence, and any counterclaim against the plaintiff. Thereafter, the process for discovery and exchange of affidavit evidence will follow. When that is completed, parties and the courts may then set a trial date, where the matter will be substantively presented by the parties and examined in court.

In patent litigation proceedings, it is common for experts to be appointed by the court or called by parties to report on any question of fact or opinion where specialised skill or knowledge is required, particularly in assessing issues that must be read through the eyes of ‘a person skilled in the art’; for example disputes over novelty, inventive step and enabling disclosure. In trademark infringement and passing off cases, expert evidence adduced often takes the form of a survey and it has become almost standard practice to have such surveys conducted. In copyright infringement cases, it is not permissible to adduce expert evidence on whether the defendant’s work is a copy of a substantial part of the plaintiff’s, as that is a question for the court. However, in copyright cases involving software, expert testimony on the similarities and differences can be helpful in establishing objective similarity between the defendant’s work and a substantial part of the plaintiff’s work.
v Infringement

**Patent infringement**

The registered owner has the exclusive right to prevent any person from doing any of the following things in Singapore in relation to a patented invention:

- if the invention is a product, making, disposing of, offering to dispose of, using or importing the product or keeping the product whether for disposal or otherwise;
- if the invention is a process, using the process or offering it for use in Singapore when the person knows, or it is obvious to a reasonable person in the circumstances, that its use without the owner’s consent would be an infringement of the patent; and
- if the invention is a process, disposing of, offering to dispose of, using or importing any product obtained directly by means of the process or keeping the product whether for disposal or otherwise.

Whether these rights have been infringed depends on a comparison of the alleged infringing product or process with the patent claims.

**Trademark infringement**

The registered proprietor has the exclusive right to use the trademark in relation to the goods or services for which the trademark is registered. Infringement occurs when there is unauthorised use in the course of trade of an identical or similar mark in relation to identical or similar goods or services, where such use is likely to confuse the public.

Where the registered trademark is well known in Singapore, the scope of protection is wider. It is infringement when the unauthorised use is made in relation to goods or services which are not similar to those for which the well known trademark is registered, where such use is likely to confuse the public. A registered trademark is deemed to be well known in Singapore if it is well known to a relevant sector of the public in Singapore. Where the registered trademark is well known to the public at large in Singapore, its proprietor is entitled to restrain by injunction any use in relation to identical, similar or dissimilar goods or services that would cause dilution in an unfair manner, or take unfair advantage, of the distinctive character of the mark, regardless of whether there is any likelihood of confusion.

**Copyright infringement**

The copyright owner has the exclusive right to do, or to authorise others to do, certain acts in relation to a work, or subject matter like sound recordings and films, such as:

- to reproduce the work in a material form;
- to publish the work if the work is unpublished;
- to perform the work in public;
- to make an adaptation of the work or to do any of the above in relation to an adaptation;
- to communicate the work to the public;
- to make a copy of the sound recording or film;
- to enter into a commercial rental arrangement in respect of the recording; and
- to cause the film, insofar as it consists of visual images, to be seen in public.

Infringement occurs where a person does any of the above acts without the copyright owner’s consent. The owner’s rights are also infringed by acts such as:
importing, selling, offering for sale and exhibiting in public of any article where the infringer knows, or ought reasonably to know, that the article was made without the copyright owner’s consent;
b falsely attributing the authorship of a work or the identity of the performer of a performance; and
c falsely removing or altering the rights management information electronically attached to a work.

Registered design infringement
The registered owner has the exclusive rights to make or import for the purposes of trade articles, in respect of which his design is registered, which embody the registered design (or one that is substantially the same). Infringement when a person does any of the above exclusive rights without authorisation. There can also be infringement in respect of certain preparatory acts, such as making something that enables the infringing article to be made.

vi Defences

Patents
Common defences to infringement include that:
a it is an act done privately and for non-commercial purposes;
b it is an act done for experimental purposes relating to the subject-matter of the invention; and
c it is an act that consists of the extemporaneous preparation of a medicine for a person in accordance with a medical or dental prescription or consists of dealing with such medicine in permitted acts that do not constitute infringement.

A key part to any defence against a claim of patent infringement is the defendant’s right to challenge the validity of the patent being asserted. The validity of a patent may be challenged by, inter alia, asserting that the invention had been disclosed to the public by any party through commercial sale and use, display at trade fairs and conventions, or by publication of the details of the invention provided such acts took place prior to the filing date of the patent application.

Trademarks
Common defences to infringement include that:
a the defendant’s mark is not identical or similar to the plaintiff’s trademark or is used on goods or services that are not similar to the goods or services for which the plaintiff’s trademark is registered;
b it is an act that does not amount to infringement, on one or more of the following grounds:
• it is the use by the defendant of his or her name or the name of his or her place of business if such use is in accordance with honest practices;
• the use is descriptive of the characteristics or intended purpose of the goods or services;
• the use first began before the earlier of the registration of the mark or the first use by the registered owner of the mark and has been continuously used since then;
• it is the use of the defendant’s registered mark;
• the use constitutes fair use in comparative commercial advertising or promotion; or
• the use is in relation to parallel imports.

c the registration of the plaintiff’s trademark should be revoked on certain grounds (e.g.,
the mark has not been used in relation to the goods or services for which it has been
registered for a continuous period of five years or that in consequence of inactivity it
has become the common name in the trade for the product or service for which it is
registered); or

d the registration of the plaintiff’s trademark should be declared invalid (e.g., the
registration was obtained by misrepresentation or fraud).

Copyright
Common defences to infringement include that:

a copyright does not subsist in the work;
b the plaintiff is not the owner of the copyright;
c the defendant has not infringed any copyright either because the defendant’s work is not
sufficiently similar to the plaintiff’s, or because he has not in fact copied the plaintiff’s
work, or because he had a licence (express or implied) to do the acts complained of;
d in the case of alleged infringement by dealing in infringing copies, the defendant did not
know or had no reason to believe that the articles dealt in were infringing copies (this,
however, only goes to the defendant’s liability for damages); and

e the acts complained of constitute ‘fair dealing’ under the CA.

Registered designs
Common defences to infringement include:

a acts done for a private non-commercial purpose;
b acts done for the purpose of evaluation, analysis, research or teaching; and

c acts done in relation to genuine articles, that is, those marketed in and outside of
Singapore, by the registered owner or with his or her consent (conditional or otherwise).

vii Time to first-level decision
The trial for infringement actions is likely to be concluded within 18 months of the date the
action is commenced (filing of the writ of summons).

viii Remedies
The range of remedies that the court can order in infringement proceedings includes an
injunction, either damages or an account of profits, an order for delivery up or disposal of
infringing articles, statutory damages or declaration as to a party’s rights. Interim remedies are
also available, such as interim injunctions, interim detention or preservation of property and
interim payments.

ix Appellate review
For proceedings before the Registrar, an appeal may be filed with a judge of the High Court.
For proceedings before a Registrar of the High Court, an appeal may be filed with a judge of
the High Court in chambers. For proceedings begun in or appealed to the High Court, an
appeal may be filed with the Court of Appeal.

x Alternatives to litigation
Mediation and arbitration are common methods of alternative dispute resolution. The WIPO
Arbitration and Mediation Centre has an office in Singapore and it is a neutral, international
and non-profit organisation that offers alternative dispute resolution options to enable private parties to efficiently settle their domestic or cross-border IP disputes. The Singapore International Arbitration Centre (SIAC) is an independent, not-for-profit organisation that provides facilities for arbitration, and has a specialised IP Panel of arbitrators to hear IP disputes. The SIAC Rules are efficient, cost-effective and flexible, and incorporate features from civil and common law legal systems.

V TRENDS AND OUTLOOK

The government continues to take active steps to establish Singapore as an IP hub both regionally and globally. Below are some of the recent developments within the past year.

In April 2018, IPOS launched the FinTech Fast Track Initiative to provide expedited patent application-to-grant process for financial technology (fintech) inventions, to support the growth of Singapore’s fintech sector and help businesses bring their fintech innovations to the market more rapidly. Under this initiative, fintech patents can be expected to be granted in as little as six months, compared to at least two years for normal applications. The first patent to be granted under the FinTech Fast Track Initiative was in December 2018 and took only seven months from application to grant. The initiative will continue until April 2020.

In September 2018, IP ValueLab, IPOS’s enterprise engagement arm, signed a memorandum of understanding (MOU) with the Sino-Singapore Guangzhou Knowledge City Administrative Committee and Sino-Singapore Guangzhou Knowledge City Investment and Development Co Ltd to set up the International Intellectual Property Innovation Service Centre in the Sino-Singapore Guangzhou Knowledge City. The MOU will closely link the innovation ecosystems of both countries to support the translation of ideas and IP into products and services for the region and globally. The centre will provide a platform to connect IP expertise within the government and private sectors from both countries, tap into Singapore’s experience in building IP skills to set up an IP college in Guangzhou, and enable China’s enterprises to gain access to ASEAN and other key overseas markets through Singapore.

The Intellectual Property (Border Enforcement) Act 2018 was enacted to amend the CA, TMA, RDA and GIA to enhance the border enforcement measures for IP rights and to implement Singapore’s obligations under the proposed Free Trade Agreement between the European Union and the Republic of Singapore (EUSFTA) concerning those measures. The Act partially came into force on 10 October 2018 to amend the CA and TMA in relation to new powers for Singapore Customs to obtain and provide information relating to seized goods. The Intellectual Property (Border Enforcement) Bill was passed in Parliament on 9 July 2018 and the changes were slated to come into force in three phases.

Upon passing of the Bill (Phase 1): new powers in the CA and TMA for Singapore Customs to obtain and provide information relating to seized goods will be implemented.

Upon entry into force of the EUSFTA (Phase 2): enhanced border enforcement measures in the CA and TMA, and the standardised terms and provisions relating to border enforcement in the CA and TMA, will be implemented.

Within three years of entry into force of the EUSFTA (Phase 3): Enhanced border enforcement measures in the RDA, new powers in the GIA and RDA for Singapore Customs to obtain and provide information relating to the seized goods and the standardised terms and provisions relating to border enforcement in the GIA and RDA will be implemented.
Chapter 20

SWITZERLAND

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I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Switzerland is a party to the majority of international treaties concerning protection of intellectual property rights, including the Paris Convention (industrial property), the Berne Convention (copyright), the Rome Convention (performances, phonograms and broadcasts), the World Intellectual Property Organization (WIPO) Copyright Treaty, the WIPO Performances and Phonograms Treaty, the WIPO Madrid Agreement concerning the International Registration of Marks and the Protocol relating to that Agreement, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and – with a particular focus on patents – the Patent Cooperation Treaty (PCT), the Patent Law Treaty, the European Patent Convention and the London Agreement. However, since Switzerland is neither a Member State of the European Union (EU) nor of the broader European Economic Area (EEA), it is not bound by harmonised EU regulations and directives. Hence, there are some notable differences from the acquis communautaire, particularly in the field of copyright. Nevertheless, the Swiss legislator frequently tends to unilaterally adopt European legislation in order to ensure regulatory compatibility to a certain degree.

The most important forms of intellectual property protection available in Switzerland are briefly described below.

i Patents

Despite the small domestic market, patents attract particular attention in Switzerland owing to the importance of the pharmaceutical industry and its upstream sectors. Patents may be obtained on the basis of national or – more commonly – European applications or via the designation of Switzerland (directly or through a European application) pursuant to the PCT. In order for a technical invention to be patentable, it must be new, non-obvious, capable of industrial application and sufficiently disclosed. It needs to be emphasised though that national applications are not examined with respect to novelty and inventiveness and are, therefore, granted on the basis of a mere examination of formal aspects. The term of protection is 20 years from the filing date.

The patent endows the proprietor with a right to enjoin others from commercial use of the invention, which encompasses, in particular, manufacturing, storage, offering, placing on
the market, importation, exportation, as well as possession for any of these purposes. Carrying in transit may also be prohibited, provided that the patentee could prohibit importation into the country of destination.

The effects of the patent do not, *inter alia*, extend to use within the private sphere for non-commercial purposes, research or experimental purposes, or for obtaining marketing authorisation for a medicinal product. Further, the Federal Patent Act stipulates EEA-wide (so-called regional) exhaustion, except if the patent protection is only of subordinate importance for the functional characteristics of the goods, in which case the patented goods first sold by or with the consent of the patentee anywhere in the world may be freely imported into Switzerland. On the other hand, the patentee’s consent is always reserved if the goods are subject to price regulation in Switzerland or the country of origin. This carve-out of national exhaustion is mainly designed to prevent parallel imports of pharmaceutical products.

Utility patents for minor technical inventions do not exist in Switzerland. However, since the requirements of novelty and non-obviousness are not examined *ex officio* during the application process, domestic patents may serve as an instrument of protection that is relatively easy to obtain, but also easy to challenge.

**ii Supplementary protection certificates**

Supplementary protection certificates (SPCs) can be obtained for active ingredients of patented and authorised pharmaceutical products or pesticides. The certificate takes effect on expiry of the maximum term of the patent for a period equal to the period that elapses between the date of filing and the date of the first authorisation of the pharmaceutical product containing the product in Switzerland, minus five years. It is valid for no more than five years. The application for an SPC must be filed within six months of the date of marketing authorisation or patent grant, whichever occurs later. The SPC grants the same rights as a patent and is subject to the same restrictions. Within these limits, the scope of protection extends to any use of the product as a pharmaceutical (or pesticide, as the case may be).

Additionally, the revision of the Federal Therapeutics Act and the Federal Patent Act and Ordinances came into force on 1 January 2019. This revision brought a six-month SPC extension for paediatric pharmaceuticals (the ‘paediatric extension’). The paediatric extensions are either possible by extending an already granted SPC by six months or through the new paediatric SPC, which is linked directly to the term of the patent and is also valid for six months.

**iii Data exclusivity**

Holders of marketing authorisations for pharmaceutical products benefit from a 10-year data exclusivity period, during which no generic manufacturer may rely on the results of the pharmacological, toxicological and clinical tests of the authorised product without the originator’s approval.

Since the implementation of the revised Federal Therapeutics Act (see Section I.ii, above), authorisation holders benefit from a data exclusivity period of 10 years for pharmaceutical products of paediatric use and 15 years for important medicinal products for rare diseases.

**iv Copyright**

Copyright protection for literary, scientific or artistic works of individual nature, including computer programs, is available immediately upon the work’s creation irrespective of the author’s nationality or domicile and is not subject to any registration requirement. The term
of protection expires 70 years after the author’s death. Neighbouring rights (rights of artistic performers, phonographic rights, rights of broadcasters) benefit from a term of 50 years from the year of presentation, publication or transmission respectively. There is no sui generis protection of database rights or photographs in Switzerland.

The copyright owner is entitled to determine if, when and how the work is being exploited. The owner’s exclusive right is limited by the private use and other customary limitations, which are devised in a relatively broad manner and are partly subject to collective exploitation by authorised collecting societies. Federal Supreme Court decisions confirmed that the Swiss Copyright Act is technologically neutral. Pursuant to long-established case law and subject to a few statutory exceptions, Switzerland has adopted the concept of international exhaustion of copyright, meaning that an example of a copyrighted work put into circulation with the author’s consent anywhere in the world may be freely imported into Switzerland.

v Trademarks

Trademark protection can be obtained through national registration or designation of Switzerland via the Madrid System (Agreement and Protocol). From the protection as a trademark the following are excluded (1) signs that belong to the public domain; (2) shapes that constitute the essence of the claimed goods and shapes of the claimed goods or their packaging that are technically necessary; (3) signs that are misleading; and (4) signs that are contrary to public policy, morality or the law. The Swiss Federal Institute of Intellectual Property (the Institute), following the case law of the Federal Supreme Court, tends to be strict with signs lacking of distinctiveness or showing deceptive contents or misleading indications of origin. Trademark protection is available not only for words and devices but also for sounds, holograms and three-dimensional objects.

A trademark is valid for a period of 10 years from the date of application and may be renewed indefinitely for subsequent periods of 10 years each. The trademark confers on the owner the exclusive right to prohibit others from commercially using an identical or confusingly similar sign for identical or similar goods and services. For trademarks, the international exhaustion applies once a branded product has been put into circulation for the first time.

Since 1 January 2017, it is possible to file requests for the cancellation of a trademark in case of non-use with the Institute and not only by means of a civil action. According to Article 35a of the Federal Trademark Act, any person may file a request for cancellation of a trademark on the grounds of non-use after the expiry of a five-year grace period.

Indications of origin are protected by virtue of Articles 47 et seq. of the Federal Trademark Act. Hence, they are not subject to any registration requirements. On 1 January 2017, the new regulation on the use of ‘Swiss’ or similar signs, coat of arms or the Swiss cross, the Switzerland Regulation, entered into force. The Swissness Regulation strengthens the position of any reference to ‘Made in Switzerland’. It establishes precise rules concerning the conditions under which a product or service may be labelled as being Swiss. Under the provisions set out in the regulation, different product ranges such as watches or chocolate are subject to stricter

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3 Federal Supreme Court, 20 July 1998 – Nintendo, 124 III 321 et seq.
4 Federal Supreme Court, 23 October 1996 – Chanel, 122 III 469 et seq.
requirements. If these rules are complied with, services and goods can be endorsed with the Swiss cross or any other reference to Switzerland. It is only the use of the Swiss coat of arms that remains forbidden.

In Switzerland there is no protection of signs not registered as trademarks. An exception is made for any use relevant under the Unfair Competition Act or if a sign is considered a ‘notorious trademark’. ‘Notorious trademarks’ are registered abroad and known to the Swiss public for any reason whatsoever, for example, intensive promotion or celebrity association. Company names and names of individuals benefit from a specific protection regime, which is, however, not as broad as trademark protection. Domain name registrations do not entail legal exclusivity rights *per se*, but earlier trademarks may constitute a claim for having a corresponding domain name transferred. The ‘.swiss’ internet domain is exclusively available to organisations that have a relationship with Switzerland.

**vi Designs**

A design is the visible form of a two-dimensional or three-dimensional object, which is eligible for protection if it is new and distinctive without offending public order, morality or the law. Protection may be obtained by way of national registration or designation via the Hague and Geneva Acts of the Hague Agreement. The thresholds for registration are deliberately kept low, which is why the constitutive requirements of novelty and distinctiveness are not examined *ex officio*. A downside resulting from these low thresholds is that any registered design remains heavily exposed to nullity defences by alleged infringers. The maximum term of protection is 25 years from the filing date. Since case law related to designs is scarce, the Federal Supreme Court has not yet been seized to opine on the geographic scope of exhaustion. Doctrine favours international exhaustion in analogy to the situation in copyright and trademark law.

**vii Trade secrets and know-how**

There is no exclusive right conferred on trade secrets and other valuable confidential business information as such. However, unauthorised disclosure or exploitation of corresponding information is sanctioned by virtue of unfair competition and criminal law. Trade secrets are widely perceived as a viable alternative to patent protection outside the pharmaceutical and chemical sector, given the potentially undetermined protection period, the avoidance of disclosure and the deterring costs of prosecuting and enforcing patents.

**II RECENT DEVELOPMENTS**

The recent revision of the Federal Therapeutics Act and the Federal Patent Act brought a six-month SPC extension for paediatric pharmaceuticals and a data exclusivity period of 10 years for products for paediatric use and of 15 years for important medicinal products for rare diseases. The revised Acts and Ordinances came into force on 1 January 2019 (see Section I. ii and I.iii).

The Federal Patent Court, which began operations on 1 January 2012, has continued to increase its profile. Meanwhile, its operations are well established and the court performs without issue. Its judgments are generally well received and in 2018 the Federal Patent Court further pursued its intention to offer expedited and cost-efficient proceedings. In previous years, the Federal Patent Court achieved a remarkable settlement ratio: for example, in 2015, a settlement was attained in 16 out of 19 ordinary proceedings. In the last two years, this rate showed a clear drop. For example, in 2018, 23 ordinary proceedings were concluded.
by the Federal Patent Court, of which 11 were settled. Nevertheless, the Federal Patent Court’s settlement ratio of the first seven years of activity is still at 70 per cent. According to the Annual Report 2018 of the Federal Patent Court, this high settlement ratio is due to the Federal Patent Court’s practice of holding a hearing at an early stage of the procedure, during which the parties are provided with a preliminary legal and technical assessment of the dispute, and the achievement of a settlement is attempted. As settlements generally help the parties to save time and money, the high settlement ratio is perceived as an advantage by the Federal Patent Court.

As per 1 August 2018, the Federal Act on the Federal Patent Court was partly revised with respect to several organisational aspects. The revision aims to facilitate the work of the Federal Patent Court and to establish more efficient processes.

On 11 December 2015, the Federal Council submitted the draft amendment of the Copyright Act for consultation. On 22 November 2017, the Federal Council adopted the dispatch on the amendments to the Copyright Act, the approval of two agreements of the WIPO and their implementation (Beijing Treaty on Audio-visual Performances and Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled). The dispatch and the legislative draft have now been submitted to the National Council and Council of States for parliamentary deliberation. The proposals on the key issues are as follows:

a) improved anti-piracy measures: Swiss hosting providers that present a particular risk for or encourage copyright infringements will now have to ensure that the removed copyright-infringing content remains off their servers. Not included in the draft bill are blocking measures through access providers nor the sending of notifications for severe copyright infringements via peer-to-peer networks;

b) individual rights: protection for photographs lacking individuality is guaranteed for 50 years; remuneration for authors and performers for video-on-demand uses through collective rights management organisations; improved protection for related rights from 50 to 70 years;

c) restrictions: royalty-free use of copies for the purpose of scientific research and royalty free use of orphan works located in the collections of memory institutions; inventory index privilege for the benefit of users and consumers; and

d) other key points: introduction of extended collective licensing; improvement of the process of tariff approval and electronic user notification to the collective rights management organisations.

8 In particular, the following remarks are based on the Media Release from the Swiss Federal Institute of Intellectual Property, dated 2 March 2017.
III OBTAINING PROTECTION

Domestic patent applications are to be filed with the Institute, which is also the designated office for dealing with international applications claiming patent protection in Switzerland pursuant to the PCT. Applicants domiciled in Switzerland may also file European patent applications with the Institute, with the exception of divisional applications.

Upon filing of a patent application, the Institute will first conduct a formal examination and then proceed to the validation of the technical elements of the invention upon receipt of the examination fee. The substantive validation focuses on the patentability of the invention, grounds for exclusion from patentability, sufficient disclosure of the invention, admissibility of modification of the technical documents and the formulation of the patent claims. Unlike the European Patent Office, the Institute does not examine the criteria of novelty and inventive step \textit{ex officio}. Consequently, the applicant is under no obligation to disclose prior art. The application is published at the latest 18 months following the application or the earlier designated priority date.

For an invention to be patentable, it must be of a technical character and entail a physical interaction with the environment. In accordance therewith, claims merely containing characteristics of computer software as such or of business methods transposed to a computer network are not capable of being patented. The invention must further be executable and reproducible in industrial application.

The following types of inventions are excluded from patentability:

\begin{itemize}
\item[a] the human body as such, at all stages of its formation and development, including the embryo (an element of the human body is, however, patentable if it is produced by means of a technical process and a beneficial technical effect is indicated);
\item[b] naturally occurring gene sequences or partial sequences (however, technically produced derivatives of gene sequences may be patented if their function is specifically indicated);
\item[c] unmodified human embryonic stem cells and stem cell lines;
\item[d] processes for cloning human beings or the creation of other organisms by using human genetic material;
\item[e] processes for modifying the germ line genetic identity of human beings;
\item[f] essentially biological processes for the production of plants or animals;
\item[g] harmful processes for modifying the genetic identity of animals without due justification;
\item[h] use of human embryos for non-medical purposes; and
\item[i] methods for surgical treatment or therapeutic and diagnostic methods practiced on the human or animal body. However, substances and compositions solely intended for medical use (first medical indication) or for use in the manufacture of a means to a medical end (a ‘Swiss-type claim’, also available for second and further medical indications) are patentable even if the underlying substances and composition form part of the prior art. The latter constitutes a notable discrepancy with the European procedure, where Swiss-type claims are no longer admissible.
\end{itemize}

In the event that biological material is directly obtained by a patented manufacturing process, the effects of the patent also extend to propagated material (vertical extension of protection) and to products in which the biological material is incorporated (horizontal extension of protection). These principles also apply to the Swiss part of European patents.

Once granted, the patent may be opposed by third parties within a time limit of nine months, but solely on the grounds of non-patentability essentially for reasons of public policy.
or morality. Hence, the requirements of novelty or non-obviousness can only be scrutinised by the Federal Patent Court in nullity or infringement proceedings by virtue of a counterclaim or objection.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

The Federal Patent Court has exclusive jurisdiction in the first instance over validity and infringement disputes and for suits aiming at the grant of licences related to patents, including the ordering of preliminary measures with respect thereto. Its competence also comprises the enforcement of decisions made under its exclusive jurisdiction. Further, the Federal Patent Court has concurrent jurisdiction in other civil actions with a factual connection to patents, such as the right to patents or the assignment of patents. This is particularly interesting in disputes where the Federal Patent Court’s technical expertise is sought by the claimant.

In addition to civil claims, criminal proceedings and border control measures may be envisaged by the patentee. In case of a suspected imminent import, export or transit of goods that infringe a patent that is valid in Switzerland, the customs administration may withhold – either on its own initiative or on request of the patentee or the licensee of the patent – the concerned goods for a period of up to 10 working days (extendable to a maximum of 20 working days) to allow the applicant to institute proceedings for preliminary measures.

The Federal Patent Court is also competent with regard to the defence of patent invalidity, independent of whether such defence is raised in the form of an objection, a counterclaim or a distinct revocation action. Hence, if – on a preliminary question or defence basis – the question of the nullity or infringement of a patent is at stake before an ordinary civil law court, the latter stays the proceedings and sets a reasonable time limit to file an independent revocation or infringement action before the Federal Patent Court. If no such action is filed, the seized court will resume the proceedings and disregard the preliminary question or defence. In case the defendant party files a counterclaim for revocation or infringement before an ordinary civil law court, the latter completely loses its competence and refers both actions to the Federal Patent Court.

Finally, arbitral decisions on patent infringement and validity rendered by an arbitral tribunal having its seat in Switzerland are enforceable in Switzerland. The Institute will only act upon an arbitration ruling if a certificate of enforceability is produced. Such certificate will be issued by the High Court of the canton in which the arbitral tribunal is seated. Regarding the enforceability of foreign arbitral decisions the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention) is applicable.

ii Requirements for jurisdiction and venue

The patentee is entitled to demand the cessation of or desistance from infringements if infringing acts are imminent or have already occurred, and to claim damages in case such infringing acts have been performed voluntarily or through negligence. Further, an action for a declaratory judgment may be filed, provided that the plaintiff shows a qualified interest. Such interest is given, where an unclear and enduring legal situation that cannot be remedied by other means exists. Hence, if the plaintiff can bring an action for infringement, it is usually deprived of an interest to obtain a declaratory judgment.

Exclusive licensees may procure injunctions and claim damages independently and on their own right, unless excluded by the licence agreement. Non-exclusive licensees must
procure title to sue from the patentee. However, pursuant to Article 75 of the Federal Patent Act licensees of any type may join an action for damages instituted by the patentee in order to claim their own loss or damage.

Nullity actions may be brought by anyone demonstrating a legitimate interest in defeating the patent. The thresholds for showing such interest are rather low, an actual or potential competitive relation with the patentee is deemed sufficient. Non-challenge clauses in licence agreements should in principle prevent the licensee from having the patent revoked. However, such clauses are contested with regard to European competition law.

iii Obtaining relevant evidence of infringement and discovery
As a matter of principle in Swiss civil procedure law, the parties to the proceedings have to produce the relevant evidence in support of their allegations. Fact-finding attempts comparable to pretrial discovery are stigmatised as fishing expeditions. However, there are two procedural mechanisms to obtain an adversary’s evidence even before filing the lawsuit on the merits.

First, a patentee requesting preliminary measures may demand that the Federal Patent Court orders a precise description of the allegedly unlawful products manufactured or processes used. The applicant must provide prima facie evidence that an existing claim has been infringed or an infringement is suspected to occur. If the opposing party claims that a manufacturing or trade secret is involved, the Federal Patent Court will take the necessary measures to safeguard such secret; for instance, by conducting the procedure for establishing the description ex parte. Such exclusion, however, does not necessarily extend to the applicant’s attorney or patent attorney, who may be bound to secrecy by the court with regard to his or her clients and ordered to hand in his or her notes to the court.

Second, the Federal Code of Civil Procedure allows for a request to be made to the court to take preliminary evidence if the applicant makes it plausible that the evidence is at risk, in particular that it may disappear, or if another legitimate interest is established.

The scope of the taking of evidence is confined to the establishment of facts that are legally relevant and disputed by the parties. For instance, a request to disclose the identity of an unspecified manufacturer of allegedly infringing products is not permissible. Further, the alleged infringer cannot be compelled to release documentary evidence. The taking of evidence is, therefore, confined in practice to the seizure or visual inspection of infringing goods or methods, examination of witnesses, procurement of expert opinions or the release of documents in the hands of third parties.

As an alternative to preliminary measures pertaining to the taking of evidence, the plaintiff may also specify documentary evidence in the hands of the defendant or third parties to be released. As said above, the defendant is not obliged to meet such a request. However, refusal of such release will be considered by the court in the course of the appraisal of the evidence on file. Third parties on the other hand are obliged to comply with a court’s order to release documentary evidence.

Last, the patentee is entitled to demand disclosure of information pertaining to the sources, quantities and recipients of infringing products.

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9 As expressly declared by the Federal Patent Court, 27 April 2012, S2012_006, cons. 7.
iv Trial decision-maker

The Federal Patent Court is a specialised court constituted by two permanent judges and 41 non-permanent judges, of whom 28 are technical experts and 13 have a legal education. All of them have proven knowledge of patent law. In regular proceedings, the panel is composed of three, five or seven judges and always includes jurists and technically trained specialists. In proceedings regarding preliminary measures, the chairman usually rules as a single judge on procedural aspects and appoints a panel of three judges whenever deemed appropriate for legal or factual considerations. Also, if the understanding of a technical issue is of particular significance, decisions regarding preliminary measures must be made in a panel of three.

v Structure of the trial

Proceedings before the Federal Patent Court are governed by the Federal Civil Procedure Code, unless otherwise provided in the Federal Patent Act or in the Federal Act on the Federal Patent Court. Further, the Federal Patent Court has issued guidelines on the conduct of its proceedings, which are also available in English.12

Proceedings in patent disputes are initiated by submission of the plaintiff’s written statement of claim outlining the relevant facts and offering the supporting evidence. After receipt of the statement of claim, the Federal Patent Court designates one of the three official languages in Switzerland – being German, French and Italian – as the language of the proceedings. Generally, the language used in the statement of claim is chosen, provided that it is one of the official Swiss languages. Nevertheless, the parties are allowed to express themselves in motions and – subject to a three-week prior notice – in oral hearings in another of the official Swiss languages than the designated language of the proceedings. Further, English may be used subject to the consent of the Federal Patent Court and both parties. However, the judgment and procedural rulings will be drafted in one of the official languages in any event. For example, in 2018, in four out of 23 ordinary proceedings the parties mutually agreed to use English in submissions and hearings instead of one of the official languages of Switzerland.13

After submission of its statement of claim, the plaintiff is ordered to pay an advance on the court fees. Simultaneously, the defendant is served with the statement of claim for its attention. As the Federal Patent Court has changed its practice regarding the payment of the court retainer fee in ordinary proceedings, the plaintiff has to pay an advance on only half of the expected court costs for a decision. Upon receipt of the advance payment the court sets a time limit to the adverse party to submit its statement of defence.

Upon receiving the statement of defence, or, in the case of a counterclaim, upon receiving the reply and defence to counterclaim, an instruction hearing generally takes place, in which the chairman or the instructing judge and the designated technically trained judge participate. After a discussion with the parties on the matter in dispute, the court delegation will proceed with a preliminary assessment of the matter off the record and will attempt to bring about a settlement. If no settlement is achieved, the proceedings will usually continue with another exchange of briefs.

At the end of the exchange of briefs, the main hearing takes place. If a judge’s expert opinion is rendered, the parties are given the opportunity to submit their positions regarding the opinion. Thereafter, the procedure of taking evidence takes place. As stated in Section IV.iii, above, the object of the procedure is to establish the facts that are legally relevant and disputed by the parties. The plaintiff normally carries the burden of proof in infringement proceedings. However, regarding an invention concerning a process for the manufacture of a new product the burden of proof is reversed in the way that every product of the same composition shall be presumed to have been fabricated by the patented process until proof to the contrary has been provided. The same applies to a process for the manufacture of a known product if the patentee shows probable cause of a patent infringement.

vi Infringement

Pursuant to Article 66 of the Patent Act, use or imitation of a patented invention is deemed an infringement (i.e., literal and equivalent infringements are prohibited). The Federal Patent Court adapted the previous Swiss doctrine of equivalents to the prevailing standards in continental Europe. Hence, equivalent infringement takes place if the following three criteria are met: (1) a product or process substitutes certain functional characteristics of a patent claim (same effect), while (2) the substitutive characteristics must be evident to an expert in the art in view of the patented teaching (accessibility), and (3) are considered by such expert as a solution of equal value with respect to the patent claim as literally stated in light of the description (equal value). The third element emphasising the importance of the literal patent claim for the determination of the equivalence was absent in the past practice of the Swiss cantonal courts and the Federal Supreme Court.

vii Defences

Defences may be asserted in the course of the infringement proceedings or by way of an independent action against the patentee (see Section IV.i, above). Apart from non-infringement, the most popular defence against an infringement action is patent invalidity, which may be asserted based on lack of novelty, lack of inventive step, non-patentability, or insufficient disclosure of the invention for it to be carried out by a person skilled in the art. Further, a patent can be revoked if the subject matter of the patent goes beyond the content of the initial patent application or if the patentee was not entitled to be granted the patent (e.g., because the invention was made by someone else).

As a less common defence, the alleged infringer may argue that the incriminated use is exempted from patent protection because of private use or other privileged purposes or because of exhaustion of rights (see Section I.i, above). Further, a compulsory licence may be claimed if the respective prerequisites are met. Compulsory licences are available inter alia for facilitating the use of dependent inventions purporting a major technical advance, in the absence of sufficient exploitation of a patent in Switzerland, if public interest so demands, as a remedy for anticompetitive behaviour in the field of diagnostics, or for the export of pharmaceutical products to developing countries.

14 Federal Patent Court, 21 March 2013, S2013_001, cons. 17.2, specified and confirmed by Federal Patent Court, 25 January 2016, O2014_002, cons. 6.5.2.2 and Federal Patent Court, 9 March 2017, O2015_004, cons. 4.5.2 and 4.6; see also Federal Supreme Court, 20 October 2017, 4A_208/2017, cons. 5; Federal Patent Court, 21 December 2017, O2017_019, cons. 3.2; Federal Patent Court, 6 December 2016, S2016_004, cons. 4.5.2 et seq.
viii Time to first-level decision

The Federal Patent Court aims to render a first instance judgment within 12 months of the commencement of proceedings. Hence, the parties are confronted with relatively short time limits to submit their briefs, ranging between four and six weeks, and limited possibilities to request an extension of time limits.

ix Remedies

The main remedies available to the patentee are injunctions and compensation of damages. Further, surrender of documents and information disclosing the source, quantities and recipients of infringing products can be ordered by the court.

With respect to monetary claims for compensation of damages or disgorgement of unlawfully attained profits, the plaintiff may in a first step demand disclosure of evidence relevant for the quantification of the claimed amount, which will then be pursued in a second step. Three alternative calculation methods are recognised by the courts: proof of the actual loss of profits, licence analogy and conclusion by analogy based on the profits of the infringer. There are no punitive damages in Switzerland.

Under the concept of licence analogy, the damage actually suffered is substituted by a fictitious reasonable royalty that would have been due if the adverse parties had entered into a licence agreement. However, according to the Federal Supreme Court, the plaintiff must establish a causal link between the hypothetical damage and the conduct of the infringer; in other words, evidence that a licence agreement could possibly have been concluded is required. This requirement defeats the concept of licence analogy in the majority of cases, but the plaintiff may demand the same by taking recourse to the concept of unjust enrichment in the amount of the infringer’s savings commensurate to a fictitious reasonable royalty rate.

Injunctions may also be obtained by way of preliminary measures, provided that the plaintiff shows credibly that the patent is infringed or an infringement is imminent, he or she is likely to suffer irreparable harm because of such infringement, and there is urgency. In case of particular urgency, preliminary measures may be ordered immediately and without hearing the opposing party. However, ex parte injunctions are rarely granted. With respect to ex parte injunctions based on domestic patents, it should be noted that the plaintiff must produce prima facie evidence on the validity of the patent, such as an official search report, because there is no ex officio examination of novelty as a prerequisite for patent grant. If an infringer expects an attempt by the patentee to obtain an ex parte injunction, it may lodge a preventive protective writ with the Federal Patent Court outlining the defence against the anticipated allegations.

x Appellate review

Judgments rendered by the Federal Patent Court may be appealed to the Federal Supreme Court. In general, solely points of law may be invoked, the findings of facts can be challenged only in very limited circumstances.
Preliminary rulings are considered as intermediary orders and are, therefore, solely appealable if they are capable of causing irreparable legal prejudice to the appellant and in general only on the grounds of violations of constitutional rights.

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Alternatives to litigation

Since the objections admissible in oppositions brought against domestic patents before the Institute are very limited (see Section III, above), opposition is only a viable alternative to litigation if directed against a European application within nine months of the grant of the right in the patent.

V  TRENDS AND OUTLOOK

With regard to patent law, the latest reform focused, inter alia, on improving the conditions for biomedical research and industry as well as medical treatment of children and patients with rare diseases (see Section I.ii and I.iii).

Although Switzerland will not participate in the unitary patent and Unified Patent Court scheme of the European Union, this new patent system will also benefit patent applicants in Switzerland by enabling them to obtain patent protection with unitary and immediate effect in the respective EU Member States, through one application with the European Patent Office only.

According to the Annual Report 2018 of the European Patent Office (EPO), the number of patent applications filed from Switzerland reached a new record number last year. In 2018, Switzerland was the country with the most patent applications per inhabitant.19 Hence, Switzerland remains one of the most innovative countries of the world.20

20 NZZ, 12.3.2019, available under the following link: https://www.nzz.ch/wirtschaft/patentzahlen-id.1466215 (last visited 18 March 2019).
Chapter 21

TURKEY

Hatice Ekici Tağa and Burak Ozdagistanlı

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Overview
Turkey is one of the most important jurisdictions for intellectual property law, litigation and enforcement. It is a transportation hub between Europe and Asia. Most textile companies either have manufacturing facilities in Turkey or outsource manufacturing of their products to companies in Turkey. Protection of IP rights is therefore very important in Turkey.

IP cases are handled by specific IP courts (intellectual property civil courts and intellectual property criminal courts) in Turkey. These courts are located in most of the large cities. Judges in those courts handle only IP cases, therefore this creates a more predictable litigation and enforcement environment in Turkey.

Further, Turkish intellectual property law is closely aligned with EU law and international norms. Therefore, Turkey is well positioned for protection of IP rights both in terms of modern and EU-aligned legislation and IP litigation. Having said that, there are of course many local features that are explained in the rest of this chapter.

With regard to the alignment to EU laws, Turkey is a signatory to the following key treaties and conventions. All of the treaties and conventions mentioned below have been enacted and are part of local IP law:

a the Paris Convention;
b the Patent Cooperation Treaty (PCT);
c the European Patent Convention;
d the Berne Convention;
e the Madrid Protocol;
f the Hague Agreement; and
g the Rome Convention

Turkey is also a member of the World Trade Organisation (WTO) and is a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

ii Legislation
In Turkey, there are two main laws to protect IP rights: the Industrial Property Law No. 6769 and the Law on Intellectual and Artistic Works No. 5846.
Patents, utility models, trademarks, industrial designs and geographical indications are mainly protected by the Industrial Property Law. Copyrights are protected under the Law on Intellectual and Artistic Works. According to Turkish law, protection is also possible under general provisions such as those on unfair competition.

Brief descriptions for the commonly recognised IP rights in Turkey are given below. See Sections III and IV for information on how to secure protection for these rights, limits of protection and how to enforce these rights.

iii Trademarks
A trademark is a sign that distinguishes your products or services from those of your competitors. Names, designs, logos, letters and numerals can be registered as a trademark. Trademarks can also include the shape of the products or their packaging.

iv Copyrights
Original works that bear the characteristics and originality of the author are protected by copyright. These works are classified by the Law on Intellectual and Artistic Works as follows:

- science and literature;
- music;
- fine art; and
- cinema.

These categories are *numerus clausus*, but there are some sub-categories such as computer software that are listed under ‘scientific and literary works’. Note that the first owner of a work can only be the author or in other words the individual who is the creator of a copyright in Turkey.

v Industrial designs
The appearance of the whole or a part of a product can be registered as a design. This includes features such as the product’s lines, colour, texture and shape.

vi Patents and utility models
A new invention can be protected as a patent or utility model. Both patents and utility models require the invention to be novel and capable of industrial application. The requirements for acquiring a utility model are less stringent than for patents. The registration process for utility models is significantly simpler and faster than for patents. The length of protection is also different for patents and utility models.

vii Geographical indications
Signs indicating the origin of a product can be registered as geographical indications. Products that have a specific quality, reputation or characteristic attributable to a particular place, area, region or country can be a geographical indication.

II RECENT DEVELOPMENTS
Until 10 January 2017, decree laws, such as the Trademark Decree and the Patent Decree, covered the industrial property rights. On 10 January 2017, the Industrial Property Law (the
New Law) entered into force and abolished previous IP-related decree laws. The New Law includes most of the provisions that were present in the abolished decree laws, as well as some new provisions.

One of the most essential amendments in the trademark law is the coexistence principle. The New Law allows the registration of a trademark that is identical or indistinguishably similar to an earlier dated trademark registration or application if the prior trademark’s owner provides consent.

Previously, there was no clear provision for losing a trademark right by remaining silent. But now, it is clearly stipulated that ‘in case a trademark owner has remained silent for the five consecutive years where he knows or should know that the later dated trademark is used, he cannot allege his/her trademark as an invalidation ground unless the subject trademark registration was filed in bad faith’.

The New Law abolished all criminal sanctions for patent infringement. Criminal sanctions apply only for trademark infringements, not for patent, utility model, industrial design or geographical indication infringements.

Additionally, all patents will now be granted upon examination. There will no longer be a granting of patents without an examination process. Moreover, the New Law introduced a post-grant opposition system for patents. These improvements will lead to stronger patents in Turkey.

Furthermore, mediation for commercial disputes regarding receivables and compensation claims has recently become mandatory in Turkey. This recent development was implemented on 1 January 2019. In this regard, the IP right owner must complete the applicable mandatory mediation proceedings before filing a lawsuit in relation to a commercial payment claim.

III OBTAINING PROTECTION

i Trademarks

All distinctive and graphically representable signs, such as words, names, acronyms, letters, numbers, devices, holograms, the three-dimensional form of a good or its packaging and any combination of the mentioned signs, including sound marks graphically represented can be registered as a trademark.

The trademark application should be filed with the Turkish Patent and Trademark Office. Alternatively, as Turkey is a member of the Madrid Protocol, an international application can be filed through WIPO by designating Turkey.

It is possible to claim priority based on an earlier application filed in another country, provided that the country where the earlier application is made is a member of the Paris Convention.

The application will first be examined by the Turkish Patent and Trademark Office. The Patent and Trademark Office can reject the application on absolute grounds stipulated in Article 5 of the Industrial Property Law. The absolute grounds for refusal are:

a non-compliance with the legal requirements of the Industrial Property Law;
b existence of an identical or indistinguishably similar earlier trademark or trademark application, covering the same or same type of goods or services;
c descriptiveness;
d if the mark has become customary in current and established trade practices;
If the Turkish Patent and Trademark Office does not reject the application on absolute grounds, the Office will authorise the publication of the trademark in the Official Bulletin.

Third parties can oppose the application based on absolute or relative grounds as stipulated in Article 6 of the Industrial Property Law. The time limit for filing an opposition is two months from the publication date in the Official Bulletin.

The relative grounds for refusal are that:

a. the application is identical or similar to an earlier trademark registration or application and covers identical or similar goods or services, and there is a likelihood of confusion between them;

b. it is an unauthorised application for an identical or indistinguishably similar trademark by the agent or representative of the trademark owner in their own name, without valid justification;

c. there is prior and genuine ownership by a third party of the mark applied for;

d. there is a well-known mark under Article 6 bis of the Paris Convention;

e. there is an earlier trademark registration or application well-known in Turkey;

f. the application contains the name, trade name, photograph, copyright or industrial property right of a third party;

g. the application is identical or similar to a trademark registration, the protection period of which has ended due to non-renewal, covers identical or similar goods or services, the application is filed within two years of the end of the protection period of the earlier registration, and the earlier registration is put to use within this two-year period; and

h. the application is filed in bad-faith.

If the application is ex officio rejected or rejected based on a third party's opposition, the applicant will be entitled to object to the rejection within two months of receiving the relevant notification. In this case, the Re-examination and Evaluation Board will examine the objection. The decision of the Re-examination and Evaluation Board is the final decision of the Turkish Patent and Trademark Office. To object to this decision, a court action can be initiated within two months of the notification of the final decision.

If no rejection or opposition occurs, the trademark will be registered after the payment of registration fees. The trademark registration process typically takes approximately seven to eight months, provided there are no objections or opposition. Having said that, protection of a trademark starts as of the first application date and, therefore, during the registration process the trademark is entitled to protection.

The term of protection of a registered trademark is 10 years from the date of filing of the application. Registration is renewable for further periods of 10 years perpetually.
ii Industrial designs

In Turkey, unregistered designs can be protected under unfair competition and copyright provisions, and are also protected under the Industrial Property Law, provided that the unregistered design is novel, individual and made available to the public for the first time in Turkey.

Unregistered design protection starts from the moment the design is made available to the public in Turkey and lasts for three years.

The application for the registration of an industrial design should be filed with the Turkish Patent and Trademark Office. The industrial design can be registered if it is novel and has individual character.

A design is deemed novel if it has not been made publicly available anywhere else in the world prior to the application date or the priority date. However, the application can be filed in Turkey up to 12 months after first disclosure of the design. If the Turkish Patent and Trademark Office finds that the application is appropriate for registration, the industrial design is registered without any further administrative steps. However, third parties may file an opposition to a registration at the Turkish Patent and Trademark Office within three months of the publication date of registration.

Registered design protection starts from the filing date and lasts for five years. It can be renewed for four consecutive periods of five years, for up to 25 years in total.

iii Patents

An invention is patentable in Turkey, if it is novel, involves an inventive step and is capable of industrial application.

The Industrial Property Law stipulates that the following are not considered as inventions and therefore cannot be registered as a patent:

- discoveries, scientific theories, mathematical method;
- plans, methods and rules in relation to mental acts, business and game activities;
- computer programs;
- literary and artistic works, scientific works, creations having an aesthetic characteristic;
- delivery of information.

The Industrial Property Law also stipulates that the following are accepted as inventions but cannot be registered as a patent:

- inventions violating public order or morality;
- plant and animal varieties or species or biological processes for producing or breeding plants and animals, excepting microbiological processes or products of them;
- all treatment methods including diagnostic and surgical methods on humans or animals;
- simple discovery of one of the elements of the human body, including a gene sequence; and
- human cloning processes, the use of human embryos for industrial or commercial purposes, certain processes for modifying the human genetic code.
Patent applications are filed with the Turkish Patent and Trademark Office. Once the Office publishes the patent in the Official Bulletin, third parties can file an opposition within six months of the publication date (post-grant opposition procedure). The grounds of objection can be as follows:

\( a \) the patent subject matter does not fulfil the patentability conditions;
\( b \) the invention has not been sufficiently disclosed; and
\( c \) the patent subject matter exceeds the scope of the application.

Patent protection starts from the date of the application. The term of protection is 20 years and this term is not renewable.

**iv Copyright**

In Turkey, copyrights are mainly protected under the Law on Intellectual and Artistic Works. Registration is not required to establish rights. Note that cinematographic and musical works must be registered before the General Directorate of Copyrights, part of the Ministry of Culture and Tourism, to exploit these rights and facilitate proof of ownership, but not for creation of the rights.

There is no need to file any application to gain the copyright protection as it exists automatically when the work is created. However, a time stamp can help prove the time of creation. In Turkey, rights holders generally apply to the Ministry of Culture and Tourism for the registration of the work and this helps to prove the ownership and creation date of work. Software, games, books and other intellectual and artistic works can be subject to this optional registration. Certification by a notary public is also common practice in Turkey to prove the creation date of work.

Copyright protection starts from creation of the work and lasts for 70 years after the author's death.

**IV ENFORCEMENT OF RIGHTS**

Turkish law provides an effective enforcement procedure for protection of IP rights. Usually, the first step for enforcement is determining an IP infringement. Once an infringement is determined, it is advisable to send a cease-and-desist letter from a notary public as this may lead to an easier and faster relief for the IP owner.

If infringement continues or if an IP owner wants to move forward with enforcement as the first step, it is possible to request determination of evidence from civil courts or request to obtain search warrants from criminal courts to conduct raids and secure evidence.

**i Possible venues for enforcement**

Under Turkish law, it is possible to enforce IP rights before the criminal law courts and civil law courts.

In terms of civil law protection, IP infringement actions are filed before the specialised civil courts of industrial and IP rights in Istanbul, Ankara and Izmir. In other cities, one of the regular civil courts (if there are more than two courts the third civil court, otherwise the first civil court) is assigned as a specialised IP court.

It is also possible to enforce IP rights before specific criminal courts of industrial and IP rights in Istanbul, Ankara and Izmir for cases where the legislation stipulates imprisonment.
or judicial monetary penalty for infringement of a certain IP right. In other cities, one of the regular criminal courts (if there are more than two courts the third criminal court, otherwise the first criminal court) is assigned as a specialised IP court.

It is possible that any goods or products that infringe IP rights may be confiscated by the customs authorities during their import, export or transit. The customs authority, without the necessity of a court or public prosecutor order, may confiscate any goods that breach IP rights and notify the IP right owner afterwards to follow the next procedures such as the initiation of a civil case or the obtaining of an injunction.

ii Requirements for jurisdiction and venue
Turkish courts have jurisdiction in IP infringement cases if either the IP right is registered in Turkey or the defendant resides in Turkey or the tortuous act is committed in Turkey. According to Turkish law, if the place the tortuous act is committed is not the place where the damage has occurred, the law of the state where the damage has occurred shall govern.

The applicable jurisdiction in Turkey may be one of the following:

a the regular domicile of the IP right holder;
b the place where the infringement was committed; and
c the place where the act of infringement produced consequences.

iii Obtaining relevant evidence of infringement and discovery
Under Turkish Civil Procedural Law, the burden of proof lies on the claimant. Therefore, it is very important to collect relevant evidence before initiating a lawsuit.

One of the methods that is widely used is determination of evidence where, by order of a court, an examination can be made with experts or a judge and evidence can be collected. This examination usually entails visiting a premises to document the situation to be used as evidence.

Another method, which can be used in cases where IP infringement may result in criminal sanctions, is obtaining a search warrant and asking for an expert examination. For this method, the right holder applies to the public prosecutor, requesting that the prosecutor ask for a search warrant from the magistrates’ court. If the magistrates’ court accepts the public prosecutor’s request, the public prosecutor appoints an expert and orders the search warrant to be executed with the police.

Other than those methods, any legally obtained evidence may be used in courts and these may be purchases made from the seller of counterfeit goods, relevant payment slips, opinions obtained from laboratories, etc.

iv Trial decision-maker
As mentioned above, there are special IP courts in Turkey, and accordingly judges for IP cases are specialists. Further, technical expertise is also very important and in almost in all cases, the judge asks for an expert examination from a court-appointed expert or court-appointed expert panel. As a result, the expert report is a significant element of the judicial process. There is no jury trial in Turkey.

v Structure of the trial
Civil procedure in Turkey is mainly based on writing. The briefs of the parties and the written expert report are the most significant documents.
Before the trial, the claimant provides his or her claim petition to the court and the defendant responds to it with a response petition. Afterwards, secondary petitions are provided to the court by the claimant and defendant in that order. All evidence, claims and defences of parties must be submitted to the court at this stage with their respective petitions. In principle, the admission of additional evidence or the bringing of new claims and defences is not allowed under procedural law after the completion of this stage.

During the hearings, the judge will listen to the parties but, as mentioned above, the trial is based on the written documents submitted to the court. The hearing may be used as a tool to point out some of the critical issues for the judge to concentrate on.

IP litigation relies on documentary evidence that would be provided by the parties or the expert report obtained by the court. While it is possible to take witness statements, it is not the usual practice in IP litigation and witness statements rarely preclude documentary evidence.

It is also important to note that there are certain minimum requirements for a document to be accepted as proof before the court. For example, all agreements that are related to the transfer of copyrights must be made in writing.

vi Infringement
Patent and trademark protection prevents third parties from offering or making available goods or products that are the subject matter of the patent or that are branded with that trademark.

vii Defences

Trademarks
The most common defence in Turkey is that the challenged trademark has no distinctive character, or is deceptive or descriptive.

In Turkey, the defendant can also claim as a defence that he or she is the prior rights holder or that the trademark owner has not been using the trademark for a period of at least five years. The defendant can file a separate invalidation or revocation action on the grounds of non-use or being the prior user.

The principle that a right can be lost by remaining silent can also be used as a defence. The defendant can claim that the trademark owner is acting in bad faith by filing the infringement claim after a long period of tolerance.

Designs
In a design infringement case, the defendant may argue that the registered design should be cancelled, and that the use of the design was a technical necessity or a personal use, or for an experimental, educational or repairing purpose.

Patents
In Turkey, the most common defence against infringement claims is filing an invalidity action against the patent.

A defence relating to prior user rights can be also raised as the patent owners do not have the right to prevent persons from using the invention if they began to use it in good faith before the application date.
The defendants can also raise an exhaustion defence, which is essentially an exemption to patent infringement. The release of a product bearing an IP right anywhere in the world is sufficient for the exhaustion of the IP right in Turkey.

**Copyright**

The Law on Intellectual and Artistic Works stipulates specific situations when using copyrighted work without the right holder's permission shall not constitute copyright infringement. Those exceptions that are commonly used as a defence are as follows:

- **a** personal use;
- **b** use for educational purposes in schools or other educational institutions;
- **c** use within 'freedom of quotations';
- **d** influential use to create an original and independent work;
- **e** use due to public order or in the interests of the community; and
- **f** expiration of copyright.

### viii  Time to first-level decision

In most cases, it is possible to obtain a first-level decision in an IP infringement case or other dispute within 18 to 24 months. This term includes expert examination as well.

### ix  Remedies

The remedies available in Turkey include:

- **a** the cessation of the infringing acts;
- **b** the confiscation or destruction of the infringing products, and the equipment and machinery used to produce the products;
- **c** compensation for material and moral damages; and
- **d** the publication of the court's decision.

Preliminary injunctions are also available in Turkey before or during the substantive proceedings. The claimant must prove that:

- **a** it is the rights holder;
- **b** its rights are being infringed or there is a high likelihood of infringement; and
- **c** it may suffer irreparable harm or damages.

The rights owners may apply for a preliminary injunction for the cessation or prevention of the infringing activities, as well as for seizure of the infringing goods.

There are no criminal remedies for design and patent infringements. However, for trademark and copyright infringements, criminal remedies, including imprisonment and fines, are available.

### x  Appellate review

In Turkey, final decisions of the courts of first instance can be appealed before the district courts and the decisions of the district courts can be appealed before the courts of appeal. An appeal does not automatically stop the execution of the decision and the suspension of the execution should be requested together with the appeal. Appeal proceedings last between 18 months and two years. With respect to preliminary injunctions, district court decisions are final and cannot be appealed before the court of appeal.
Alternatives to litigation

As of 1 January 2019, mediation is mandatory for IP-related disputes regarding receivables and compensation claims. However, there is no restriction on applying mediation to other disputes as well.

IP-related disputes can be also resolved by arbitration. Under the Turkish Civil Procedure Law, arbitral decisions are executable without needing any judicial approval or decision.

Alternative dispute resolution methods have significant advantages such as the arbitrators’ expertise, the confidentiality of the proceedings and the flexibility to adapt the proceedings to different situations.

TRENDS AND OUTLOOK

The Turkish government strongly promotes the mediation system. In the near future, mediation is expected to be mandatory as a precondition to formal litigation relating to all IP disputes. In this regard, alternative dispute resolution methods will be more important and effective in practice.
Chapter 22

UNITED KINGDOM

Gordon Harris, Andrew Maggs and Ailsa Carter

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Patents
A patent may be granted covering the United Kingdom for an invention that is new, involves an inventive step, is capable of industrial application, and is not otherwise excluded from patentability. The term of protection is 20 years from the application date, unless a supplementary protection certificate (SPC) is granted (which may extend the term), renewal fees are not paid (in which case the patent may lapse sooner) or the patent is declared invalid.

An application for a patent conferring protection in the UK can either be made to the UK Intellectual Property Office (UKIPO), for a GB patent, or to the European Patent Office (EPO) for a European Patent designating the UK. Alternatively, either can be designated as part of a Patent Cooperation Treaty (PCT) application.

On 26 April 2018, the UK ratified the Agreement on a Unified Patent Court (the UPC Agreement). However at the time of writing, it is unclear whether the UK will remain within the proposed Unified Patent Court (UPC) or unitary patent systems if and when they become operational: this will depend, at least in part, upon the legal arrangements governing the UK’s relationship with the EU.

ii Supplementary protection certificates
A supplementary protection certificate (SPC) is a form of intellectual property that extends the patent term in respect of pharmaceutical or plant protection products in qualifying circumstances.

The term of the SPC is intended to compensate, to some degree, for the period elapsing between the filing of an application for a patent for a new medicinal or plant protection product and the grant of authorisation to place the medicinal product or plant protection product on the market. The duration of protection is the term that elapsed between those dates, reduced by a period of five years, subject to a maximum period of protection of five years.

iii Designs
In the UK, designs may be protected by a mixture of registered and unregistered rights, which vary in their subsistence, scope and duration.

1 Gordon Harris is a partner and Andrew Maggs and Ailsa Carter are principal associates at Gowling WLG.
Registered designs – UK and EU

Designs that are new and have individual character can be registered with the UKIPO, for the UK, or with the European Union Intellectual Property Office (EUIPO), for the EU (which, at the time of writing, includes the UK).

Three-dimensional and two-dimensional designs can all be protected. However, computer programs, features of an article that have a technical function or that interconnect with other parts of the article and are necessary for the article to perform its function, and designs that are contrary to public policy are not registrable.

Registered designs are monopoly rights (which can be enforced without copying having occurred). The term of protection is 25 years provided that renewal fees are paid.

Unregistered designs

The UK unregistered design right (UDR) protects the shape and configuration of the whole or part of an article (external or internal) that is original, recorded in a design document or the subject of an article made to the design, and created by a qualifying person.

The UDR will not subsist in a method or principle of construction, the shape or configuration of an article that ‘must fit’ another, or the appearance of an article that ‘must match’ another. The UDR does not protect 2D designs such as ornamentation or surface decoration (which may be protected by copyright).

The UDR arises automatically. The term of protection is the lesser of: 15 years from first recording in a design document or first making to the design; or 10 years from first making the article available for sale or hire (dates calculated from the end of the relevant calendar year). The owner has exclusive rights to reproduce the design for commercial purposes. During the final five years of the term licences of right are available. If the terms are not agreed, they will be settled by the Comptroller General of Patents, Designs and Trademarks.

The EU unregistered Community design right has a broader scope of protection than the UDR, protecting 3D and 2D designs. EU protection lasts for a period of three years from the date on which the relevant design is first made available to the public and pan-European relief is available. At the time of writing, the UK is a member of the EU and where qualification criteria are met EU unregistered Community design right arises covering the UK.

iv  Copyright

Copyright may subsist, *inter alia*, in original literary, dramatic, musical and artistic works, sound recordings, films and broadcasts and typographical arrangements of published editions, provided the work qualifies by its author’s nationality or domicile or by the place of first publication of the work. Protection arises automatically when works are recorded in writing or some other form.

Copyright in literary, dramatic, musical or artistic works generally lasts for 70 years from the end of the calendar year in which the author dies. For some literary works, including computer generated works, databases, tables and compilations, and for sound recordings and broadcasts, protection will last for 50 years from the end of the calendar year in which they are created.

Copyright is infringed if the work, or a substantial part of it (assessed qualitatively), is copied, not if another work is created independently.
v  Database rights

Databases can be protected in two ways; by copyright and by the sui generis database right.

Where there has been a substantial investment in obtaining, verifying or presenting the contents of a database the sui generis right will arise. Protection lasts for 15 years from the end of the calendar year in which the database was completed.

Where all or a substantial part of the contents of the database are extracted or reutilised without the owner’s permission, database rights will be infringed.

vi  Registered trademarks

A mark or sign may be registered as a trademark if it is capable of distinguishing the goods or services of one undertaking from those of another and of being represented on the register in a manner that enables the competent authorities and the public to determine the clear and precise subject matter of protection. It must also not be devoid of distinctive character nor consist exclusively of indicators that may designate the kind, quality, quantity or other characteristics of the goods or services, although it may be shown that the mark has acquired distinctiveness through use. Registered trademarks can include words, domain names, colours and the shape of goods or their packaging, as well as non-traditional marks such as sounds (although in practice, registration of non-traditional marks is difficult to obtain).

A mark can be registered for the UK (with the UKIPO); or as an EU Trademark (EUTM, formerly called a Community Trademark, with the EUIPO, for the EU). (At the time of writing, the UK is a member of the EU). A mark will be registered for specified goods and services listed in the classes of the International Classification of Goods and Services.

The proprietor of a mark has the exclusive right to use the registered mark in connection with the classes of goods or services for which it is registered. The mark may be enforced in respect of: (1) an identical mark for identical goods or services; (2) an identical or similar mark for identical or similar goods or services where such use has caused or is likely to cause confusion; and (3) if a mark has a reputation, in respect of an identical or similar sign for goods and services where the use causes detriment or leads to unfair advantage.

A mark may remain registered indefinitely provided that the renewal fees are paid.

vii  Passing off

A claimant can bring a claim for passing off where:

a  there is goodwill attached to his or her goods or services in the United Kingdom;

b  there is a misrepresentation by the defendant leading or likely to lead the public to believe that the goods or services offered are the goods or services of the claimant or there is some other authorised link with the claimant; and

c  the claimant suffers damage as a result.²

Passing off can be used as a way of protecting unregistered trademarks, names, logos or get-up from being misused by others wanting to trade off the claimant’s goodwill.

Confidential information and trade secrets

Confidential information is broadly defined as information that has the necessary quality of confidence that is disclosed in circumstances imparting an obligation of confidence.

Confidential information may be protected by non-disclosure agreements or confidentiality agreements. It is common for employers to request that their employees sign such agreements if they have access to confidential information.

While in theory it is possible to protect confidential information indefinitely, there may be limits on how long information will retain its confidential status. For example, non-disclosure and confidentiality agreements may be time-limited, the information may become available from non-confidential sources and information may be made available to other parties or the public in the course of litigation.

Plant varieties

A plant variety right may be available for a new, distinct, uniform and stable plant variety. ‘New’ is assessed by reference to sale or disposal.

A plant variety right entitles the holder to prevent anyone from producing or reproducing, conditioning for the purpose of propagation, offering for sale, selling, exporting, importing or stocking for any of those purposes, the qualifying variety. The term of protection is 30 years from the date of grant (for potatoes, trees and vines); or 25 years from the date of grant (all other cases). Protection is available for the UK (from the UK Plant Variety Rights Office) or for the EU (from the Community Plant Variety Office). (At the time of writing, the UK is a member of the EU).

II RECENT DEVELOPMENTS

Recent notable patent case law

Doctrine of equivalents – Actavis v. Eli Lilly

In a landmark judgment, Actavis v. Eli Lilly, the UK Supreme Court swept aside decades of jurisprudence on the assessment of the tort of patent infringement and introduced a doctrine of equivalents in the United Kingdom.

Standards essential patents and fair, reasonable and non-discriminatory terms

In Unwired Planet v. Huawei, the High Court of England and Wales (Patents Court), having determined that patents owned by Unwired Planet were valid, infringed by Huawei and essential to the 3GPP telecommunications standard, determined licence terms that were ‘fair, reasonable and non-discriminatory’ (FRAND) between the parties. Although only selected UK patents were found valid and infringed, the FRAND licence determined was a global, portfolio licence. This is the first time a global portfolio licence has been determined by a court worldwide. Since Huawei had not been prepared to take a licence on terms found by the court to be FRAND, the High Court also developed new injunctive relief – a FRAND injunction, which would be discharged if Huawei entered into the FRAND licence, and with the parties having liberty to apply to the Court regarding the injunction at the end of

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3 [2017] UKSC 46.
the licence term (in 2020, while the patents found valid, infringed and essential would be in force until 2028). The Court of Appeal has since confirmed the approach taken by the High Court. A further appeal is listed to be heard by the Supreme Court in October 2019.

**Dosage regimen patents**

Patents to dosing regimens had a difficult year in the UK courts in 2017. In *Actavis v. ICOS*, in three separate judgments, the Court of Appeal made clear the challenges facing patent claims in which the purported invention resides in a dosing regimen. If, by pursuing the clinical trials necessary for marketing authorisation, the claimed dosing regimen would be reached, the fact that at the outset the regimen eventually settled upon would have seemed surprising will not confer inventiveness. The Court of Appeal’s approach was confirmed by the Supreme Court in 2019.

**Declaratory relief – Arrow declarations**

In *Fujifilm v. AbbVie*, the High Court of England and Wales (Patents Court) awarded, in a landmark judgment, a novel type of declaratory relief, known as an *Arrow* declaration, to clear the route to market for a product facing a raft of pending patent applications incapable of challenge in the UK courts. The Court concluded that the administration of FKB’s proposed products in the treatment of a particular medical indication by a particular dosing regimen would have been obvious at a particular date, and that the Court’s declaration of this would serve a useful purpose in view of AbbVie’s patent filing strategy and public statements. Declaratory relief of a similar nature was awarded for the second time in *Glaxo v Vectura*, in December 2018.

**Plausibility, obviousness and insufficiency**

Plausibility, a concept drawn from case law of the EPO, has in recent years been developing in the jurisprudence of England and Wales in the context of priority, obviousness, insufficiency and industrial applicability. In 2018, the UK Supreme Court considered its role in the test for insufficiency. Guidance on the Supreme Court’s test was given by the Patents Court in 2019.

**ii Unified Patent Court and unitary patent package**

The proposed UPC and unitary patent system is discussed in Sections I, above, and IV and V, below. The UK ratified the UPC Agreement in 2018. However, at the time of writing, the timetable for the new system becoming operational, and the UK’s continued involvement in it, remain uncertain.

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6 [2017] EWCA Civ 1671.
7 *Actavis v. ICOS* [2019] UKSC 15.
9 *Arrow Generics Ltd v. Merck & Co Inc* [2007] EWHC 1900 (Pat).
10 [2018] EWHC 3414 (Pat).
11 *Exxon* (T 409/91); *AgrEvo* (T939/92).
iii Shape trademarks

In *Nestlé v. Cadbury* the Court of Appeal ruled that the shape of a four-fingered Kit Kat bar (without a Kit Kat logo embossed on each finger) could not be registered as a UK trademark. Concerning an inherently non-distinctive mark, in demonstrating that the mark has acquired distinctiveness, it was not sufficient to show that consumers recognise the mark and associate it with the applicant’s goods.

Similarly, in *The London Taxi Corporation v. Frazer-Nash* the Court of Appeal confirmed a first instance decision that a trademark for the shape the iconic London ‘black cab’ was invalid for lack distinctive character. In particular, while recognisable, the shape was not shown to have acted as a designation of trade origin.

iv Actionable threats

On 1 October 2017, the Intellectual Property (Unjustified Threats) Act 2017 came into force, making amendments to the law prohibiting unjustified threats of infringement proceedings. The Act harmonises, across the different intellectual property rights the subject of a threats regime, what can and cannot be said without falling foul of the provisions restricting the making of unjustified threats.

Across the board, additional protection has been provided for professional advisers. Provided legal advisers comply with the requirements of the Act, their communications are now much less likely to be capable of amounting to a threat.

III OBTAINING PROTECTION

i Patentability

The Patents Act was enacted in the course of the United Kingdom’s accession to the European Patent Convention. Certain sections of the Patents Act are expressed as framed so as to have, as nearly as practicable, the same effects in the United Kingdom as the corresponding provisions of the EPC, the Community Patent Convention and the PCT.

Pursuant to the EPC, European patents shall be granted for any inventions, in all fields of technology, provided:

- they are new, involve an inventive step and are susceptible of industrial application;
- patentability is not expressly excluded; and
- the application meets certain other requirements, namely, unity of invention, disclosure of invention and clear and concise claims supported by the description.

New

An invention shall be considered to be new (‘novel’) if it does not form part of the state of the art. The state of the art comprises everything made available to the public anywhere in the world by means of a written or oral description, by use, or in any other way before the date of filing of the European patent application. Additionally, the content of earlier filed...
(but not yet published) patent applications (UK or EPC designating the United Kingdom) is considered as comprised in the state of the art. A patent (or application) lacks novelty (is ‘anticipated’) if the prior art provides an ‘enabling disclosure’ of what is claimed.16

**Involves an inventive step**

An invention shall be taken to involve an inventive step if it is not obvious to a person skilled in the art, having regard to any matter that forms part of the state of the art (earlier filed but not yet published patent applications are not included in the state of the art for this purpose). In *Conor v. Angiotech*,17 the House of Lords (the predecessor to the UK Supreme Court) considered the issue of obviousness and approved the following statement of Kitchin J in *Generics v. Lundbeck*:18

> The question of obviousness must be considered on the facts of each case. The court must consider the weight to be attached to any particular factor in the light of all the relevant circumstances. These may include such matters as the motive to find a solution to the problem the patent addresses, the number and extent of the possible avenues of research, the effort involved in pursuing them and the expectation of success.

In *Hospira v. Genentech*,19 the Court of Appeal noted that there is only one statutory question, namely whether the invention was obvious at the priority date. Whether the invention was obvious to try is merely one of many considerations that it may be appropriate for the Court to take into account in addressing the statutory question; it is not a substitute test for obviousness, and it must in any case be coupled with a reasonable or fair prospect of success.

**Industrial application**

An invention shall be taken to be capable of industrial application if it can be made or used in any kind of industry, including agriculture. The notion of industry is construed broadly.20

**Exclusion from patentability**

The following are declared not to be inventions (and are therefore not patentable):

- *a* discoveries, scientific theories and mathematical methods;
- *b* literary, dramatic, musical or artistic works or any other aesthetic creation; and
- *c* schemes, rules or methods for performing a mental act, playing a game or doing business, or a program for a computer; and the presentation of information.

However, this only prevents patentability to the extent that the patent or application relates to the thing as such.

Patents also shall not be granted for the following:

- *a* inventions the commercial exploitation of which would be contrary to public policy or morality;

18 [2007] RPC 32.
19 [2016] EWCA Civ 780.
b plant or animal varieties or essentially biological processes for the production of plants or animals (not including microbiological processes or the products thereof);
c methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body (although this does not apply to products, in particular substances or compositions, for use in any of these methods);
d the human body, at various stages of its formation and development, and the simple discovery of one of its elements, including the sequence or partial sequence of a gene;
e processes for modifying the germline genetic identity of human beings;
f uses of human embryos for industrial or commercial purposes; and
g processes for modifying the genetic identity of animals, which are likely to cause them suffering without any substantial medical benefit to man or animal, and also animals resulting from such processes.

Other requirements for grant

A patent application shall relate to one invention only or to a group of inventions so linked as to form a single general inventive concept.

The specification must disclose the invention clearly and completely enough for it to be performed by a person skilled in the art. It must be sufficient to allow the invention to be performed over the whole scope of the claim and without undue burden.²¹

The claims of a patent define the matter for which protection is sought. They must be clear and concise and be supported by the description.

ii Subject-specific case law

Methods of medical treatment and diagnostic methods

Methods of medical treatment and diagnostic methods are excluded from patentability. However, products, including substances, for use in such methods may be patented, including where the invention (and novelty) resides in the new use of a known product: purpose-limited product claims are permissible (i.e., claims in the form ‘X for use in the treatment of Y’).

Previously, for inventions residing in a second or subsequent use of a known medicament, claims in ‘Swiss form’ were permissible (i.e., ‘use of X in the manufacture of a medicament for the treatment of Y’) but following the decision of the EPO’s Enlarged Board of Appeal in G2/08 (Abbott Respiratory/dosage regimes)²² applicants may no longer claim second medical use inventions in the Swiss format. The changes introduced in 2010 made no change to practice regarding existing Swiss form claims already in force.

Patents with claims in Swiss form do not prevent (under the double patenting exclusion) the grant of a related application with claims in purpose-limited product format because the subject matter of such claims is considered different.²³ For the same reason, it is not possible to amend granted Swiss form patent claims to purpose-limited product format.

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²³ T 1780/12.
Plants and animals and essentially biological processes for their production

Inventions that concern plants or animals may be patentable if the invention is not confined to a particular plant or animal variety but can be granted if varieties may fall within the scope of the claims.  

Whether or not a (non-microbiological) process for the production of animals or plants is ‘essentially biological’ and therefore excluded from patentability has to be judged on the basis of the essence of the invention taking account the totality of the human intervention and its impact on the result achieved.

Other biotechnological inventions

Finding biological material, such as a microorganism, occurring freely in nature is discovery, not an invention, and so is not patentable as such. However, biological material that is isolated from its natural environment or produced by means of a technical process may be the subject of an invention, even if the material occurred previously in nature. Where the invention resides in a whole or partial gene sequence, the industrial application of the sequence must be disclosed in the application as filed.

In Oliver Brüstle v. Greenpeace the CJEU ruled that a ‘human embryo’ was: any human ovum after fertilisation; any non-fertilised human ovum into which the cell nucleus from a mature human cell has been transplanted; and any non-fertilised human ovum whose division and further development have been stimulated by parthenogenesis. The exclusion covered the use of human embryos for purposes of scientific research; only use for therapeutic or diagnostic purposes that are applied to the human embryo and are useful to it being patentable. Further, patentability was excluded where the subject matter involved the prior destruction of human embryos or their use as base material.

Subsequently, in International Stem Cell Corporation v. Comptroller General of Patents, Designs and Trade Marks, the CJEU ruled that an unfertilised human ovum whose division and further development have been stimulated by parthenogenesis does not constitute a ‘human embryo’, within the meaning of that provision, if, in the light of current scientific knowledge, it does not, in itself, have the inherent capacity of developing into a human being.

A claim to a product containing or consisting of biological information is construed as extending to all material (except excluded material) in which the product is incorporated and in which the genetic information is contained and performs its function.

Computer programs

A claimed invention involving the use of a computer program may be patentable if it involves a technical contribution. The Court of Appeal has emphasised the need for each case to be considered by reference to its particular facts, and that a solution to a technical problem can

30 Symbian Ltd’s Application [2009] RPC 1.
be a relevant technical effect and would not be excluded, as technical character is provided from the problem itself.\textsuperscript{31} In \textit{HTC v. Apple}, Kitchin LJ noted the need to consider what the computer program in issue actually contributes.

\section*{IV ENFORCEMENT OF RIGHTS}

This section provides a brief guide to how intellectual property rights may be asserted, focusing on patents. In the courts of the United Kingdom, issues of infringement and validity are almost always addressed together.

Pursuant to EU Directive 2004/48 on the enforcement of intellectual property rights (the IP Enforcement Directive), Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights. Such measures, procedures and remedies shall also be effective, proportionate and dissuasive and applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse. The nature of available final and interim relief, as well as other aspects of litigation procedure, continues to evolve with the developing jurisprudence in respect of the IP Enforcement Directive, and also with developments in technology.

\subsection*{Possible venues for enforcement}

The United Kingdom has three jurisdictions: England and Wales, Scotland, and Northern Ireland. Each has its own legal system and procedures, the UK Supreme Court being the final court of appeal for all in civil cases. In the field of IP, legislated substantive law applies throughout the UK. The overwhelming majority of IP litigation in the UK takes place in the courts of England and Wales.

In England and Wales, the Intellectual Property Enterprise Court (IPEC) is the correct forum for less complex and smaller value IP claims. In the IPEC damages are capped at £500,000 (per claim number),\textsuperscript{32} and recoverable costs are capped at £50,000 for the liability stage and £25,000 for the quantum stage. The IPEC procedure is distinct from that which is conventional under English legal practice, for example with less separation of argument and evidence. For more complex and valuable IP claims, the Patents Court hears claims concerning patents, SPCs, registered designs, plant varieties and semiconductor topography rights; other types of intellectual property dispute are heard in the General IP List. All of the courts and lists noted in this paragraph sit within the Business and Property Courts of the High Court of England and Wales.

Patent actions are heard in Scotland by the Court of Session, and in Northern Ireland by its High Court.

The Comptroller General of Patents at the UK Intellectual Property Office (UKIPO) has jurisdiction to adjudicate upon some patent-related issues and may issue opinions on the infringement and validity of patents.

If and when the UPC Agreement and associated EU Regulations come into force, owners of European patents designating Member States of the EU participating in the UPC system will (subject to opting-out) be able to enforce those European patents (but not national patents) in the UPC. New unitary patents will also be enforceable in the UPC. At the time

\textsuperscript{32} \textit{OOO Abbot v. Design & Display} [2014] EWHC 3234.
of writing, the UPC is expected to have a central division (with its seat in Paris, and sections in London and Munich), local divisions in some Member States, and one or more regional divisions covering more than one Member State (e.g., a ‘Nordic-Baltic’ regional division for Estonia, Latvia, Lithuania and Sweden). Choice of venue will depend on relevant provisions of the UPC Agreement and the UPC’s Rules of Procedure. Decisions in relation to European patents that are not ‘opted-out’ and all unitary patents will have effect across the Member States concerned in each case. At the time of writing, if the UPC Agreement enters into force, at the minimum the following contracting states will be within the new system: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Sweden and (depending on arrangements in respect of Brexit) the UK. For the term of the transition period (at least the first seven years), the current jurisdiction of the national courts of the participating countries in respect of European patents will continue in parallel. The remainder of this Section is concerned with the existing system, not the UPC.

ii Requirements for jurisdiction and venue

The UK courts described in Section IV.i, above, have exclusive jurisdiction in respect of actions for revocation of UK patents and UK designations of European patents but not actions for revocation of, or otherwise challenging the validity of, other national designations of European patents.

In respect of issues of infringement, jurisdiction may be founded by domicile or by the place where the harmful event occurred or may occur. Where a claim of infringement is made, the defendant may challenge validity, so invoking the exclusive jurisdiction of the courts of the relevant designation. Accordingly, almost all litigation regarding issues of infringement and validity of a European patent takes place in the courts of the relevant designated country.

However in Actavis v. Eli Lilly, Lilly was found to have conceded jurisdiction, in the course of pre-action correspondence, such that the Patents Court considered the claim to have been properly commenced and the Court to have jurisdiction to award a declaration of non-infringement covering designations of a European patent for several other EU Member States. In Eli Lilly v. Genentech, the Civil Procedure Rules enabled Lilly to commence proceedings for declarations of non-infringement in respect of a UK designation of a European patent and several non-UK designations of the same patent by service on Genentech, Inc, in the United States. (Lilly also challenged the validity of the UK designation of Genentech’s European patent, but not the non-UK designations.) In contrast, in Parainan Pearl Shipping v. Kristian Gerhard Jebsen Skipsrederei, Parainan’s attempt to commence proceedings against the Norwegian owners of several designations of a European patent for relief including declarations of non-infringement, by the employment of a different mechanism in the Civil Procedure Rules, was unsuccessful. This remains a developing area of the law.

33 At the time of writing, Regulation 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters; Lugano Convention 2005; Civil Jurisdiction and Judgments Act 1982.
35 [2017] EWHC 3104 (Pat).
36 [2017] EWHC 2570 (Pat).
iii Obtaining relevant evidence of infringement and discovery

In a civil claim, it is for the claimant to prove his or her case on the balance of probabilities. At the outset, the facts relied upon in support of the claim (or counterclaim) must provide reasonable grounds for making the claim. Without such grounds the claim may be struck out.

Disclosure

Discovery may be available in the course of litigation. (In unusual circumstances it may be available from a non-party.) A party discloses a document by stating that it exists. The party to whom disclosure is made is then entitled to inspect the document, except where it is no longer in the disclosing party’s control or where the disclosing party has a right or duty to withhold inspection of it, for example because it is privileged. Confidence in does not confer a right to withhold inspection, but the court may order disclosure of confidential documents on appropriate terms, for example to specified members of a ‘confidence club’. The existence of a confidentiality club will reduce the likelihood that redaction of documents will be allowed.37

Increasingly, disclosure requirements are tailored on a case-by-case basis. In patent cases, provision of a product or process description by the alleged infringer usually enables standard disclosure to be dispensed with in relation to infringement. In relation to validity, disclosure is usually constrained to a term two years either side of the earliest claimed priority date. In the context of quantum (even before litigation commences) licence agreements concluded by one party (or prospective party) with a third party may be disclosable.38 In every case, it is the court that orders the scope of disclosure, and there is no longer a *prima facie* rule of standard disclosure.39

Evidence

Fact evidence is usually submitted to the court in the form of written witness statements, which stand as the witness’s evidence in chief. A witness’s oral testimony is usually limited to cross-examination and re-examination.

The court assesses the teachings and scope of a patent through the eyes of ‘the person skilled in the art’. He or she is the hypothetical person to whom the patent is addressed. The skilled person has imputed to him or her the ‘common general knowledge’, which is, essentially, standard technical background of the art in question.

Expert evidence is generally required to assist the court in adopting the mantle of the person skilled in the art and to determine the scope of the common general knowledge. Parties tend to retain their own expert, although they may be ordered to agree upon a single expert. Expert witnesses owe a duty to the court, which overrides any duty they have to the party and its team of legal advisers, and bear a personal responsibility for their evidence.40 Expert evidence in chief is provided by way of a report, with opportunity to respond in writing to the report submitted by the other expert. Oral testimony is usually limited to cross-examination

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37 *Aqua v. Fiserv* [2017] EWHC 1627 (Ch).
38 *Big Bus Company v. Ticketogo* [2015] EWHC 1094 (Pat); *Smart Reamer Drilling Systems v. NOV Downhole Eurasia* [2018] EWHC 1265 (IPEC)
39 *Positec v. Husqvarna* [2016] EWHC 1061 (Pat); and from 1 January 2019 the disclosure pilot for the Business and Property Courts.
40 *Synthon v. Teva* [2015] EWHC 1395 (Pat).
and re-examination. Cross-examination is considered by the courts to be an important tool by which expert evidence that is submitted to the court may be scrutinised. ‘Hot-tubbing’ (the hearing of evidence from the experts of opposing parties concurrently) may be employed.

**Experiments**

In appropriate cases, experiments may be ordered upon the application of a party that wishes to establish a fact by experimental proof.

**Methods for obtaining evidence and information**

In addition to the mechanisms discussed above, the Civil Procedure Rules provide a number of additional procedural mechanisms for obtaining further information in the course of litigation. The mechanisms available and employed may be relevant to any award or order subsequently made by the court. In appropriate circumstances, the court will award a search and seizure order or an order that a person provide information on others involved in the supply of infringing goods, or both.

**iv Trial decision-maker**

For the intellectual property rights listed above, civil claims are heard and determined by a judge.

In the courts of England and Wales, IP claims are usually heard by specialist judges. In the Patents Court more complex patent cases tend to be allocated to Arnold J, Birss J or Henry Carr J – experienced patent judges who are also judges in the wider Chancery Division of the High Court. In the IPEC, patent cases tend to be heard by intellectual property specialist HHJ Hacon.

**v Structure of the trial**

Following the exchange of statements of case, the setting of case management directions and the conclusion of the steps ordered (for example, discovery and written evidence stages), the trial of the claim will be heard by the judge. At the hearing, the usual structure is that the claimant makes an opening statement, the parties cross-examine the witnesses relied upon by each other, and then each party makes a closing statement.

At the end of the hearing, the judge will either deliver his or her judgment or, more usually, he or she will retire to consider and write the judgment and reconvene the trial at a later date, when the judgment is handed down. An award of injunctive relief may be made with the substantive judgment or shortly afterwards following discussion between the parties or further consideration by the court.

Almost always, the trial is ‘split’, which means that the substantive legal claim is decided (as described above) and only where a claim is successful will the monetary relief claimed be considered. This consideration takes the form of a second stage to the litigation, involving further directions and a further trial on a damages inquiry or an account of profits, which may run in parallel with any appeal of the main judgment.

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vi Infringement

Infringing acts

It is a direct infringement of a patent to do any of the following in the UK without the consent of the patent proprietor:  44

\(a\) where the invention is a product, make, dispose of, offer to dispose of, use or import the product or keep it whether for disposal or otherwise;

\(b\) where the invention is a process, use the process or offer it for use in the United Kingdom with the knowledge, or when it is obvious to a reasonable person in the circumstances, that its use there without the consent of the proprietor would be an infringement of the patent; and

\(c\) where the invention is a process, dispose of, offer to dispose of, use or import any product obtained directly by means of that process or keep any such product whether for disposal or otherwise.

In *Actavis v. Eli Lilly*, 45 the UK Supreme Court ruled that the assessment of infringement is a two-stage process asking first whether the variant infringes any of the claims of the patent as a matter of normal interpretation and, if not, then second, whether the variant nonetheless infringes because it varies from the invention in a way or ways that is or are immaterial. The Supreme Court also provided guidance on when an equivalent might infringe, which has since been interpreted by the Court of Appeal in *Icescape v. Ice-World*. 46

It is a contributory infringement of a patent to supply or offer to supply in the United Kingdom a person other than a licensee or other person entitled to work the invention with any of the means, relating to an essential element of the invention, for putting the invention into effect. In order to infringe in this way the alleged infringer must know, or it must be obvious to a reasonable person in the circumstances, that the means he or she has supplied are suitable for putting, and are intended to put, the invention into effect in the United Kingdom. 47

Further, a defendant will be liable as a joint tortfeasor if he or she has assisted in the commission of the tort by another person pursuant to a common design with that person to do an act that is, or turns out to be, tortious. 48

vii Defences

Statutory exceptions to infringement

An act that would constitute an infringement of the patent will not do so if:

\(a\) it is done privately and for purposes that are not commercial;

\(b\) it is done for experimental purposes relating to the subject matter of the invention;

\(c\) it consists of the preparation in a pharmacy of a medicine for an individual in accordance with a prescription;

\(d\) it consists of use on a ship or an aircraft temporarily in the territorial sea or air space of the UK; or

44 Section 60(1) of the Patents Act 1977.
45 [2017] UKSC 46.
46 [2018] EWCA Civ 2219.
47 Section 60(2) of the Patents Act 1977.
48 *Sea Shepherd v. Fish & Fish* [2015] UKSC 10.
it consists of a specified use by a farmer of the product of his or her harvest or an animal purchased with the consent of the patent proprietor.

Invalidity
An alleged infringer may counterclaim that the patent is invalid and seek an order for revocation of it. The grounds for revocation are:

a the invention is not a patentable invention;
b the specification of the patent does not disclose the invention clearly and completely enough for it to be performed by a person skilled in the art;
c the matter disclosed in the specification of the patent extends beyond that disclosed in the relevant application as filed; and
d the protection conferred by the patent has been extended by an amendment that should not have been allowed.

A person found to be entitled to be granted the patent may additionally seek its revocation on the basis that it was granted to someone who was not entitled to it, provided the application is filed within the legislated time limits.

Other defences
An act is only capable of infringing a patent if it is done without the consent of the proprietor. Consent, or licence, may be express or implied and may form the basis for a defence. In some (unusual) situations, licences of right or compulsory licences are available.

Where the patentee has already consented to the marketing of the goods within the scope of the claimed invention in the UK or the European Economic Area (EEA), the doctrine of exhaustion prevents subsequent enforcement of a patent in the UK in respect of the imported goods.

viii Time to first-instance decision
The time to trial has tended to depend upon the conduct of the parties, the complexity of the case and the diary of the court. The Patents Court intends to list trials within 12 months of commencement of the action, and parties are expected to start to consider potential trial dates as soon as reasonably practicable, which may be very soon after the proceedings are commenced.49 Where considered appropriate by the court, a trial can take place considerably sooner than this, for example, in Napp v. Dr Reddy’s50 the trial hearing took place approximately four months after the litigation commenced, the full substantive judgment was handed down shortly afterwards and the second instance decision was given within six months of the litigation commencing.

A ‘shorter trial scheme’ (STS) is available in the Chancery Division of the High Court, including the Patents Court. For suitable cases, the STS packages a more streamlined procedure than is usually adopted with the intent of trial being listed within eight months of the case management conference and judgment being returned within six weeks.

Interim relief can be obtained in a matter of hours in urgent cases, although more usually interim hearings take place within a few days or weeks of the application being filed and served.

**ix Remedies**

If a patent is found to be infringed, or where a litigant’s claim is otherwise successful, a range of remedies may be available. These include the following.

**Injunctions**

Following a finding of patent infringement (and validity), the court will usually award a ‘final’ injunction, although the position in relation to standard essential patents and second medical use patents is more complex and the outcome, in each case, likely to be more dependent upon the relevant facts.

Injunctive relief may be available at an interim stage where the patentee shows an arguable case of infringement and that a later monetary remedy would not adequately compensate the patentee for the harm caused by the ongoing (alleged) infringement. The court considers the ‘balance of harm’ likely to be suffered by the respective parties before deciding whether to award interim relief and if so the terms of the order. For non-final injunctions, the patentee is usually required to provide a cross-undertaking as to damages. According to the CJEU’s decision in *Solvay v. Honeywell*, the UK courts may be able to grant interim injunctions on a pan-European basis.

Injunctions are usually prohibitory in nature although mandatory injunctions are possible. In keeping with the developing jurisprudence of the CJEU in respect of the IP Enforcement Directive, the proportionality and effectiveness of the relief are relevant factors in the court’s assessment as to whether to grant the relief sought.

**Blocking orders**

Since the decision of the High Court in *Twentieth Century Fox v. BT*, website blocking orders have been granted to music and film copyright owners to impede access to websites that are predominantly used to share copyright infringing content. In 2014, in *Cartier v. B Sky B*, similar relief was awarded with respect to websites that advertise and sell trademark-infringing products. The High Court decision was upheld by the Court of Appeal in July 2016 and should now be considered settled law, although aspects of the Court of Appeal judgment (principally as to who should bear the costs of implementing the blocking orders) have been appealed to the Supreme Court (at the time of writing, the judgment is awaited).

In March 2017, in *The Football Association Premier League v. BT*, the High Court permitted a new form of blocking order, against particular ISP addresses, directed at inhibiting unauthorised live streaming of broadcast events (in this case, of Premier League football matches).

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51 Case C-616/10, 12 July 2012.
53 [2014] EWHC 3354 (Ch).
54 [2016] EWCA Civ 658.
55 [2017] EWHC 480 (Ch).
**Delivery up**
The court can order that infringing articles be delivered up to a party. This is commonly to facilitate destruction or prevent resale.

**Damages or an account of profits**
Damages compensate for loss and are intended to restore the patentee to the position they would have been in had no wrong been done to him or her. They may be calculated according to the damage caused to the patentee's profits by the infringement or in accordance with a 'reasonable royalty'. In an account of profits, the profits made by the infringer from the infringement of the patent are awarded to the patentee. The court may order the infringer to give some financial disclosure, so that the patentee may make an informed decision as to which remedy to pursue (not both). Neither remedy will be available against an 'innocent' infringer, although few infringers are found to be 'innocent'.

**Declarations**
The court can order declarations. Declarations can be, for example: of validity or contested validity, which can impact the award of legal costs in future challenges; of infringement or non-infringement; of essentiality to a technical standard;\(^{56}\) and that aspects of a party's product or process were obvious at a relevant date, which can create a squeeze between infringement and validity and may be of assistance to parties in 'clearing the way' in some circumstances.\(^ {57}\)

**Orders for dissemination and publication**
The courts can also order a party to publicise the result of a case at its own expense.

**Costs**
Generally, the unsuccessful party to litigation is ordered to pay the costs of the successful party. However, in deciding what order to make about costs, the court will have regard to all the circumstances, including the conduct of all the parties, whether a party has succeeded on part of its case even if not wholly successful, and any admissible offer to settle made by a party that is drawn to the court's attention.

Where it falls to the court to assess the amount of payable costs, the usual basis for assessment is the 'standard' basis, pursuant to which the court will only allow costs that are considered to be proportionate to the matters in issue and to have been reasonably incurred. This tends to lead to 60–70 per cent recovery by the compensated party of its legal costs. However, cases in the IPEC are subject to capped costs recovery (as noted above), and in the High Court, the court's budgeting rules can lead to costs that are not approved by the court in the context of the costs management regime being considered disproportionate. Further, the Civil Procedure Rules provide, in Part 36, a mechanism intended to encourage settlement of civil disputes by imposing costs consequences where a compliant offer is not bettered, and where applicable this can impact costs recovery in any particular case.

\(^{56}\)  *Nokia v. Interdigital* [2007] EWHC 3077 (Pat).

\(^{57}\)  *Fujifilm v. Abbvie* [2017] EWHC 395 (Pat).
x Appellate review

Decisions of the Comptroller General of Patents and interim decisions of the IPEC may be appealed to the Patents Court. Decisions of the Patents Court and final decisions of the IPEC may be appealed to the Court of Appeal. Decisions of the Court of Appeal relating to important issues of legal principle may be appealed to the Supreme Court. Experienced specialist patents judges Floyd LJ and Lord Kitchin sit in the Court of Appeal and UK Supreme Court, respectively.

In order to appeal, the party wishing to do so needs permission from the court that has issued the decision in question, or from the court to which it wishes to appeal. Permission is granted if the court considers that the appeal has a real prospect of success or if there is some other compelling reason why it should be heard.

Generally, only errors of law may be appealed. The Supreme Court has instructed appellate courts not to interfere with findings of fact unless compelled to do so. Generally, new evidence is not admissible at the appeal stage.

xi Alternatives to litigation

Alternative dispute resolution (ADR) methods include arbitration and mediation. The Arbitration Act 1996 governs the law relating to arbitration with its seat in England and Wales or Northern Ireland. ADR can enable flexibility in procedure and privacy.

V TRENDS AND OUTLOOK

i Brexit

In June 2016, the UK population voted in a referendum to leave the European Union. At the time of writing, it is unclear when Brexit will occur or what the legal structure will be framing the United Kingdom's relationship with the European Union after Brexit. Following Brexit, the present systems of protection and enforcement in respect of intellectual property rights of national (UK) scope would broadly speaking remain in their current form. This is the case for GB patents and UK designations of European patents, supplementary protection certificates, UK trademarks, UK registered and unregistered designs, copyright and neighbouring rights, and trade secrets. For EU-wide rights obtained or arising under an EU regime, following Brexit (or the expiry of any agreed transition period) the EU would no longer consider the right to cover the UK or the UK to be within the EU-wide regime. This would apply to EU trademarks, Community registered designs and unregistered Community design rights. However, national legislation would mitigate the effects of this in the UK. Essentially, the UK would extract (automatically and without a fee) from each EU-wide right a UK right of the same scope that could be enforced in the UK courts as a national right. A new ‘supplementary unregistered design right’ would be created replicating, for the UK, the scope of protection presently arising under the unregistered Community designs regime. The UK would continue to recognise the EEA regional exhaustion regime, at least in the short term. However from the perspective of the countries remaining in the EEA, the UK would be outside their regional exhaustion regime.

ii Unitary patent and Unified Patent Court

The UPC Agreement was signed by 25 participating Member States of the EU in 2013, including the United Kingdom.
With the implementation of the UPC Agreement and associated legislation, European patents that are not ‘opted-out’ of the UPC system, and granted unitary patents, will fall within the exclusive jurisdiction of the UPC. Where a claim for infringement or validity is brought in the UPC, the Court’s decision will cover the Member States of all designations of the European patent (or unitary patent) that fall within the court’s remit (i.e., the EP designations of all participating Member States that have ratified the agreement at the relevant time). Applicants to the EPO for patent protection will be able to seek unitary protection (a unitary patent) covering those EU Member States that have deposited an instrument of ratification or accession at the date of grant of the European patent.

However, a legal challenge in the Federal Constitutional Court in Germany, and the uncertainties presented by Brexit, mean that at the time of writing it is not clear when the new system will become operational.

iii Proposed changes to trade secrets and copyright law in the EU
The EU legislature has enacted the reform of copyright law across the European Union. The changes, which will come into force in 2021, are intended to improve cross-border accessibility to copyright content and related services, and enhance the portability of online content that would allow users to transport content from one device to another without the risk of infringement.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

A robust system for protecting intellectual property rights is available in the United States. The forms of intellectual property protection available include patent, copyright, trademark and trade secret. Each of these forms of intellectual property has its own strengths and weaknesses, and generally the selection of the type of protection is based on the subject matter at hand and the nature of the protection desired.

i Utility patents

Utility patents are generally considered the strongest level of intellectual property protection in the United States. They grant the owner the right to exclude infringers from making, using, offering for sale or selling within the United States, or importing into the United States, the patented invention. To be eligible for a utility patent, the invention must be new, useful and not obvious, and be patentable subject matter. While originally a first-to-invent system, patent applications filed on or after 16 March 2013 are examined based upon a first-to-file regime.

The term of a new utility patent is 20 years from filing of the application. Should Patent Office delays cause the examination process to exceed three years, a mechanism called patent term adjustment is used to restore the lost patent term. A patent term extension is also available for one patent covering a pharmaceutical product that was subject to review by the US Food and Drug Administration (FDA).

The United States does not offer utility model protection (or any equivalent protection) as found in many other countries. The United States does, however, allow applicants to file for provisional patent protection to establish a priority date. A provisional patent application is filed with the Patent Office but does not undergo substantive patent examination, nor can any patent rights be granted directly from the application. Once filed, the applicant has up to one year to file a full utility application that references the provisional application. Otherwise, the provisional application is abandoned.

ii Copyright

Copyright is available in the United States to protect literary and artistic works, and is available for original works by authors or artists in a tangible format. Copyright protection subsists for both published and unpublished works upon their creation in a tangible format, so copyright registration – while advisable – is not necessary to create copyright in the United

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1 Erin J D Austin is counsel and Dominick A Conde is a partner at Venable LLP.
States. Registration, however, is necessary to litigate copyright infringement of US works and allows a copyright holder to claim statutory damages for infringement. Copyrights are subject to several fair-use defences that negate copyright infringement (e.g., news reporting, teaching, research), and are also subject to First Amendment protection (i.e., constitutionally protected free speech). A copyright generally has a term of the author’s lifetime plus 70 years.

Works published outside the United States may also be eligible for copyright protection within the United States through a treaty (e.g., the Berne Convention) depending upon the country in which the work was first published.

iii  Design patents
Design patents are also available in the United States, and cover the ornamental appearance (i.e., aesthetic design) of tangible articles. A design by itself is not sufficient to be covered by a design patent; the design must be embodied in the tangible article to be claimed. Design patents cover everything from medicinal tablets to athletic shoes. To be patentable, a design also must be new and not obvious. On 13 May 2015, the Patent Office began accepting design patent applications through the Hague Agreement for industrial designs. The term for design patents issued from applications filed on or after 13 May 2015 is 15 years from the date of grant. Design patents filed before 13 May 2015 have a term of 14 years from the date of grant. With respect to damages for infringing design patents, the Supreme Court recently held that damages are not always equal to the value of the entire device and may be limited to only the infringing component of that device.2

iv  Plant patents
Patent protection is also available for new plants that have been asexually propagated. This patent protection covers asexually propagated plants, even if they are capable of sexual reproduction, but specifically excludes tuber-propagated plants. Plant patent protection is available in addition to utility patent protection, and provides the right to exclude others from using, selling, offering for sale or importing the asexually propagated plants or parts from the plants in the United States. The term for a plant patent is 20 years from filing of the application.

v  Trademarks
Federal trademark registration is available for products or services used in interstate commerce in the United States. Various state laws also protect trademarks in the United States. While federal trademark registration is not required to use a trademark, there are several advantages to federal registration, including the exclusive right to use the trademark nationwide, the ability to use the symbol ® within the United States and the ability to bring trademark infringement actions in the federal courts. There is a formal trademark application and examination process, including publication for opposition. Additionally, intent to use applications may also be filed. Trademark applicants may file with the Patent Office or through the Madrid Protocol.

2  Samsung Electronics Co., Ltd v. Apple Inc (decided 6 December 2016) (Supreme Court).
vi  Trade secrets

Until 2016, trade secret protection was mostly regulated by individual state law in the United States, with the vast majority of states having enacted some version of the Uniform Trade Secrets Act (UTSA). In 2016, Congress enacted the Defend Trade Secrets Act of 2016, which provides for federal trade secret protection. This federal law supplements state law causes of action available for trade secrets. Federal law also contains criminal provisions relating to economic espionage and theft of trade secrets. While trade secrets have typically been relegated to information that was considered unpatentable or could not be easily reverse-engineered, the prior user rights defense to patent infringement may increase the value and prevalence of trade secrets.

vii  Regulatory exclusivities

In the pharmaceutical and biotechnology fields, intellectual property protection is augmented by various types of regulatory exclusivity from the FDA. In the case of pharmaceutical drugs, the FDA grants exclusivity for new chemical entities (five years), new drug products (three years), certain changes to drug products (three years), orphan drugs (seven years), paediatric exclusivity (six months) and exclusivity for the first generic applicant to challenge patents asserted to cover the drug (six months). In the case of biologic drugs, the FDA grants 12 years of data exclusivity against approval of a generic, or ‘biosimilar’, application, but there is no corresponding exclusivity for the first biosimilar applicant to challenge a patent covering the biologic drug. In the case of new antibiotic drugs that target certain drug-resistant micro-organisms, the FDA is authorised to add five years to applicable exclusivities under the Generating Antibiotic Incentives Now (GAIN) Act. GAIN exclusivity allows for up to a decade of marketing exclusivity for certain antibiotic drugs that are eligible for new chemical entity exclusivity.

II  RECENT DEVELOPMENTS

i  Legislation

Enacted on 16 September 2011, the Leahy-Smith America Invents Act (AIA) was the most comprehensive patent reform legislation in the United States in over 60 years. Since enactment of the AIA, new legislation concerning intellectual property rights has been largely absent. By contrast, the courts and the Patent Office have been quite active in shaping intellectual property law, including clarifying provisions of the AIA.

ii  Court opinions

*Oil States Energy Services LLC v. Greene’s Energy Group LLC (decided 24 April 2018)* (Supreme Court)

In what was the most eagerly anticipated patent case pending before the Supreme Court last year, the court considered whether *inter partes* review (IPR) at the Patent Office is constitutional. Added as part of the AIA, IPRs have become a popular forum to challenge the validity of issued patents. These proceedings are conducted by the Patent Office and, while quasi-judicial in nature, are not conducted by a district court. The argument before

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3 18 U.S.C. Section 1836(b).
the Supreme Court focused on whether the Patent Office, which is not part of the judiciary, can take back private rights after they are granted. In a narrow decision, the Supreme Court held that a patent is a public franchise, and the IPR process is constitutional, falling within the public rights doctrine. However, that holding did not address other questions, such as whether patents issued before implementation of the AIA are properly subject to IPR. While not before the Supreme Court yet, that question is currently being litigated in the lower courts.

**SAS Institute Inc. v. Iancu (decided 24 April 2018) (Supreme Court)**

Last year, the Supreme Court considered whether the Patent Office must consider all of the challenged patent claims during an IPR. Under the then-current practice, the Patent Office could deny the IPR petition outright, grant the petition in its entirety or grant review of only certain patent claims. In SAS, the Supreme Court held that the Patent Office must take the ‘all-or-nothing’ approach for these petitions. Thus, if the Patent Office chooses to institute the petition, it must review all of the challenged claims. As a result, patentees will now face challenges on more claims than in the past, although in some recent institution decisions the Patent Office has indicated which grounds are not particularly strong compared to other grounds. Likewise, petitioners face the downside of estoppel in any district court litigation over all the claims too. This change does not appear to have affected the number of petitions instituted, but petitioners should be mindful of the greater scope of estoppel when selecting claims to challenge.

**Helsinn Healthcare SA v. Teva Pharmaceuticals USA (decided 22 January 2019) (Supreme Court)**

In Helsinn, the Supreme Court addressed whether modifications to the Patent Act, made as part of the AIA, changed the on-sale bar to exclude private sales, which under well-settled law before the AIA prevented obtaining a patent after one year of a sale, including confidential sales. Helsinn, a Swiss pharmaceutical manufacturer, had contracted with a marketing partner in the US to distribute the product. While the terms of the contract were kept confidential, Helsinn did not file for patents covering the product for nearly two years after the agreements were made. As part of the AIA, the section of the Patent Act which included the on-sale bar was modified to include the catch-all phrase ‘or otherwise available to the public.’ Despite this modification, the court held that the on-sale bar was unchanged, and private sales will still trigger the bar. While this law is well-settled, it has ensnared many inventors who mistakenly believe that only public disclosure of the invention can bar a patent.

**Rimini Street v. Oracle USA (decided 4 March 2019) (Supreme Court)**

In Rimini Street, the Supreme Court considered whether prevailing parties in copyright cases are entitled to ‘full’ costs, beyond the six categories of ‘taxable costs’ specified in 28 USC Sections 1821 and 1920, such as court fees, deposition fees, copying fees, etc. Taxable costs do not include many other litigation expenses, including expert witness fees, consulting fees, or electronic discovery fees. For complex cases, these non-taxable fees easily exceed the taxable costs typically awarded to a prevailing party. In Rimini Street, the lower courts interpreted the copyright statute’s use of the term ‘full costs’ to include both taxable and non-taxable fees, which totalled over US$12 million. The Supreme Court reversed that decision, holding that the copyright statute’s reference to ‘full’ costs means only those costs specified in the general
taxable costs statute. More broadly, the court stated that statutes awarding costs will not be construed as awarding expenses beyond the categories listed in Sections 1821 and 1920 absent explicit statutory instruction to that effect.

**Return Mail Inc v. United States Postal Service (argued 19 February 2019) (Supreme Court)**

In an atypical patent case pitting the government against itself, the Supreme Court is set to decide whether the US federal government constitutes a ‘person’ within the meaning of the AIA for post-grant proceedings, including IPR. In *Return Mail*, the US Postal Service, which is a government agency, filed an IPR petition to cancel a patent involving bar coding technology. Of course, the Patent Office, which had previously issued the patent, is another government agency and thus the Postal Service’s petition created a dispute between two government agencies. Under federal law, a ‘person’ is typically limited to private entities, which should exclude government agencies like the Postal Service. While it is unclear which way the court may rule, allowing government agencies to file petitions under the AIA only increases the exposure of patents to potential cancellation.

**Mission Product Holdings Inc v. Tempnology LLC (argued 20 February 2019) (Supreme Court)**

Currently before the Supreme Court is a case where bankruptcy law meets trademark rights. For a trademark licensee, the bankruptcy filing of its licensor can be a significant problem. In the US, the bankruptcy laws allow licensors to reject contracts during bankruptcy proceedings, which constitutes breach of contract under the law. The question then becomes whether the rejection also allows for the recession of the trademark licence, a prospect that could be ruinous for a licensee. This same prospect is not at issue for patents and copyrights in the US as Congress passed a statute that expressly allows a licensee to retain those rights. Unfortunately, this statute is silent with respect to trademark licenses. Whichever way the court rules, this issue is important to consider when licensing trademarks in the US.

### III OBTAINING PROTECTION

Patent applications may be filed for utility, design and plant patent protection. To file for utility patent protection in the United States, an application may be filed directly with the Patent Office or as an international Patent Cooperation Treaty application.

For utility patents, patentable subject matter includes machines, manufactures (i.e., articles of manufacture), compositions of matter, methods and improvements to any of these four. Some notable exceptions to this broad rule are laws and products of nature, and abstract ideas. These exceptions have been extensively considered by the Supreme Court over the past several years. In particular, inventions subject to these exceptions include some
business methods, medically diagnostic methods and isolated DNA. Recently, the Patent Office has issued new guidance outlining examination of patent applications concerning these exceptions.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

There are two possible venues for enforcement of patents. First, infringement actions may be brought before the courts of the 94 federal districts that are spread throughout the United States and Puerto Rico. Second, in order to prevent importation of infringing goods, an investigation can be commenced by, and at the discretion of, the International Trade Commission (ITC), an administrative agency that sits in Washington, DC.

ii Requirements for jurisdiction and venue

An infringement suit may be brought only in a federal district where the defendant resides or, for businesses, has been incorporated. Foreign defendants may be sued in any federal district so long as personal jurisdiction can be found in the United States. The ITC, on the other hand, does not depend on personal jurisdiction over the accused party but has in rem jurisdiction over the accused infringing imported goods.

iii Obtaining relevant evidence of infringement and discovery

Liberal discovery rules in the United States allow for a significant amount of pre-trial discovery under a broad concept of relevance. Discovery is available from the opposing party through a variety of vehicles, including mandatory disclosures, requests for documents and things, interrogatories, depositions of witnesses and expert reports. Discovery is also available from non-parties by a subpoena for documents or deposition. One of the biggest drivers of the cost of discovery is electronic discovery, leading some courts to propose limits on the number of custodians or search terms that need to be searched. For ITC investigations, both party and non-party discovery are also available but must be produced faster given the compressed time frame of such investigations.

iv Trial decision-maker

Patent infringement actions may be tried before either a federal judge or a jury. In order to be eligible for a jury trial, there must be a claim for monetary damages. Because federal judges do not exclusively handle patent cases, some may have little experience with patent matters. In the case of ITC investigations, an experienced administrative law judge who specialises in patent cases will typically decide the matter.

4 Alice Corp Pty Ltd v. CLS Bank Intl (decided 19 June 2014) (Supreme Court) and Bilski v. Kappos (decided 28 June 2010) (Supreme Court).
5 Mayo Collaborative Servs. v. Prometheus Labs (decided 20 March 2012) (Supreme Court).
6 The Association for Molecular Pathology v. Myriad Genetics, Inc (decided 13 June 2013) (Supreme Court).
8 TC Heartland LLC v. Kraft Foods Group Brands LLC (decided 22 May 2017) (Supreme Court).
Structure of the trial

A patent infringement trial will usually occur in two phases. The first phase determines infringement, validity and unenforceability, and the second phase, if needed, addresses damages. Evidence is presented through fact and expert witnesses, and must be admitted into the record to be considered by the judge or jury. The Federal Rules of Evidence determine what information can be included in the record. Demonstrative evidence may also be used at the trial in the form of summaries and diagrams.

At trial, the patentee must prove infringement with evidence meeting the preponderance standard (i.e., infringement is more likely than not). For an accused infringer to prevail on its invalidity or unenforceability defences, it must prove its case with evidence meeting the more rigorous, clear and convincing standard because of the statutory presumption of patent validity.

Prior to trial, disputes regarding patent claim interpretation are typically decided by the judge in a process called a Markman hearing. This process can become essentially a miniature trial before the judge and may include witness or expert testimony. Although the outcome of the Markman hearing may determine the eventual result in the case (so that, if the appellate court ultimately decides it was erroneous, the case may have to be retried), the Federal Circuit has consistently refused to review it as an interlocutory matter.

Infringement

Infringement may be direct or indirect. For direct infringement, all of the elements of the claim must be present in the accused product or method. Should a product not literally contain every element, the missing element may be shown using the doctrine of equivalents. The doctrine of equivalents is limited to equivalents that were not foreseeable at the time the patent claim was amended, and cannot include equivalents that are described in the specification and not claimed or were distinguished during patent prosecution.

Infringement may also be indirect. Indirect infringement includes inducement and contributory infringement. For indirect infringement to be proven, evidence must show that there is direct infringement and that the indirect infringer is either inducing that infringement or is contributing to that infringement.

Defences

The most common defences to patent infringement are non-infringement, patent invalidity and inequitable conduct. All of these defences can be brought either as affirmative defences or as counterclaims.

Prior art and inventor’s grace period

For applications with an effective filing date on or after 16 March 2013, public use or sale in foreign countries and art that is ‘otherwise available to the public’ is additional prior art. Inventors of these applications are provided a one-year grace period against their own disclosures (or a disclosure by someone who obtained the subject matter from the inventor), or for public disclosures made after a disclosure by the inventor (or another who obtained the subject matter from the inventor). To avoid an intervening disclosure from becoming prior art, the inventor must have publicly disclosed the same subject matter prior to the intervening disclosure. Otherwise, the intervening disclosure will be considered prior art for any subject matter not publicly disclosed by the inventor prior to the intervening disclosure. Of course,
the first inventor’s own disclosure must be made within the one-year grace period to avoid becoming prior art itself. Applications with an effective filing date before 16 March 2013 are given the prior one-year grace period for public uses or sales in the United States.

**Patent invalidity**

Invalidity defences include anticipation, obviousness and lack of enablement or written description.

**Inequitable conduct**

Patent infringers can also assert inequitable conduct to render the patent unenforceable. The standard for inequitable conduct requires clear and convincing evidence that the patent applicant misrepresented or omitted material information during prosecution of the patent with the intent to deceive the Patent Office. Information is material only if the Patent Office would not have allowed a claim had it been aware of the undisclosed prior art or correct information. Patent infringers may also assert more esoteric equitable defences such as laches⁹ and equitable estoppel.

**Non-infringement defence**

The non-infringement defence can include either the lack of infringement or the existence of a licence.

**Prior user rights defence**

The prior user rights defence applies so long as the accused infringer commercially used the process in the United States at least one year before a subsequent inventor filed for a patent or the subsequent inventor publicly disclosed the invention, and provided the use was not derived. The accused infringer must prove this commercial use by clear and convincing evidence.

There are several further limitations to asserting this defence, including that it can only be asserted by an alleged infringer for its internal commercial use or for an actual arm’s-length sale or transfer; it cannot be licensed and can only be transferred with the entire business; and it cannot be asserted against inventions made by, owned by or assigned to universities.

**Derivation actions**

Someone who claims to be the true inventor of a patent may assert rights to a patent over another who has ‘derived’ the invention within the Patent Office for patent applications, and within the federal courts for issued patents. These derivation proceedings replace interference practice previously used to adjudicate priority between inventors under the first-to-invent system. Applications with an effective filing date before 16 March 2013 will still be eligible for an interference proceeding and applications with an effective date on or after 16 March 2013 are eligible for a derivation proceeding. A derivation civil action must be brought within

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⁹ The Supreme Court recently limited the reach of laches during the statutory damages period in both patent and copyright cases. *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC* (decided 21 March 2017) (Supreme Court); *Petrella v. Metro-Goldwyn-Mayer, Inc* (decided 19 May 2014) (Supreme Court).
one year of the issuance of the allegedly derived patent and a derivation proceeding in the Patent Office must be brought within one year of the first publication of the allegedly derived claim.

viii  Time to first-level decision

For the federal district courts, the median time to trial for patent infringement actions is about two to two-and-a-half years, although this varies widely by federal district. If the case is tried before a jury, the jury will deliberate after all of the evidence is presented and will render its verdict, usually very promptly, thereafter. For a trial before a judge, the time needed to review all of the evidence and prepare the decision can take significantly longer, from months to over a year in some cases. ITC investigations are typically significantly faster, with the time from complaint to a final determination usually taking about a year to a year-and-a-half.

ix  Remedies

Remedies for patent infringement include damages and injunctive relief. The patentee is entitled to actual damages, which may include lost profits and can be no less than a reasonable royalty for the infringement. A patentee who can show that the infringement was willful may also be able to receive enhanced damages up to treble damages. The Supreme Court recently relaxed the enhanced damages standard by rejecting an objectively reckless requirement imposed by the Federal Circuit and leaving enhanced damages awards within the discretion of the district court.\textsuperscript{10} It appears this discretion standard has recently increased the number of awards of enhanced damages, but such damages are to be limited to egregious cases of infringement and not typical patent infringement. A prevailing party who can show under the ‘totality of the circumstances’ that the case is exceptional may also be awarded attorneys’ fees, although this type of relief is also discretionary and not frequently granted.

A patentee may also request a preliminary injunction pending trial or, after trial, a permanent injunction against future infringement. Injunctions are not automatic in patent cases and require the court to consider the relative harms to the patentee and the infringer as well as any public interest.

For ITC complaints, the principal remedy available is an exclusion order prohibiting importation.

x  Appellate review

The Court of Appeals for the Federal Circuit reviews all trial-level patent decisions. This court is tasked with deciding appeals from final judgments and preliminary injunctions in patent cases, as well as appeals from the ITC and Patent Office. The record on appeal is typically limited to the trial record and no new evidence is allowed. The court sits as a three-judge panel and hears the oral argument. Once argued and submitted, the panel issues its opinion, usually within six months or less.

The losing party can petition for a panel rehearing or for the entire Federal Circuit court to hear the case. Such petitions are rarely granted. The losing party may also petition the Supreme Court though a writ of certiorari but, again, that is only granted rarely, and only when the case presents a legal issue of very high significance.

\textsuperscript{10}  \textit{Halo Electronics, Inc v. Pulse Electronics, Inc} (decided 13 June 2016) (Supreme Court).
xi Alternatives to litigation
For civil actions, mediation and arbitration may be available to resolve patent disputes. While not compulsory, these mechanisms may be less costly than continuing with litigation. The Federal Circuit also has a mediation programme for appeals in patent cases.

The Patent Office also has procedures for review of patent applications and issued patents that are independent of court proceedings.

Pre-issuance submissions
Third parties may anonymously, and for a modest fee, submit patents, published patent applications and other printed publications for consideration and inclusion in the patent record provided that the third party provides a concise statement regarding the relevance of each reference. A third party must make its pre-issuance submission before the earlier of a notice of allowance for the patent or the later of six months after publication of the patent application or the first rejection of the application.

Supplemental examination
A patent owner may also request supplemental examination after a patent is granted. This procedure can be used by a patent owner to submit new information regarding patentability. If the Patent Office finds that a substantial new question of patentability is raised, it will order a re-examination of the patent. This procedure provides a potentially powerful tool for a patent owner to avoid the threat of inequitable conduct allegations in the future, but cannot be used to remove currently pending inequitable conduct allegations or for prior art currently asserted in litigation against the patent.

Post-grant review
Post-grant review (PGR) allows a third party to petition the Patent Office to review a patent or broadening reissue patent based upon patents, printed publications and affidavits. The petitioner must file within nine months of issue of the patent or reissue patent, and can request cancellation of one or more claims of a patent or broadened claims in a reissue patent. The Patent Office will grant the petition if at least one of the claims is likely to be unpatentable, or the petition raises a novel or unsettled important legal question. This is more restrictive than the prior re-examination standard, which required only that the third party establish the existence of a substantial new question of patentability. A denial of the petition is not reviewable by the courts.

If the petition is granted, the petitioner must show invalidity by a preponderance of the evidence standard before the Patent Trial and Appeal Board (PTAB). The PTAB decisions are reviewable by the Federal Circuit. Post-grant petitions are available for patents with claims having an effective filing date on or after 16 March 2013.

Inter partes review
A third party may also request IPR of an issued patent. An IPR petition can be filed by a third party either nine months after a patent or reissue patent issues, or after the termination of a PGR, whichever is later. For a defendant already involved in an infringement action, the defendant has one year from the service of the infringement lawsuit to file an IPR petition.11

11 See 35 U.S.C. Section 315(b).
IPR is limited to invalidity because of anticipation or obviousness, and can only be alleged based on patents or printed publications. The standard for granting an IPR petition is the same as a PGR petition, and the petition, if granted, will be decided by the PTAB. A decision not to institute an IPR cannot be appealed.\textsuperscript{12} For potential infringers considering filing an IPR petition, an adverse written decision from the PTAB functions as an estoppel in the Patent Office or a civil trial for ‘any ground that the petitioner raised or reasonably could have raised’ in the IPR petition.\textsuperscript{13}

One recent change in IPR practice involves the claim construction standard applied. In the past, the PTAB construed patent claims using the broadest reasonable claim construction standard, a standard that is broader than the one used in district court litigation. As a result, this broader standard increased the risk of invalidity in an IPR versus district court litigation. However, the PTAB has recently reversed course, and now uses the same claim construction standard applied by district courts. While this may appear to benefit the patentee, a potential downside exists for concurrent IPR and district court litigations. It is likely that the PTAB will issue its preliminary claim constructions first, and the district court may simply adopt them. If they are erroneous, the patentee may be in a more difficult position during the district court litigation as a result.

As a hedge against potential invalidity, a patent owner may submit a limited number of amended claims for consideration by the PTAB, and the IPR petitioner must also show these amended claims are invalid.\textsuperscript{14} However, while submitting amended claims is allowed, and the Patent Office has recently indicated a willingness to improve the claim amendment process,\textsuperscript{15} current practice shows that the PTAB rarely grants the amendment, limiting their utility in avoiding cancellation of all patent claims.

Since taking effect, about 9,600 IPR petitions have been filed. Of the approximate 8,700 petitions that have reached the stage of an institution decision by the PTAB, about 14 per cent were settled before the PTAB considered whether to institute the petition. For the remaining petitions, since inception, about 67 per cent were instituted for trial by the PTAB and the rest were denied.\textsuperscript{16} This rate of institution for IPRs has steadily declined from 87 per cent in 2012 to 60 per cent in 2018. For the instituted petitions, the PTAB has completed approximately 2500 trials with written decisions, with the majority (approximately 64 per cent) ending with all instituted claims found unpatentable. For the remaining petitions, the split was almost evenly divided between some claims found unpatentable (approximately 17 per cent) and no claims found unpatentable (approximately 19 per cent).

\begin{itemize}
\item \textsuperscript{12} A petitioner can appeal a denial if it is based on the one year ‘time-bar’ imposed by concurrent district court litigation against the petitioner. \textit{Wi-Fi One, LLC v. Broadcom Corp} (decided 8 January 2018) (Federal Circuit) (en banc).
\item \textsuperscript{13} See 35 U.S.C. Section 315(e).
\item \textsuperscript{14} \textit{In Re: Aqua Products, Inc} (decided 4 October 2017) (Federal Circuit) (en banc).
\item \textsuperscript{15} See https://www.govinfo.gov/content/pkg/FR-2018-10-29/pdf/2018-23187.pdf (last visited 5 April 2019).
\item \textsuperscript{16} See https://www.uspto.gov/sites/default/files/documents/trial_statistics_201812.pdf (current as of 31 December 2018).
\end{itemize}
TRENDS AND OUTLOOK

The past several years have seen significant changes for intellectual property law in the United States. The most important change has been the implementation of IPR petitions to challenge the validity of issued patents. While it does not appear that IPR proceedings have supplanted traditional patent litigation in district courts, IPR petitions appear to be filed concurrently with a large number of traditional litigations. The Patent Office and courts have been busy refining the IPR process with rule-making and opinions. Although initially the IPR process appeared favourable only to patent challengers, the current statistics show more patent claims surviving the process.
Chapter 24

VIETNAM

Tran Manh Hung

FORMS OF INTELLECTUAL PROPERTY PROTECTION

Copyright

The Vietnam Intellectual Property Law (the IP Law) provides for the rights of authorship granted to any individual or organisation for the protection of their created works.1

Related rights are granted to individuals or organisations for the protection of their performance, sound recordings, video recordings, broadcast programmes and encoded satellite programmes.2 Both of these rights are collectively referred to as copyright.

Copyright is a form of intellectual property, applicable to any expressed representation of a creative work. It is not required to be registered with the relevant authorities (i.e., the Vietnam Copyright Office). Such a right is automatically protected from the date of fixation of a work.

Articles 14, 15 and 17 of the IP Law provide a list of various categories of subject works, which may be protected under the title of copyright, as well as a list of non-copyrightable subjects. Vietnam is a member of the Paris Convention, and the list of copyrightable works is not limited to the aforesaid subjects. Protection can be granted, so long as the subject work satisfies criteria for copyright protection, namely originality and creation.

Copyright protection duration varies, depending on the specific type of work. If it is a cinematographic work, a photographic work, a work of applied art or an anonymous work, the term is 75 years from the date of publication. If such works (excluding anonymous works) are not published within 25 years of the date of fixation, the term is 100 years running from the date of fixation. For other works, duration lasts for the lifetime of the author, plus 50 years. Moral rights, except for the right to publish the work or allowing others to publish the work, shall be protected for an indefinite term.3

Trademarks

The IP Law defines a trademark as any sign that distinguishes goods or services. The sign must be visible in the form of words, terms, letters, numerals, images (including 3D images) or a combination thereof, in one or multiple colours.4

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1 Tran Manh Hung is the managing partner at BMVN International LLC, a member of Baker & McKenzie International.
3 Article 4.3 of the IP Law 2005, amended 2009
This definition of a trademark under the IP Law means that Vietnam protects all types of traditional trademarks, but does not protect non-traditional marks, such as motions, sounds, colours, scents, tastes and holograms. The only acceptable form of non-traditional trademarks in Vietnam is a 3D image.

A trademark must be registered with the relevant authorities of Vietnam (i.e., the National Office of Intellectual Property (NOIP)) to obtain protection. Multi-class applications are accepted in Vietnam.

In the case of famous or well-known trademarks, it is unnecessary to proceed with a registration procedure. In practice, famous or well-known trademarks are recognised for protection through appeals or disputes (opposition or cancellation).

Vietnam applies the principle of ‘first to file’ for trademark registrations. This means that any trademark with an earlier filing or priority date, can obtain registration and exclude from protection other identical or confusingly similar trademarks of different owners, with later filing or priority dates. This principle is in contrast to the ‘first-to-use’ principle, applied in other jurisdictions such as the United States and the Philippines. The only exception to the first-to-file principle in Vietnam’s IP system is for widely used, famous or well-known trademarks.

The protection duration of a trademark in Vietnam is 10 years from the filing date, and is renewable every 10 years thereafter.\(^6\)

### III Industrial design

An industrial design is defined as the outward appearance of a product expressed in shapes, lines, colours or a combination thereof. Designs of the following products are excluded from the scope of industrial design protection:\(^7\)

\[\begin{align*}
\text{a} & \quad \text{products dictated by their technical features;} \\
\text{b} & \quad \text{civil or industrial construction works;} \\
\text{c} & \quad \text{products that become invisible during their use.}
\end{align*}\]

To obtain protection, an industrial design must be registered with the NOIP, and must meet the requirements for novelty, inventiveness and industrial application.\(^8\)

The protection duration of an industrial design in Vietnam is 15 years, consisting of an initial period of five years, with the possibility of renewal for two further periods of five years each.\(^9\)

Practically, there is an overlap between trademark and industrial design protection in Vietnam. Some industrial designs, especially those that do not meet the requirements for novelty or inventiveness, may obtain protection under the title of trademark (i.e., a 3D trademark or label trademark).

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\(^7\) Article 64 of the IP Law 2005, amended 2009.


iv  Trade secrets

A trade secret is defined as information obtained from financial or intellectual investment activities, which have been used in business, but have not been disclosed. The IP Law requires that a person lawfully in charge of such information take reasonable steps to maintain the trade secret.\(^{10}\)

A trade secret is protected upon its creation without any registration, as long as it satisfies the above standards. If the trade secret is created through a service or employment contract, then the owner is the service hirer or the employer, unless the contract provides otherwise.

v  Patent

A patent is a technical solution in the form of a product or process, for the purpose of resolving a technical problem.

Vietnam’s patent system is similar to that of other countries. It applies the first-to-file principle and requires the use of patents. An invention that meets the protection criteria can be protected under one of two forms of title, namely: invention patent or utility solution patent. There are some differences between the invention patents and the utility solution patents, in respect of protection criteria and protection duration.

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<thead>
<tr>
<th>Protection criteria</th>
<th>Invention patent</th>
<th>Utility solution patent</th>
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<td>Novelty</td>
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<td>Industrial application</td>
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<tr>
<td>Protection duration</td>
<td>20 years from the filing date</td>
<td>10 years from the filing date</td>
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Practically, if a substantive examination against an application for an invention patent results in a refusal, on the ground that the subject invention fails to meet the inventiveness requirement, then the applicant may choose to convert the form of protection to that of a utility solution patent.

To obtain patent protection in Vietnam, an invention must be registered with the NOIP and meet the aforesaid protection criteria. The following categories of inventions are excluded from protection:\(^{11}\)

\(a\) discoveries, scientific theories and mathematical methods;

\(b\) diagrams, plans or principles and methods of performing mental acts, training animals, conducting business and playing games;

\(c\) computer programs;

\(d\) presentation of information;

\(e\) purely aesthetic creations;

\(f\) plant and animal varieties;

\(g\) essential biological processes for the production of plants or animals, other than microbiological processes; and

\(h\) methods for preventing, diagnosing and treating diseases in humans or animals.

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\(^{10}\) Article 4.23 of the IP Law 2005, amended 2009.

A patent application may be filed in Vietnam under the Paris Convention or the Patent Cooperation Treaty (PCT) route. The applicant has 12 months to make a priority claim from the first filing date in the original country.

Vietnam became a member of the PCT in October 1993. Nationals of member countries may apply for patent protection in Vietnam through the PCT system. The IP Law provides a period of 31 months for PCT applications to be filed in Vietnam, for entry to the national phase.

vi Regulatory exclusivity

One form of regulatory exclusivity in Vietnam is the test data exclusivity in the pharmaceutical field. Test data exclusivity refers to the protection of clinical test data, required to be submitted to a regulatory agency, in order to prove the safety and effectiveness of a new drug, and to prevent generic drug manufacturers from relying on this data in their own applications.

According to the IP Law and the Pharmaceutical Law in Vietnam, protection of clinical test data is necessary to protect pharmaceutical test data, as part of the procedure for obtaining approval and clearance for new drugs to enter the market. The Pharmaceutical Management Department is responsible for the management and implementation of this form of protection for pharmaceutical test data.

Clinical test data for a pharmaceutical product containing new substances indicated in the approval request, which is eligible for this form of protection, must be:

- a trade secret as mentioned in Section I.iv, above;
- a result of significant investment and effort; and
- requested for protection by its owner.12

The duration of protection of clinical test data runs from the date of data submission to five years from the date of approval for the circulation of a new drug.13

Protection for pharmaceutical test data shall be terminated in the following cases:14

- the data no longer meets the protection requirements set out in Section I.vi, above;
- there is clear evidence that the owner of the protected data does not have the legal right of use thereof;
- an authority’s decision of approval for a new drug circulation becomes invalid;
- a withdrawal of a new drug registration for approval;
- an authority’s decision for a compulsory licence of right of use of a patent containing the protected data;
- an authority’s decision to settle an appeal terminating the validity of a data protection decision; and
- when termination is necessary for the protection of public health and to meet other urgent public issues.

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12 Article 6 of the Circular No. 05/2010/TT-BYT dated 1 March 2010 regarding guidelines for the protection of test data in the procedure of pharmaceutical registration.
13 Article 13 of the Circular No. 05/2010/TT-BYT.
14 Article 14 of the Circular No. 05/2010/TT-BYT.
II RECENT DEVELOPMENTS

i CPTPP Agreement

At the November 2017 Asia Pacific Economic Cooperation Summit in Da Nang, Vietnam, the 11 countries remaining in the Trans-Pacific Partnership (TPP) took a significant step forward to finalise a new agreement now referred to as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

In the absence of a key player – the United States – in this new cross-border deal, the CPTPP is reported to have largely incorporated the TPP on the one hand but 'suspended' certain intellectual property provisions on the other hand, in the hope of reviving them when the United States rejoins the agreement at some point in the future. Thus, according to Annex II of the Trans-Pacific Partnership Ministerial Statement, the CPTPP has ceased the effect of many intellectual property-related and drug-specific articles that the United States rigorously promoted when the TPP was being negotiated.

On 12 November 2018, the Vietnam National Assembly officially ratified the CPTPP, which officially entered into force for Vietnam on 14 January 2019. The CPTPP contains several requirements that will make it necessary for Vietnam to amend its IP Law, primarily regarding patent, trademark, copyright and the enforcement of IP rights.

ii Protocol amending the TRIPS Agreement


With this event, Vietnam, as a country lacking production capacity, can import pharmaceutical products made under compulsory licences from countries where pharmaceuticals are patented in emergencies or extremely urgent situations.

In accordance with Paragraph 2 of the Annex to the TRIPS Agreement attached to the Protocol, Vietnam, as an eligible importing member, must submit a notification to the Council for TRIPS, that:

a specifies the names and expected quantities of the products needed;
b confirms that Vietnam has established that it has insufficient or no manufacturing capacities in the pharmaceutical sector for the products in question; and
c confirms that, where a pharmaceutical product is patented in its territory, it has granted or intends to grant a compulsory licence in accordance with Articles 31 and 31 bis of this Agreement and the provisions of the Annex.

iii European Union – Vietnam Free Trade Agreement

On 26 June 2018, the EU – Vietnam Free Trade Agreement (EVFTA) was separated into two agreements in terms of trade and investment, which are the EU – Vietnam Investment Protection Agreement (EVIPA) and the EVFTA. At the same time, the legal review of the EVIPA and EVFTA’s final texts was formally concluded. Chapter 12 of EVFTA regulates intellectual property (IP) commitments with a focus on general principles, protection standards of the subject matter of IP rights and (iii) enforcement measures of IP rights. The EVFTA focuses more on geographical indication (GI) than the CPTPP by setting out detailed and strict regulations on the protection of GIs, thus, Vietnam is expected to amend its regulations in this area.
III OBTAINING PROTECTION

i Business methods

These methods are products of mankind’s mental creativity on the basis of analysis, assessment and deduction. Business methods do not involve technical methods, nor do they apply natural rules or principles, resolve any technical problems or create any technical improvements. Thus, they cannot be considered as technical solutions. As a result of this, they are not eligible for patent protection. Some examples of business methods include methods or systems for manufacturing management, business management, competition rules or principles, etc.

However, if a claimed invention includes not only a business method excluded from patentable subject matter, but also a description of a technical device or process for the performance of at least some components of the business method, then the claimed invention shall be considered as whole, and will not be refused protection, so long as it meets other requirements of novelty, inventiveness and industrial application.

ii Computer programs

Although they are excluded from patentability, computer programs are arguably subject to suitable means of protection. According to the IP Law, and in practice, a common means of protection is copyright. Computer programs are not considered to be subject to patent protection, since they are viewed as algorithms or combinations thereof, which is a category excluded from patentability. Vietnamese examination rules for patent applications classify a computer program as an exception for patentability: ‘an invention related to a computer program is a type of invention performed by a computer’. Despite this exclusion, if a computer program is a technical solution, and contains technical improvements when run by a computer, thereby providing additional technical effectiveness, other than normal interaction between the program and the computer, it may be subject to patent protection. Additionally, the title of the claimed subject matter in the form of a computer program must not contain terms such as ‘computer program’, ‘computer software’, ‘program carrying signals’ or similar.

Plant and animal varieties; or essential biological processes for the production of plants or animals, other than microbiological processes, are examples of types of biotechnology inventions that are excluded from patentability under Vietnam’s IP Laws.

However, some inventions of plant or animal varieties may still be subject to patent protection, if their technical aspects are not limited to a specific plant or animal variety.

Processes for the production of plants or animals, subject to patent protection, must not be of an essential biological nature, which is considered and assessed on the basis of the degree of human intervention, in terms of technical matters during these processes. If human technical intervention plays a vital role, or is important to obtain the results or effects of the claimed process, it shall not be deemed to be of an essential biological nature.

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16 Article 5.8.2.5 of the Rules of Examination for Patent Applications.

17 Article 5.8.2.8 of the Rules of Examination for Patent Applications.
Inventions of microbiological processes are related to the creation of chemicals (i.e., antibiotic substances) or the eradication of substances by using microbiology (i.e., fungi, viruses). These inventions may be protected under a patent if they are not contrary to morality, public policy or do not constitute a threat to national security.

iii Methods for preventing, diagnosing and treating humans or animals\(^\text{18}\)

This is one of the exclusions from patentability on the basis of humanitarian and public health considerations. However, the Vietnam examination rule of patent application provides that this exception does not apply to any apparatus or product that may be used for the purpose of diagnosis, prevention or treatment.

Diagnostic methods are processes of identifying diseases, or their respective causes. These processes are performed on humans or live animals.

However, some methods are not viewed as diagnostic methods and may benefit from patent protection, so long as they satisfy the standard protection criteria of being novel, inventive and susceptible to industrial application, as well as falling into one of the following categories:

\(\begin{align*}
  a & \quad \text{surgical procedures performed on humans or animals (dead bodies); and} \\
  b & \quad \text{to collect information from bodies of live humans or animals, for further research, and not for obtaining a final diagnostic result (i.e., physical figures).}
\end{align*}\)

The purpose of the claimed methods is to experiment on bodily tissue, bodily fluids or excreta extracted from the bodies of humans or animals. Information collected from such experiments must serve further research, and not the purpose of obtaining final diagnostic results.

iv Treatment methods for humans or animals to prevent, reduce or eliminate diseases or causes of diseases from the bodies of live humans or animals

On a separate note, although the treatment methods themselves are non-patentable, the medicines used during the methods may be protected under the title of patent, so long as they meet all requirements for patent protection.

The following methods are not considered as treatment methods, namely:

\(\begin{align*}
  a & \quad \text{methods for producing prosthetic appliances;} \\
  b & \quad \text{methods for breeding animals using non-surgical methods on live animals, for the purpose of altering their growth characteristics (i.e., method of using electromagnetic stimulation on lambs in order to increase their meat quality, or quantity of wool);} \\
  c & \quad \text{methods of butchering animals;} \\
  d & \quad \text{methods of treating dead humans or animals for specific purposes (i.e., for the purpose of sanitary disposal);} \\
  e & \quad \text{methods of non-surgical cosmetic treatment;} \\
  f & \quad \text{methods for exterminating germs, viruses, lice, etc., in humans or animals; and} \\
  g & \quad \text{methods for maintaining the well-being of healthy humans or animals.}
\end{align*}\)

\(^{18}\) Article 5.8.2.9 of the Rules of Examination for Patent Applications.
Surgical methods are normally excluded from patentable subject matters. However, if their purpose is not for disease treatment, they may be subject to patent protection (i.e., cosmetic surgery methods).

v Genetic material – notably isolated DNA sequences
Genetic material is a type of biotechnological invention in Vietnam, relating to the following:

a plant or animal varieties;
b elements derived from plant or animal varieties, or microorganisms (i.e., cell lines, DNA sequences); and
c methods of using living organisms and non-living products thereof.

With respect to DNA sequences, there are two types, namely: natural DNA sequences and mutated DNA sequences. The IP Law currently does not have specific legal provisions and relevant guiding rules on this subject matter. Thus, in specific cases, the NOIP will consider granting protection for this type of invention, based on general requirements of patent protection, namely: novelty, inventiveness, industrial application and morality standards.

IV ENFORCEMENT OF RIGHTS
i Possible venues for enforcement
Upon the occurrence of disputes regarding intellectual property rights (IP rights), there are four possible legal options that rights owners may utilise to enforce their IP rights, which are: administrative procedures; civil procedures; criminal charges; and customs seizures. A typical approach may combine two or more of these steps, depending on the specific circumstances of the infringement.

Administrative procedures
This is the most common enforcement route in Vietnam as the right holder may request the relevant state authorities to assist them in enforcing their industrial property rights, if their main priority is to stop the infringing actions. Administrative procedures typically involve requesting the authorities to conduct raid actions or impose monetary fines, as well as other sanctions on the infringers.

Civil procedures
Civil procedures may be applied to a broad range of disputes, such as IP infringement and contractual disputes involving compensation for damages. Vietnamese courts may grant injunctive relief and monetary damages. However, the plaintiff usually has difficulty in proving damage caused by infringement. Vietnamese law demands that the injured party establish ‘actual’ damage, meaning that exact calculations of damages are required.

It is important to note that only Vietnamese lawyers, who work individually or in a Vietnamese law firm, may appear before Vietnamese courts on behalf of clients.
Criminal procedures

The Criminal Code of the Socialist Republic of Vietnam (the 1999 Criminal Code) allows for criminal proceedings to be taken against infringers who violate trademarks, geographical indications, copyright and related rights. The courts are more likely to impose sanctions in cases involving counterfeit goods comprising of food or medicine; entailing a large quantity of goods; and where the counterfeit operation is well organised or repetitive. The severity of sanctions also depends on the seriousness of the case, the consequences of the violation and whether the offences are repeated.

On 27 November 2015, the National Assembly adopted the new Criminal Code, which was later amended in 20 June 2017 (the 2015 Criminal Code). The 2015 Criminal Code takes one step forward by criminalising infringing acts against intellectual property rights conducted by commercial legal entities. Pursuant to the 2015 Criminal Code, sanctions for individuals may include loss of certain civil rights, monetary fines upwards of 1 billion dong and imprisonment for up to 30 years; whereas, sanctions for legal entities may include loss of certain civil rights, fines of up to 5 billion dong, business suspension for up to two years and even permanent suspension.

Customs

Customs authorities can enforce intellectual property rights at borders, as long as rights owners first register with customs. Customs law also provides for a substantive and procedural basis to seize and detain goods at Vietnamese ports of entry. Upon a valid request and payment of an official fee (i.e., around US$8.60 per request), from the rights owner, customs may supervise and monitor the border gate and report back to the rights owner on potential infringing shipments, and seize a particular shipment at the port of entry.

Unless a valid request is filed with customs, the authorities have no authority to take action on goods that infringe IP rights. In theory, customs can initiate a request on an urgent basis if it becomes aware of suspected infringing goods. In practice, however, customs will only take the initiative if there is clear evidence that the goods are counterfeits of poor quality, which could adversely affect the life or health of consumers, or harm Vietnamese culture and society, such as pornography, or documents that are anti-government.

19 The Criminal Code has been amended and supplemented by Law No. 37/2009/QH12 issued by the National Assembly of Vietnam on 19 June 2009, which entered into force on 1 January 2010.
23 Article 76.1 of the amended Criminal Code 2015.
25 Notice No. 4769/TB-TCHQ dated 14 August 2018 on the collection of customs fees for the inspection and supervision of imported and exported goods with a request for protection of intellectual property rights, issued by the General Department of Customs.
Requirements for jurisdiction and venue

Administrative procedures

According to the IP Law, major state authorities with responsibility for conducting administrative procedures against the infringer include: Ministry of Science and Technology; Ministry of Information and Communications; Market Management Bureau; Police; People’s Committees (PC) and Customs Offices.

To enforce an industrial property right, the right holder may request relevant state authorities to provide assistance. Accordingly, administrative procedures against an IP infringer will be taken in the following cases:26

a. an act of IP infringement causes damage to authors, rights holders, consumers or the public;

b. manufacturing, importing, transporting or trading in IP counterfeit goods or assigning others to do so; and

c. manufacturing, importing, transporting, trading in or storing stamps, labels or other materials bearing a counterfeit mark or geographical indication or assigning others to do so.

Upon receipt of a request from a right holder, the authorities shall examine the request within one to two months depending on the competent authorities in charge of a case (i.e., the average time for an assessment by the Vietnam Intellectual Property Research Institute (VIPRI)) is two months regarding patent applications and one month for layout-designs, industrial designs, trademarks and geographical indications applications). If the application is found to be accurate, relevant authorities may conduct raid and seizure actions on the infringing products of the infringer, without prior notice, and shall impose sanctions if the infringement is found on-site. Authorities can impose fines of up to 250 million dong upon individual infringers, or up to 500 million dong upon infringing entities.

Civil procedures

To initiate a civil lawsuit, a right holder needs to file a petition, with all necessary accompanying documentation to the court within two years, counting from the date individuals, agencies or organisations become aware that their rights and legitimate interests are, or have been, infringed upon. It takes five working days for the court to check whether the application is full and accurate. If the application is found to be satisfactory, the court will issue a notice for advance payment of court fees, whereby the plaintiffs will have 15 days to pay the advance payment of court fees. Upon receipt of the advance payment of court fees, the court will then hear the case.

As mentioned above, Vietnamese law requires exact calculations of damages, and plaintiffs typically experience difficulty proving damages caused by the infringement. Therefore, if the parties are able to reach an amicable agreement before the judgment is issued, the court will acknowledge its agreement and issue its decision accordingly.

A court’s judgment at the first instance can be appealed to a higher court within 15 days of its issuance. The court of appeal takes two months from the date of receipt of a request from a higher court to hear a case. However, in practice, the period for a hearing in a court of first instance or a higher court could extend up to 12 months.

iii Obtaining relevant evidence of infringement and discovery

This is an important step for the right holder prior to initiating any administrative procedure or court action. The right holder is required to collect full and accurate evidence of infringement by the infringing parties (e.g., sample of infringing products, advertisement of infringing products, counterfeit and pirated goods).

The regulations of Vietnam do not specifically stipulate any provision on how to search for and collect evidence of IP infringement. However, the right holder may opt to seek legal advice from IP experts or IP law firms for thorough and efficient ways to collect evidence from the infringing parties, or using evidence collected in administrative actions from competent authorities, to commence civil lawsuits to claim for its damages.

iv Trial decision-maker

Disputes involving IP rights are considered to be a specific form of civil dispute, which are usually complex, and involve in-depth technical factors. Therefore, the assessment of such disputes is not simple. Moreover, the Vietnamese court system does not have a special chamber dealing with IP cases, and many Vietnamese judges lack IP experience and knowledge, especially regarding patents. Additionally, court procedures for settling IP rights violations are time-consuming and require considerable effort. Court decisions are sometimes unsatisfactory, and compensation amounts are sometimes lower than the actual damage.

The panel for first instance trials of civil cases is composed of one judge and two people’s jurors. In special cases, the first-instance trial panel may consist of two judges and three people’s jurors.27

v Structure of the trial

In the course of a trial on an IP rights dispute, the plaintiff and the defendant in the litigation bear the burden of proof.28 Evidence may be gathered from the following sources:29

a readable, audible or visible materials;
b exhibits;
c testimonies of involved parties;
d witness testimonies;
e expert conclusions;
f on-site appraisal notes;
g local practices;
h property evaluation results; and
i other sources prescribed by law.

It should be noted that from 1 July 2016, ‘local practices’ are no longer considered a source of evidence.30

27 Article 63 of the Civil Procedure Code 2015.
29 Article 94 of the Civil Procedure Code 2015.
30 Article 94 of the Civil Procedure Code 2015.
Expert conclusions are commonly used because Vietnamese judges lack experience and knowledge regarding the IP field. Dispute resolution procedures consequently face difficulties. Therefore, courts often rely on expert opinions (commonly from the VIPRI or the NOIP) in order to settle the case.

The hearing shall be conducted orally.31

Within three working days of the conclusion of a court session, involved parties, agencies or organisations initiating the lawsuits shall be supplied with judgment extracts by the court.32

vi Infringement
A lawsuit petition must include the following principal contents:33

a. date of its inception;
b. name of the court receiving the lawsuit petition;
c. name and address of the litigator;
d. name and address of the IP rights owner to be protected;
e. name and address of the person who is sued;
f. name and address of persons with related rights and obligations, if any;
g. specific matters requested to be settled by the court against the defendant, by persons with related rights and obligations;
h. names and addresses of witnesses, if any;
i. documents and evidence proving that the petition is well grounded and lawful;
j. other information, which the litigator deems necessary for the resolution of the case; and
k. it must be signed or fingerprinted by the individual being the litigator, or signed or stamped by the lawful representative of the agency or organisation being the litigator.

Litigators must send lawsuit petitions, together with accompanying documents or evidence, proving that their claims are well-grounded and lawful.34 In case of lack of documents or evidence for objective reasons, claimants are entitled to supplement during the process of the case.35

Practically speaking, competent authorities in Vietnam accept the doctrine of equivalence in examining the infringement of a product or a process, which can be considered as infringing, if the IP rights related to the functioning of such product are almost identical to the invention that has been granted protection.

vii Defences
Regarding IP rights on trademarks, trade names and geographical indications, the putative infringer should avoid conducting acts that are prohibited in Article 129 of the IP Law, in order not to be considered an infringer and be subjected to the imposition of sanctions from competent authorities.

31 Article 225 of the Civil Procedure Code 2015.
32 Article 269.1 of the Civil Procedure Code 2015.
33 Article 189 of the Civil Procedure Code 2015.
34 Article 189.5 of the Civil Procedure Code 2015.
35 Article 189.5 of the Civil Procedure Code 2015.
In addition, owners of industrial property, as well as organisations and individuals granted the right to use or the right to manage geographical indications, have the right to prevent others from using their industrial property, unless the putative infringer performs the following acts:36

a) using inventions, industrial designs or layout-designs in service of their personal needs or for non-commercial purposes, or for purposes of evaluation, analysis, research, teaching, testing, trial production or information collection for carrying out procedures of application for licences for production, importation or circulation of products;
b) circulating, importing and exploiting product utilities, which were lawfully put on the market including the overseas market, except for products that were not put on the overseas market by the mark owners or their licensees;
c) using inventions, industrial designs or layout-designs for the sole purpose of maintaining the operation of foreign means of transport in transit, or temporarily staying in the territory of Vietnam;
d) using inventions or industrial designs by persons with prior use rights, according to the provisions of Article 134 of the IP Law;
e) using inventions by persons authorised by competent state bodies, according to the provisions of Articles 145 and 146 of the IP Law;
f) using layout-designs without knowing, or having the obligation to know that such layout-designs are under protection;
g) using marks identical with or similar to protected geographical indications, where such marks have acquired protection in an honest manner, before the date of filing the application for registration of such geographical indication; and
h) using, in an honest manner, people’s names, descriptive marks of type, quantity, quality, utility, value, geographical origin and other properties of goods or services.

viii  Time to first-level decision

As stipulated in the Civil Procedure Code, the competent courts must conduct a hearing upon receipt of a complaint from the litigators within two to four months. However, the period could range from four to 12 months, owing to the complexity and duplication of administrative procedures. If the parties are able to reach an amicable agreement before the judgment is issued, the court will acknowledge its agreement and issue its decision accordingly.

Regarding other administrative procedures, the time period for the competent authorities to issue a decision on a complaint or request for assessment could be shorter.

For the VIPRI, the average time for its assessment is two months regarding patents application, and one month for layout-designs, industrial designs, trademarks and geographical indications applications.

Regarding customs procedures, it takes about 24 hours for the customs office to issue a notice of acceptance, upon receiving a petition for suspension of customs clearance, if the right holder requests the customs agency to suspend the customs procedures to collect information and evidence on the infringing products; and within 20 days of receiving a petition for inspection or supervision of imports or exports, the customs office shall issue a

notice of acceptance, if the right holder requests the customs agency to suspend the customs procedures, in order to collect information for the exercise of the right to request suspension of customs procedures.

ix Remedies

Courts may apply the following civil remedies in dealing with organisations and individuals, who have committed acts of infringement of intellectual property rights:\(^{37}\)

\[ \begin{align*}
& a \quad \text{compulsory termination of the infringing acts;} \\
& b \quad \text{compulsory public apology and rectification;} \\
& c \quad \text{compulsory performance of civil obligations;} \\
& d \quad \text{compulsory payment of damages for loss; or} \\
& e \quad \text{compulsory destruction, distribution or use for non-commercial purposes of goods, raw materials, materials and facilities used principally for the production or trading of goods infringing IP rights, provided that such destruction, distribution or use will not affect the exploitation of rights by IP rights holders.}
\end{align*} \]

Rights holders may exercise their right to request the court handling the case for the application of provisional emergency measures, as provided for in Article 102 of the Civil Procedure Code, to provisionally deal with the urgent requests of the involved parties, to protect and preserve evidence, in order to avoid irrecoverable damage or to ensure execution of the judgment.\(^{38}\)

The application, change and cancellation of provisional emergency measures before the opening of a court session shall be considered and decided by a judge.\(^{39}\)

The application, change and cancellation of provisional emergency measures at court sessions shall be considered and decided by the trial panels.\(^{40}\)

x Appellate review

The Vietnamese courts shall follow the regime of two-level adjudication (i.e., first-instance and appellate) resulting in two trials, if first-instance judgments or decisions have already taken legal effect, but have not detected other violations or fresh facts. In these circumstances the courts shall undertake the following special procedures in resolving the case, cassation procedures and reopening procedures.

Cassation procedures involve the review of legally effective court judgments or decisions, which are appealed owing to alleged serious law violations, detected in the settlement of cases.\(^{41}\)

Reopening procedures involve the review of legally effective judgments or decisions, which are the subject of an appeal, owing to the appearance of fresh facts that may substantially change the contents of the judgments or decisions, which were not known to the courts and the involved parties when the courts rendered such judgments or decisions.\(^{42}\)

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38 Article 111 of the Civil Procedure Code 2015.
40 Article 112.2 of the Civil Procedure Code 2015.
41 Article 325 of the Civil Procedure Code 2015.
42 Article 351 of the Civil Procedure Code 2015.
Alternatives to litigation

In addition to litigation, the right holder may opt for arbitration or other administrative actions (e.g., sending a cease-and-desist letter to the infringer, or attempts to reach an agreement on an amicable resolution from both parties). As far as we are aware, there is currently no dispute regarding the IP field that has been successfully resolved by arbitration.

TRENDS AND OUTLOOK

In the next five to 10 years, it is unclear whether Vietnam’s legal framework will witness significant changes in the intellectual property environment owing to the uncertain future of the TPP.

Under the current text of the CPTPP, Vietnam shall allow the registrability of scent and sound trademarks, enshrine stronger pharmaceutical protections and generally offer wider ranges and higher standards of patent protection. With regard to the enforcement of IP rights, the CPTPP also introduces stricter sanctions indicated by criminal procedures and penalties for IP infringers. The enforcement of such regulations will no doubt increase business costs for corporates, especially those using pirated software or consuming infringing products.

If such regulations under CPTPP are implemented, they would pose great difficulties to Vietnam’s policymakers, as Vietnam would have to provide and implement effective economic and legal strategies appropriate to its development level and enforcement capacity. In other words, Vietnamese IP legislation would have to undergo material changes to align itself with the international standards set forth by the CPTPP. Some possible solutions could be (1) promoting research activities, (2) raising legal awareness, and (3) implementing regulations step by step in accordance with the CPTPP and other international treaties. Changes in the law might take some time, but the implementation of international IP standards would make Vietnam a strong contender in the global economy.

On a related note, the European Union – Vietnam Free Trade Agreement (EVFTA) is expected to come into effect in 2020. One of the most notable commitments under the IP Chapter of the EVFTA is geographical indication protection. Once the EVFTA takes effect, the EU will recognise and protect 39 Vietnamese geographical indications, while Vietnam will recognise and protect 171 European geographical indications (169 if two geographical indications from the United Kingdom are excluded).
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Anand and Anand

Pravin Anand is the managing partner of the firm. He completed his law studies in New Delhi in 1979 and since then has been practising as an advocate and patent and trademark attorney.

He has appeared in several landmark IP cases in India involving the first Anton Piller order (HMV), Mareva injunction order (Philips) and Norwich Pharmacal order (Hollywood Cigarettes); the right of privacy (Bandit Queen); trademark dilution (Glenfiddich); judicial recognition of market survey evidence (Time Warner); domain names (Yahoo!); punitive and exemplary damages (Time Magazine); and phishing (Nasscom). He also appeared in the compulsory licensing cases filed against Pfizer and Roche under the Doha Declaration.

Mr Anand is the chairman of the IP promotion advisory committee established by the Indian government, and the IT committee set up by the Federation of Indian Chambers of Commerce and Industry. He is a past president of the Asian Patent Attorneys Association and was a director on the board of INTA from 2006 to 2008. He is President of both the International Association for the Protection of Intellectual Property and the Indian Association of the International Federation of Intellectual Property Attorneys. He has appeared as an expert witness before parliamentary committees to give evidence on amendments to trademark, patent and copyright laws.

Mr Anand is a co-author of the two volumes of Halsbury’s Laws of India on intellectual property. He also serves on the editorial board of several international IP journals. He has spoken extensively at various forums including the World Intellectual Property Organization, AIPPI, INTA, the Licensing Executives Society, the International Bar Association, LAW ASIA and the UN Conference on the Least Developed Countries in the Digital World.

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A-Ra Cho is a senior patent attorney with a wealth of experience prosecuting patent applications before the Korean Intellectual Property Office in the fields of biotechnology and pharmaceuticals. She has participated in *inter partes* and *ex parte* proceedings before the Intellectual Property Trial and Appeal Board, the Patent Court and the Supreme Court, and has provided various clients with legal opinions concerning patent validity and infringement. She also has handed applications for a plant variety right.

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Dominick Conde is a partner at Venable LLP and is widely recognised for his experience and accomplishments in patent litigation. For almost 30 years, Mr Conde has tried and argued patent cases, including arguing numerous cases before the Court of Appeals for the Federal Circuit, and United States District Courts. He is active in all aspects of the firm’s patent practice, focusing particularly on large-scale litigation matters related to chemistry, pharmaceuticals, and pharmaceutical devices and diagnostics. He has appeared and been lead counsel for numerous major international companies including Astellas Pharma, Bristol-Myers Squibb, Daiichi Sankyo, Eli Lilly & Co, Entegris, LEO Pharma, Merck & Co, Pfizer, Reckitt-Benckiser, Reliable Sprinkler Company, Sanofi-Aventis, Novartis, Arazel Pharmaceuticals, Pernix Therapeutics and Warner Chilcott.

Mr Conde has been widely recognised by many publications as a leader in the life sciences field. He has been recognised as a leading patent lawyer by Chambers (2011 to 2019); recognised as a top intellectual property law practitioner by Best Lawyers in America (2011, 2014 to 2019); recognised as a leading patent litigator by Legal 500 (2008, 2009, 2011, 2012, 2014 to 2018); named a Leading Lawyer, LMG Life Sciences (2012 to 2018); named a Top 10 Life Science Litigator, Managing Intellectual Property (2013 to 2015); named an IP Star, Managing Intellectual Property (2013 to 2018); and in 2015 received the Burton Award for writing an article in New York Law Journal. Clients have also recognised his skills, talent and expertise: ‘He sees the forest through the trees and never gets tunnel vision. He also understands the need to find business solutions to legal problems and is very pragmatic.’ (IAM Patent 1000: The World’s Leading Patent Practitioners 2015); ‘an intellectual giant, but one who can distill complex patent issues into clear, concise and cogent language that anyone can understand. Business leaders like him because of his clarity. Attorneys like him because they know his direct advice is grounded in thorough legal analysis and experience’ (Best Lawyers 2014); ‘completely stands out in terms of raw intelligence, lawyering skills and putting together the perfect case’ (Chambers USA 2013); and ‘superb litigator’ (IAM Patent 1000 The World’s Leading Patent Practitioners 2013); ‘the best trial lawyer in the country for complex medical cases’ (The Legal 500 2012); ‘an outstanding strategist and litigator. If you end up going to trial, he is amazing – nothing gets by him.’ (The Legal 500 2011).

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Adam Haller practises in all areas of intellectual property law at Norton Rose Fulbright and provides advice at every stage of the intellectual property life cycle. His experience includes matters before the Federal Court and Federal Court of Appeal, and matters involving the innovative pharmaceutical industry under the Patented Medicines (Notice of Compliance) Regulations. In addition to assisting clients in preparing, prosecuting and opposing trademark applications, Adam provides strategic advice relating to the use and protection of intellectual property online. He has represented clients in domain name disputes and has assisted clients in respect of combating online counterfeit and other brand infringement.

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Gordon Harris is the co-head of intellectual property at Gowling WLG. He conducts litigation in all UK and European courts for clients seeking to protect their IP, or those who have been accused of infringing other people’s rights. He is known as a fighter who will explore every avenue to get the right result, including going to the Supreme Court to change over 100 years of patent law in order to ensure the right outcome for a client.

Gordon has conducted ground-breaking cases on designs and brands in the European Court of Justice and contested the validity of patents in the European Patent Office.

Gordon has over 25 years’ experience in IP and is involved in law reform and development through various committees and organisations, all of which allows him to provide decisive commercial advice to clients and to help them to decide the best avenue to take in any given case.

As a qualified mediator accredited by CEDR and the World Intellectual Property Organization, Gordon also pursues alternative dispute resolution both on behalf of clients and as a mediator.

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Mr Huh practised as a foreign intern at Kenyon & Kenyon in New York. He is a graduate of Seoul National University (BSc, electrical engineering, 1997) and Franklin Pierce Law Center (MIP, 2010).

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He also organised and taught the IP vocational training course for the top law students at Hanoi Law University. As an instructor on this specialised IP course, he brings IP expertise into the classroom and provides valuable mentoring and networking opportunities for law students who are passionate about this field. The course focuses on international practice standards and problem-solving skills required to work in both the public and private sectors.

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Chie Kasahara was admitted to the Japanese Bar in 2000 and is a partner at Atsumi & Sakai. She was educated at Hokkaido University (LLB, 1993), Hokkaido University, School of Law (Master of Laws, 1996) and the Legal Training and Research Institute of the Supreme Court of Japan. She was previously based at Hayabusa Kokusai Law Offices (2000–2006), Greenberg Traurig LLP (New York) (2006–2007) and was a partner at Hayabusa Asuka Law Offices (2007–2008). Chie is a member of the Dai-ichi Tokyo Bar Association, the International Literary and Artistic Association, the IP Lawyers Network Japan, Entertainment Lawyers Network, and Global Advertising Lawyers Alliance (GALA). Chie leads the IP/IT, TMT (Technology, Media and Telecommunication) and Life Science teams at Atsumi & Sakai, and advises many leading non-Japanese and Japanese corporations on protecting their IP rights in respect of cutting-edge technology.

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Mr Kim attended the University of Pennsylvania Law School LLM programme, an in-service training programme of Lee International IP & Law Group, to learn more about different legal systems and to study various legal issues. After graduation, he spent one year at the McKenna Long & Aldridge LLP’s San Diego office, working on litigation cases.

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In 2011, Ms Ma received an Asia Women in Business Law Award and was the only recipient of ‘Best in Patent and Trademark Prosecution’ for her achievements in patent and trademark practice as well as her role in shaping the firm into one of the Asia’s leading IP firms. She is a member of the All China Patent Attorneys Association, the China Lawyers Association, AIPPI, FICPI and LES.

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As well as advising on legal, tactical and technical considerations, Andrew has extensive experience advising on issues relating to standards-essential patents, including seeking declarations of essentiality, obligations to standards-setting organisations, and the relationship between patents and antitrust law, in particular the implications of the Court of Justice’s decision in *Huawei v. ZTE*.

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Yedidya and his team handle complex transactions with significant intellectual property considerations, such as IP licensing, IP sales, joint R&D and manufacturing projects and other joint ventures, establishing distribution channels, creating online commercial platforms, and venture capital financing. Yedidya also heads the commercial and corporate litigation department, which also handles IP-related disputes resolved in courts or through alternative dispute resolution procedures.

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In addition to contentious matters, Rasmus advises on the commercialisation of intellectual property rights, and he often acts for right holders in relation to the conclusion of international licence agreements or research and development contracts.

Rasmus regularly publishes articles on intellectual property matters – often with a focus on the enforcement of such rights through the Danish courts.

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He worked at the World Intellectual Property Organization (WIPO) in Geneva, and in several different positions until 1979, when he was elected Deputy Director General, a position he occupied for nine years until 1987, when he returned to Chile. He was the president of WIPO’s General Assembly for the period between 1999 and 2001, and an arbitrator with the WIPO’s Arbitration and Mediation Center. He was also an arbitrator with the World Trade Organization dispute resolution system, having been a member of the panel of neutrals in the complaint of the United States against China on intellectual property rights in 2008 and 2009. He was a member of the board of the Chilean Intellectual Property Association from 1993 to 2003 and president of the Association between 2004 and 2005.
He is an intellectual property professor at the Law School of the University of Chile and the Law School of University Diego Portales.
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MAARTEN RIJKS
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Maarten Rijks is partner and head of the trademarks, copyright and designs group of Taylor Wessing in the Netherlands. Maarten has vast experience in trademark, design rights and copyright litigation, IP contracting and anti-counterfeiting. He has a particular focus on complex litigation and disputes relating to trademarks, designs, copyright and domain names, (global) trademark portfolio management and advising on filing strategies as well as on anti-counterfeiting strategies. Maarten is mentioned in The Legal 500 (2017) and is ranked in the World Trademark Review 1000 (2019): ‘Running the show is “responsive and resourceful” Maarten Rijks, “an exceptional litigator who possesses skills beyond his years”’.

STANISLAS ROUX-VAILLARD
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Stanislas Roux-Vaillard is the partner in charge of patent litigation in the Paris office of Hogan Lovells LLP, where he heads the IP team. He is mainly involved in national and multi-jurisdictional patent disputes, mediations and arbitrations, representing international clients, notably in the field of life sciences, telecommunications and chemistry.

He is involved in a number of pharma and biotech cases, helping clients make the most of their patent and SPC exclusivity. He represents clients in the telecoms industry in contractual defences to standard essential patents and in non-essential patent claims brought by non-practising entities.

Stanislas Roux-Vaillard is admitted to the Paris Bar and he is a Bar-certified intellectual property specialist. He is the author of a doctoral thesis on the comparison of US and French case law on patentability requirements (2001) and also holds a US LLM in intellectual property (2000). He regularly writes articles on intellectual property developments in France.

He worked for the Paris office of an American law firm from 2002 to 2004, then for a French boutique firm, specialised in patent litigation, from 2004 to 2006. Stanislas joined the intellectual property team of the Paris office of Hogan Lovells LLP in October 2006.

Stanislas Roux-Vaillard is an active member of IP-focused associations, notably AIPPI and he is the secretary of EPLAW.

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Young-Bo Shim is a patent attorney at Lee International IP and law group in Korea with extensive experience prosecuting patent applications before the Korea Intellectual Property Office in the technical fields of wireless telecommunications, network architecture, computer architecture, business methods, semiconductor devices, software and signal processing, display devices and image processing.

Mr Shim also has a lot of experience in searching for patent or utility model documents and prior art for ongoing patent litigation and in patent clearance searches. He has conducted
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Amanda Soon is a senior associate in intellectual property and is a member of the IP protection and management group.

Her areas of focus include both contentious and non-contentious aspects of intellectual property work. She has experience in the filing and prosecution of trademarks, advising clients on the management of their trademark portfolios, as well as infringement of intellectual property rights. She also has experience in contentious trademark opposition, revocation and invalidation matters and passing off.

Amanda has advised on and successfully negotiated commercial agreements related to various aspects of intellectual property, such as trademark co-existence, assignment, licensing and non-disclosure of confidential information. Her area of work also includes advising on registered designs, copyright and domain names.

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Andrea Strahm is a partner in the intellectual property practice area. She advises both companies and private clients on how to protect, enforce and defend rights across the globe in relation to trademarks, copyright, domains and designs. She also has special expertise in competition matters, including unfair competition, and moral rights.

Andrea Strahm drafts contracts covering these areas, including R&D and licence agreements. She has extensive experience and in-depth knowledge in her field. Thanks to her intellectual property expertise, Andrea Strahm is one of the few attorneys at law to have been accepted as a member of the Association of Swiss Patent and Trademark Attorneys (ASPTA).

As a result of her extensive experience, Andrea Strahm has links with specialist law firms throughout the world, enabling her clients to benefit from professional advice in foreign jurisdictions.

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Kunihiro Sumida was admitted to the Japanese Bar in 2000 and is a partner at Atsumi & Sakai. He was educated at Meiji University (LLB, 1994), the Legal Training and Research Institute of the Supreme Court of Japan and the University of Kent (LLM, 2007). He was based in the Doctor Sonderhoff Law Office LLP (2000–2001), Dorsey & Whitney LLP (2001–2003), Sonderhoff & Einsel Law and Patent Office LLP (2003–2009) and Hayabusa Asuka Law Offices LLP (2009–2012). He is a member of the Tokyo Bar Association.

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Mrs Tağa specialises in intellectual property, in particular copyrights, trademarks and patents. She also has experience in dealing with matters relating to consumer protection, advertisement law, franchising, unfair competition and domain name disputes.

She provides daily legal advice both for domestic and international companies operating in a broad range of sectors, which vary from healthcare and technology to retail and consumer goods.

She is a member of the Istanbul Bar Association and the INTA. She is a registered trademark and patent attorney before the Turkish Patent and Trademark Office.

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Bernard Vanbrabant (PhD) is a specialist in intellectual property law and broader technology matters. He has gained considerable experience regarding copyright, database rights, designs, patents, trade secrets, trademarks, trade names and domain names, without neglecting the connected fields of contract law, distribution law and (unfair) competition law. In addition to dealing with traditional opposition proceedings, counterfeit cases and seizures in matter of
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Antonia Vasilogamvrou LLB, MSc, is an attorney at law and a patent and trademark agent. She focuses on patent and trademark filing and court litigation, with the emphasis on sectors such as pharmaceuticals, and food and beverage. She has also studied economics and management. She handles cases both before the Greek courts and the European Union Intellectual Property Office.

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Kristin Wall practises in all areas of intellectual property law at Norton Rose Fulbright with particular experience in litigation under the Patented Medicines (Notice of Compliance) and Food and Drug Regulations as well as patent impeachment, infringement and damages actions. In addition, Ms Wall advises on matters pertaining to data protection, patent listing, biologics, drug advertising, drug reimbursement and pricing, and intellectual property implications of trade agreements including the Comprehensive Economic Trade Agreement and the introduction of patent term restoration. Ms Wall’s trademark practice focuses on providing opinions and advice on the registrability of trademarks, prosecuting trademark applications, brand strategy and general trademark litigation. Her copyright practice focuses on copyright authorship and ownership disputes and providing opinions on licensing and enforcement.

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Guanyang Yao is dual qualified as a Chinese lawyer and patent attorney. He has been practising patent law for over 14 years in China. He obtained LLM degrees from John Marshall Law School, a Chinese law degree from China University of Political Science and Law, and a Masters degree from Beijing Aeronautics and Astronautics University. He has been working in Liu, Shen & Associates since 2005.

Mr Yao has extensive experience in providing legal services related to patent law, including patent prosecutions, litigation, administrative enforcement, licensing and transactions. He has a deep understanding of the spirit of China’s patent legal system. As a leading attorney, he has handled patent disputes for various international and domestic enterprises. He keeps a close eye on developments in the IP law system in China, and is active in commenting on IP issues and providing opinions on IP law amendments. Mr Yao has been selected as one of the ‘Thousand Attorneys Handling Foreign-Related Cases’ by the Ministry of Justice of China.
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