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It is not an overstatement to say that essentially all business is global, and the protection of intellectual property is the lifeblood of all business. The scope and implementation of that protection, however, varies from country to country.

It would be ideal if there was one universal set of laws, rules and procedures. But, while the efforts of many dedicated individuals have accomplished much in harmonising intellectual property protection, we remain defined as much by our differences as by what we have in common. It is therefore incumbent on all of us, as advisers to our clients, to be conversant with the individual practices in each of the economically significant countries.

The goal of this review is to provide that guidance. We have assembled a body of leading practitioners to explain the opportunities for intellectual property protection in their respective jurisdictions, together with the most significant recent developments and any aspects that are unique to their country. The authors of each chapter will provide an overview of the intellectual property rights available and highlight the notable developments in their respective countries. While we have striven to make the book 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 application of the principles contained in this review to any specific matter.

This review is a testament to the flux of intellectual property law worldwide. We first published this review in 2011, with chapters from 24 countries. This fifth edition now includes chapters from 30 countries, a clear indication of the truly global reach of intellectual property law and the need to remain current for our clients worldwide. Since the first edition, we have observed the dramatic overhaul of the patent system in the United States with the implementation of the American Invents Act. In Europe, we have seen the near completion of the Unified Patent Court. It is our hope that the reader will find this a useful compilation and often-consulted guide.

Robert L Baechtold
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New York
May 2016
Chapter 1

BRAZIL

Philippe Bhering and Jiuliano Maurer

I 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.

1 Philippe Bhering is a partner and Jiuliano Maurer is an associate at Bhering Advogados.
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 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.

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.

**iv 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 regulation

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 Patent Prosecution Highway (PPH) pilot programme between Brazil and the United States

The Patent Prosecution Highway (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.

The Global PPH project was launched on 6 January 2014 and involves the IP offices of Australia, Austria, Canada, Denmark, Estonia, Finland, Germany, Hungry, Iceland, Israel, Japan, Norway, Portugal, Russia, Singapore, South Korea, Spain, Sweden, the United Kingdom and the United States. This programme uses a single set of qualifying requirements and aims to simplify and improve the existing PPH network so that it is more accessible to users.

The BPTO is not a party to the Global PPH, but it recently launched, on 11 January 2016, a pilot programme of the PPH in conjunction with the United States Patent and Trademark Office (USPTO). Under this bilateral agreement, an applicant who receives a positive ruling on a patent claim from either the BPTO or the USPTO may request accelerated prosecution of corresponding claims in the other office. The PPH allows the applicant to obtain a patentability decision from the Office of Later Examination (OLE) more quickly and also promotes patent application processing efficiency by allowing the examiner in the OLE to reuse the search and examination results from the office of earlier examination, thereby reducing workload and duplication of effort.

The trial period for the PPH pilot programme between the USPTO and the BPTO will run for two years ending on 10 January 2018, or until each office has accepted 150 applications under the programme. This period may be extended if necessary to adequately assess the feasibility of the programme. At the end of the trial period, or after all the applications accepted into the programme have been processed, both offices will evaluate the programme as a whole.

During the time of the trial period, both the USPTO and the BPTO will monitor progress of the pilot programme and may proceed with interim evaluations to determine whether and how it should be modified. In addition, the offices also may terminate the programme early, upon notice, if the volume of participation exceeds a manageable level, or for any other reason. Of note is that, unless the BPTO becomes a participating office in the Global PPH, any extension or termination of the Global PPH programme will have no effect on the PPH pilot programme between the USPTO and the BPTO.
ii The new Brazilian Code of Civil Procedure

On 18 March 2016, the new Brazilian Code of Civil Procedure (NBCCP) (Law No. 13.105 of 16 March 2016), entered into force. This new Brazilian code of law brings important changes to civil procedure as a whole in the country, with the objective of making the process more efficient and less complicated and costly.

The TRIPS Agreement, of which Brazil is a member, determines that procedures concerning the enforcement of intellectual property rights shall not entail unreasonable time limits or unwarranted delays, and the new rules brought by the NBCCP contributes to the country eliminating the barriers that make the local civil procedure lengthy and, therefore, not very efficient for owners of IP rights.

In this sense, the provisions of the NBCCP eliminate the excessive formality that was a characteristic of the former Brazilian civil procedure and encourage the use of alternative forms of conflict resolution, such as mediation and conciliation. This line of thought is coherent with the proceedings adopted by WIPO, which possesses a mechanism for parties to resolve conflicts involving domain names out of court, and the Brazilian Intellectual Property Association.

Another prescription of the NBCCP that aims to diminish the formalities of the civil procedure is the standardisation of the time granted to the parties to perform actions in the process. With few exceptions, the new general rule is that this time is 15 business days. Given that the BIPL provides a term of 60 days for the defendant to present counterarguments to a judicial nullity action, this period is the one that will be applied, as the BIPL, as a specific law, prevails over the NBCCP, which is a general law. With regard to copyright disputes, the general rule of 15 business days will be applied as the BCL does not possess any specific rule referring to terms on civil procedure.

iii Specific provision of the amicus curiae in the new Brazilian Code of Civil Procedure

One of the provisions of the NBCCP is the inclusion of a chapter dedicated to the concept of the amicus curiae.

Prior to the NBCCP, a few specific laws had already recognised the role of the amicus curiae by providing the possibility, during a proceeding, of a third party voicing its opinion on the case (e.g., Law No. 9.868/99, regarding actions of constitutionality control and non-compliance with a fundamental precept; Law No. 11.417/2006, regarding binding precedents; and Law No. 6.385/76, regarding securities and exchanges).

However, it was only with the introduction of the NBCCP that the concept of the amicus curiae was, for the first time, incorporated into a Brazilian code of law. The provision is set out in Article 138 of the NBCCP, which states as follows:

Chapter V – The Amicus Curiae

Art. 138. The judge of first instance or the reporting judge of second instance, considering the importance of the matter, the specificity of the subject of the complaint or the social impact of the dispute may, by unappealable decision, ex officio or upon request of the parties or of those who intend to voice an opinion, request or accept the participation of a natural or legal person, body or specialized entity, with adequate representation, within fifteen (15) days from the summons.
§ 1. The intervention referred to in the above section does not imply change of jurisdiction, nor authorizes appeals, except for motions for clarifications and for the provision of § 3.

§ 2. It will be up to the judge of first instance or the reporting judge of second instance, in the order requesting or allowing the intervention, to define the powers of the amicus curiae.

§ 3. The amicus curiae may appeal the decision regarding the resolution of an incident of repetitive demands.

The provision of Article 138 of the NBCCP confirms the understanding that the intervention of the amicus curiae can take place upon an order from the judge or by request of the parties in the case, or even of a third party.

Another important innovation brought by the NBCCP is the broader range of who is entitled to act as amicus curiae. Now, individuals, legal entities and specialised agencies and bodies, who have an interest in the topic discussed in the legal proceeding but not a legal interest in the dispute, may act as amicus curiae. In addition, in order to act as amicus curiae, the person or entity must fulfil the requirement of adequate representation (i.e., the judge will evaluate whether the potential amicus curiae is sufficiently capable of defending the relevant topic on behalf of the society or of a specific group).

The NBCCP does include a limitation towards the amicus curiae with respect to appeals. According to Article 138 of the NBCCP, the amicus curiae is not allowed to appeal against any decision, with the exception of motions for clarifications and appeals against a decision regarding the resolution of an incident of repetitive demands.

iv Pilot programme to prioritise the examination of patents requested by small businesses

The BPTO issued, on 23 February 2016, Resolution No. 160, which commenced a programme that will prioritise the examination of patent applications filed by small businesses. This project will last for one year or until 300 patent applications have been filed.

The BPTO established specific rules for these applications, notably the condition that the applicant be considered a small business according to the definition of Article 3 of Law No. 123/2006.

The request for the priority examination of a patent application is free of charge and may be made by the applicant or a representative of the applicant.

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 as a result of his 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 Espírito 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:
private acts without commercial purpose, that do not jeopardise the economic interests of the patent holder;

acts of experimental purposes in connection with scientific and technological studies and research;

preparation of a medicine in accordance with a medical prescription for individual cases;

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;

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;

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

use, in good faith, of the object of the patent prior to the priority or filing date of the patent application.

viii 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.

ix 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 an 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.

\textbf{x 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.

\textbf{xi 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.

\section{TRENDS AND OUTLOOK}

In early 2015, the Brazilian Congress created a Mixed Parliamentary Front in Defence of Intellectual Property and the Combat against Piracy with the objective of proposing practical actions to strengthen mechanisms of innovation, competitiveness and productiveness in Brazil. The members are giving special attention to bills that make penalties for crimes against intellectual property, prescribed in the BIPL, so that they are more stringent and will help to reduce costs and bureaucracy involved in obtaining and enforcing IP rights.

With the objective to homogenise the use of trademark disclaimers, the BPTO issued, on 18 February 2016, Resolution No. 161 establishing a ‘standard disclaimer’ (a
single disclaimer) to be added to all trademark registrations and renewal certificates; all the disclaimers previously imposed by the BPTO (there were different types) will be replaced by the new one. This new rule is already generating discussion among IP practitioners and will affect the protection and enforceability of trademarks in Brazil.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The most important forms of intellectual property protection in Bulgaria are trademarks, industrial design rights, geographical indications, utility models and patents, copyright and neighbouring rights.

According to Bulgarian Law on Marks and Geographical Indications, any sign that is capable of distinguishing the goods or services of one person from those of other persons and can be represented graphically, namely, words, figures and three-dimensional designs, can be registered as a mark. Marks are registered for a period of 10 years following the filing date of the application. Registration may be renewed for an unlimited number of further 10-year periods, which is an important advantage compared with other protective rights. Applications may be filed by all private persons and legal entities. Trademark protection in Bulgaria is the most popular form of IP protection.

Geographical indications (GIs), governed by the Law on Marks and Geographical Indications, fall into two categories: appellations of origin and indications of source. An appellation of origin is the name of a country, or of a region or locality in that country, that serves to designate goods originating therein whose quality or characteristics are owing essentially or exclusively to the geographical environment, including natural and human factors. An indication of source is the name of a country or of a region or locality in that country that serves to designate goods originating therein whose quality, reputation or other characteristics can be attributed to that geographical origin. The right to file an application belongs to any person who carries on his or her production activity in the geographical locality indicated, provided that the goods he or she produces conform to the properties or peculiarities concerned – in other words, GI rights are not exclusive. The legal protection of
a registered GI is terminated where the relationship between the properties or peculiarities of the goods and the geographical environment no longer exists. GI protection in Bulgaria is important in the field of agriculture and food production.

The Bulgarian Law on Industrial Design protects as industrial design the visible outer appearance of a product or part of it determined by the peculiarities of the form, the lines, the depiction, the ornaments, the colour blend or a combination thereof. Designs that are new and original may be registered. The person who created the design has an indefinite right to authorship; however, the term of effect of the registration of a design is a maximum of 25 years after the date of submitting the application. Applications may be filed by all private persons and legal entities; when the design is created in implementation of obligations in employment, legal relation or to order, the right to apply belongs to the employer or to the one who made the order but the design author has the right to additional remuneration.

Under the Bulgarian Law on Patents and Utility Models Registration (LPUMR), patents shall be granted for inventions in any field of technology, which are new, involve an inventive step and are capable of industrial application. Excluded from this kind of protection are discoveries, scientific theories and mathematical methods, artistic work results, schemes, rules and methods for performing mental acts, playing games or doing business, programs for computers and presentation of information.

Patents shall also not be granted for inventions the commercial use of which would be contrary to social order or morality, including: methods of cloning human beings, methods of altering the genetic identity of human embryos, use of human embryos for industrial or commercial purposes, methods of modifying the genetic identity of animals, where this may cause them suffering without any substantial use from a medical point of view for humans or animals, as well as of animals obtained by such methods; methods for treatment of the human or animal body by therapy or surgery, as well as diagnostic methods practised on the human or animal body (this shall not apply to products, in particular substances or compositions, for use in any of these methods); plant or animal varieties (their protection is governed by Bulgarian Law on the Protection of New Plant Varieties and Animal Breeds); and essentially biological processes for obtaining plants and animals.

As Bulgaria is a Member State of the European Patent Convention, it is possible to obtain patent protection by a European patent in Bulgaria. A European patent designating the Republic of Bulgaria shall provide the owner with the rights under the law from the date of communication of its grant in the European Patent Bulletin, if within three months from that date, a translation of the description and claims is provided in triplicate and in Bulgarian and that a publication fee is duly paid.

The term of validity of a patent is 20 years from the date of filing of the application. Supplementary protection certificates (SPCs) are issued according to LPUMR. Supplementary protection certificates for products and devices protected by a patent shall be issued under the terms and conditions laid down in Regulation (EEC) No. 1768/92 and Regulation (EC) No. 1610/96 of the European Parliament and the Council. Application for a certificate must be filed with the Patent Office of the Republic of Bulgaria (BPO). For the application for the grant, maintenance of the certificate and publications there are applicable fees that need to be paid. Several provisions of the law regarding patents apply to supplementary protection certificates, to the extent that the regulations specified in Article 72 Paragraph 1 LPUMR do not stipulate different provisions.

Utility models have identical requirements to patents, including exceptions to protection. However, no utility model registration shall be granted to biotechnological
inventions relating to a product consisting of or containing biological material, or to a method of obtaining, processing or use of biological material, methods, chemical compounds or the use thereof. The term of protection is a maximum of 10 years from the filing of the application. Compared with patent protection, protection of technical inventions as utility models is cheaper and quicker to obtain.

Protection under the Law on Copyright and Neighbouring Rights is provided for literary, artistic and scientific work resulting from creative endeavour and expressed by any mode and in any tangible form, including musical works, performing arts works (dramatic works, films and other audiovisual works), works of fine art, works of architecture, photographic works architecture projects, graphic design of publications, cadastral maps and state topographical maps, translations and adaptations of existing works and works of folklore, arrangements of musical works and works of folklore, periodicals, encyclopedias, anthologies, bibliographies, etc. The copyright arises automatically for the author with the creation of the work and is protected for the life of the author and 70 years after his or her death.

II RECENT DEVELOPMENTS

A working group composed of experts of the BPO is preparing a Draft Law to amend and supplement the Law on Marks and Geographical Indications. Its main purpose is to complement with specified rules the proceedings before the Office concerning appeals against decisions rendered in opposition procedures. The Draft also provides corrections in some legal texts, which are currently subject to conflicting interpretation. Once the Draft is finished, it will be adopted by the National Assembly and become a part of the Bulgarian national legislation.

In 2015, the participation of the BPO in the OHIM (now EUIPO) Convergence Programme (launched in 2011) continues. The main purpose of this programme is to unify some important aspects concerning practical issues in the process of registration of trademarks in EU Member States. The topics developed as projects meet three basic criteria: a) the change of practice on these topics does not require a change of legislation; b) they are of essential benefit to the consumer; and c) the implementation of the project results in a foreseeable period of time.

Bulgarian experts worked on five projects under the programme: (1) harmonisation of trademark classification practice of goods and services; (2) convergence of class headings; (3) absolute grounds for refusal for figurative trademarks with purely descriptive words or expressions; (4) scope of protection of trademarks exclusively in black, white or shades of grey; and (5) relative grounds – likelihood of confusion (impact of non-distinctive or weak components). The result from every project is creation of methodological guidance on the above-mentioned topics to be applied in all EU trademark offices. The third project was under development in 2014 and was completed in 2015. The experts agreed on a common practice in relation to when a figurative mark, containing purely descriptive or non-distinctive words, passes the absolute grounds of examination because the figurative element renders sufficient distinctive character.

A Draft Law to amend and supplement the Law on Patents and Utility Models Registration was prepared. Its purpose is to simplify the procedure of examination of a patent application for invention (by removing the period for filing a request for search
and examination and ordering such requests to be presented at the time of filing the patent application; and by introducing of the possibility for the applicant of an international patent application to file an application and claim priority two months after the expiry of the 12-month priority period from the first international filing, etc.)

Also, a working group composed of experts from the BPO, lecturers and practitioners in the field of industrial property protection have developed a Draft Law on the Chamber of Representatives in Industrial Property. Its purpose is to regulate more thoroughly the competence and relations between the industrial property representatives operating in Bulgaria and the BPO. The Draft Law has not yet been adopted by the Parliament.

Owing to certain reasons, mainly of a political nature, these two drafts have not yet been adopted.

In 2015 no amendments of the national laws on intellectual property were adopted.

There is a particularly notable case on which a decision has now been taken by the BPO. On 27 February 2007, application No. 2007/0007 for the issue of an SPC was filed for the product Telmisartan/Hydrochlorothiazide. The application was based on the patent BG 62309 'Benzimidazoles, medicaments containing them and process for their preparation'. The SPC issued on this request is effective for a five-year period – from 31 January 2012 to 31 January 2017. SPC No. 2007/0007 was attacked by request for declaration of invalidity before the BPO. The claim is that the SPC was granted in violation of the provisions of Article 3 of Regulation (EC) No. 469/2009 as it is a product that is not protected by the basic patent. Under Claim No. 9 of the patent, protection is provided for the active ingredient Telmisartan, but not for the combination Telmisartan/Hydrochlorothiazide, which does not appear in any claim. The proceedings are directly related to the judgment in the case Medeva C-322/10 of the ECJ.

Regarding the filed request for declaration of invalidity for SPC No. 07/007 for Telmisartan/Hydrochlorothiazide, the BPO, in decision No. 189 from 30 June 2014, rendered SPC No. 07/007 invalid. The conclusions are as follows: in its judgment on case C-322/10 Medeva the Court of EU has explicitly defined that Article 3, letter ‘a’ from Regulation (EC) No. 469/2009 of the European Parliament and of the Council does not allow the issuance of an SPC for active components that are not specified in the text of the basic patent. The mentioning of Hydrochlorothiazide in the description of the patent does not change this conclusion. The mentioning of the combination in the patent description does not mean that the same falls within the scope of the patent, as according to Article 17(1) of the Bulgarian Patent and Utility Model Law, the scope is defined by the patent claims and the description only serves for their interpretation. Also, the alternative requests of the owner for the amendment of the claims of the basic patent should be rejected as inadmissible.

The recent case law regarding patent infringement in Bulgaria raises concerns relating to the further harmonisation of patent infringement and validity proceedings in the EU. A recent decision of Sofia City Court on a patent infringement case brought up for infringement of a protected method was upheld only for the small amount of infringing goods produced under the method that the infringer admitted to have produced. Protocols created by a notary public for purchase of goods were not accepted by the court as they were deemed to be witness testimony in written form (Bulgarian law allows only direct testimony before the court), witness testimony was not credited as reliable and sales receipts were not credited as they were not showing the goods themselves. Court-appointed experts were unable to determine the amount of produced goods and period of production because the infringers did not keep a good accounting file or a record of goods produced. Having no
records of production, or having records that do not separate different products by signs, trademarks or methods of production makes it nearly impossible to determine a correct amount of damages, owing to the uncertain amount of goods produced by the infringer. Official records often show no production and sales, or only a few invoices. This puts great importance on obtaining evidence of infringement in advance. The plaintiff bears the burden to prove the exact amount of damages. The real danger of destruction of evidence (and in many cases evidence does not exist at all) requires an urgent collection of evidence before a statement of claim is filed. With a separate advance request the plaintiff can secure an order to collect the evidence that is in the possession of the infringer before the infringer is informed of the claim. Even when the court provides the plaintiff with such order, they are increasingly hard to enforce by a public or private bailiff. The collection of evidence by force requires cooperation with the police, a large amount of work hours and are difficult to execute. Most private bailiffs are not willing to enforce such court orders.

The collection of evidence and the calculation of damages is problematic in other fields of infringement as well. A recent trademark infringement case brought up before Sofia City Court ended with a favourable decision for the plaintiff; however, the faults in the system were evident. The case was initiated after a simultaneous raid by the police and BPO officials found an entire factory producing goods bearing a registered trademark. The goods (numbering hundreds) as well empty boxes and spools of labels (numbering thousands) were seized. The court-appointed experts found only one invoice in the accounting of the infringer for an infringement that had lasted at least a year. The damages awarded to the plaintiff were based only on the amount of goods seized on that particular day. No accounting record was kept by the infringer and no other evidence would be accepted for determining damages. Therefore recent case law highlights the problems related to litigation in Bulgaria even when it is successful.

The agreement on the implementation of Regulation (EU) No. 1257/2012 for unitary patent protection and the corresponding Regulation (EU) No. 1260/2012 and the agreement to create a unified patent court are expected to drastically change patent litigation. Therefore an increase in the cost of litigation is justified by the expected vast improvement in the quality of litigation, elimination of diverging decisions and lack of legal certainty.

It is expected that Bulgaria will ratify the agreement.

III OBTAINING PROTECTION

Obtaining legal patent protection in Bulgaria requires filing an application with the BPO. Protection in the Member States of the European Patent Convention requires an application with the European Patent Office.

The priority right is recognised at the date of application, which is the date of receipt at the BPO of a request for the grant of a patent containing the title of the invention and the data identifying the applicant and a description of the invention, disclosing at least its essential elements.

The Bulgarian Law on Patents and Utility Models Registration governs ‘parallel applications’, where an applicant for a patent may file an application for utility model registration for the same invention (provided the invention meets the legal requirements of registration as utility model), invoking the filing date and the priority date of the patent
application. This right may be asserted within two months of the date of receipt of the decision on the patent application, but not later than 10 years following the filing date of the patent application.

Until the expiry of 13 months from the priority date the applicant may file a search and examination request. Where no such request is filed the patent application may be transformed into an application for utility model registration at the request of the applicant, which shall be filed prior to the expiry of 15 months from its priority date. If no such request is filed, the application shall be deemed to be withdrawn. The transformed application shall preserve the filing date and the priority date of the initially filed patent application, which is deemed to be withdrawn.

BPO experts examine whether the application meets the formal requirements and whether the invention is eligible for patent protection or for registration as utility model. Following positive assessment the patent is granted or the utility model is registered and publication is made.

Within three months following publication, any person may file written substantiated objections concerning the patentability of the subject matter of the application. For European patents the limit is nine months.

A request for invalidation of a granted patent or cancellation of a utility model registration is admissible throughout the term of validity of the patent or the utility model registration.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement
In Bulgarian case law there are not many cases involving patent infringement. In contrast, there is a much greater body of case law regarding infringements of registered trademarks.

In patent infringement cases, the court considers only the question of the patent infringement. Invalidity shall be considered in a separate proceeding before the BPO and the European Patent Office. The defendant may request suspension of the proceedings concerning infringement pending a final decision on the request for cancellation.

The protection of trademark rights, industrial design and geographical indications can be effected by means of civil, criminal and administrative liability for infringement.

An interesting method of protection in Bulgaria is the administrative law method. This procedure is covered in the Trademark Law and Industrial Design Law, characterised by the relatively fast, accessible and efficient method that is enforced by the BPO upon notification by the right holders. The competent authorities then conduct a check-up and if any infringement is found they issue an instrument establishing the administrative violation of rights on target goods. The infringing goods are seized. The issuance of this instrument initiates an administrative proceeding, which upon conclusion ends in a ruling imposing fines and orders the destruction of the counterfeit goods. The ruling is subject to appeal before the district court at the place of the offence. The competent administrative court acts as the second and final instance.
ii Requirements for jurisdiction and venue

In Bulgaria, Sofia City Court, in particular its commercial department, has exclusive jurisdiction over civil claims for infringement of patent rights, utility models, industrial designs and geographical indications, regardless of where in the territory of Bulgaria the infringement took place.

The patentee or exclusive licensee both have a right of action for patent infringement, unless otherwise agreed. In a co-owned patent, each co-owner has the independent right to bring lawsuits for infringement. A licensee may participate in the process of patent infringement when the action is brought by the patent owner. The licensee by law pursuant to Article 30 LPUMR and licensee by a compulsory licence pursuant to Article 32 can bring action for patent infringement if the patentee fails to exercise its right of action within a period of six months from receipt of a written notification from the licensee, inviting him or her to exercise his or her right.

An action for patent infringement may be filed by the applicant prior to the issuance of a patent, but after it has been published. The case is suspended until the patent is granted. Normally, after a claim for patent infringement has been launched, the defendant defends by submitting a request for invalidation of the patent. Where the defendant has filed with the BPO to request the invalidation of the registration of a utility model, the court stays the proceedings pending a final decision on the request.

iii Obtaining relevant evidence of infringement and discovery

The court may appoint experts when there is a need for specialist knowledge or upon a request from either party. The experts submit their conclusion for establishing certain facts. The experts are obliged to present to the court a written report and must also support their observations and conclusions orally in an open court hearing, where they are subject to questioning before the court by the parties for the purpose of clarifying their expert conclusion and supporting it.

Bulgarian law does not provide for special disclosure proceedings. The process of collecting evidence during a trial is driven by the parties, however the court may oblige the party to appear in court and to answer certain questions (of which the party will be informed in advance); or upon the request of the party, oblige the other party or a third person to provide a document that is in their possession.

In case of patent rights infringement, the court may order, at the request of the plaintiff, that any information on the origin and distribution network of the infringing products be provided by the defendant or any third party who has used such products in trade or has been alleged to be a participant in the production, making or distribution of the products. The information includes the names and addresses of manufacturers, distributors, suppliers and other previous holders of the products, alleged wholesalers and retailers, information regarding the produced, manufactured, delivered, received or ordered products, as well as the price of these products.

Bulgarian law does not provide for preliminary discovery but does provide means for securing evidence. When there is a certain risk that any evidence will or may be lost or its collection at a future trial may be impeded, the interested party may request that the relevant evidence be collected by the court in advance before the actual trial proceedings. The request is made before the court and the other party is not informed of the request, until (and if) it is granted for the purpose of protecting the evidence, and not allowing it to be destroyed or hidden.
The burden of proof for infringement is placed on the patentee. To prove infringement the patentee must show by means of the evidence that all of the elements of the patent claim are present in the accused product or process. The law, however, makes an exception in Article 29 LPUMR, which contains a special stipulation concerning the burden of proof for process patents, whereunder the burden shifts to the accused infringer before infringement is proven.

Although an important condition for the inversion of the burden of proof for a process patent, the term ‘new product’ is not defined in the Patent Law and its rules, or any judicial interpretation.

iv Trial decision-maker

The Bulgarian court judges, and the judges from the Commercial Panel Division in Sofia City Court, who have the exclusive jurisdiction over infringement cases, are legal professionals with no technical background. This is true for both the first instance Sofia City Court and the higher instances, the Sofia Court of Appeal and Supreme Court of Cassation.

The BPO’s decisions refusing the grant of a patent and invalidity of a patent, utility model, SPC, marks and designs, are subject to court appeal in the first instance before the Administrative Court of Sofia City and as cassation instance before the Supreme Administrative Court, where the judges also have no technical background.

At the Sofia City Court, the judges have some experience because all of the patent infringement cases are exclusively brought before them. However, cases of patent litigation in Bulgaria are rare, and the Court does not have great experience of dealing with such cases and therefore almost always appoints expert witnesses. The cases are heard by a single judge in Sofia City Court, and by a panel of three judges in both the Sofia Court of Appeal and the Supreme Court of Cassation. The decisions of the appellate court can be appealed before the Supreme Court only under certain conditions laid down in Article 280 of the Civil Procedure Code:

The following cases are subject to appeal before the Supreme Court:

a where a matter has been determined by a junior court in conflict with the practice of the Supreme Court;
b where a matter is subject to contradicting decisions in the practice of the courts;
c where a matter is important for the correct application of the law, and the development of law; and
d cases with claims of 5,000 leva or more for civil cases, and 10,000 leva or more for commercial matters.

The Opposition Division of the BPO hears requests for invalidation of a granted patent and the declaration of a utility model registration. Disputes are heard by specialised staff of the Division appointed ad hoc by the president of the BPO. Decisions are taken by a panel of five experts, two of whom are legal professionals. The interested parties have the right of participation in the proceedings. Both written and oral evidence are accepted. There may be an open meeting with the participation of the parties or the patent attorneys representing them.

The BPO’s decisions refusing the grant of a patent and invalidity of a patent, utility model, SPC, marks and designs, are subject to court appeal at the first instance before the Administrative Court of Sofia City and as a final instance before the Supreme Administrative Court. Where the judges also have no technical background, expert examinations by technically qualified persons may also be conducted.
v  Structure of the trial
Litigation actions begin with the filing of a statement of claim in which the claimant has to bring forward the facts supporting their claim and offer evidence proving their allegations. After the complaint is filed and a state tax for the claim has been paid in the amount of 4 per cent of the cost of the action, the court will serve the complaint on the defendant for reply, which he or she has one month to provide. The court will then first have a closed session and provide the parties with an interim court report and disclose what facts must be proven with evidence and also determine where the burden of proof lies. In the civil litigation procedure in Bulgaria the right to present evidence before the court is precluded early. For the claimant, all evidence available must be presented with the statement of claim, and for the defendant, with the written reply. Evidence can be presented at a later stage only if the parties were unable to attain, identify and submit them owing to circumstances out of their control or the evidence is newly established. In patent infringement cases the burden of proof for the infringement is generally on the plaintiff, while the defendant is under no obligation to provide evidence backing up the plaintiff's claim. The main hearing usually takes place about four to 12 months after the filing of the complaint. At the first court session the presiding judge will give an introduction to the case and point out what are considered to be the essential preliminary arguments. This enables attorneys to focus on the contested issues in their defences and evidence. Evidence may not be presented at the later court sessions because of the above-mentioned preclusion of the rights. Depending on the demands by the parties, the court might appoint one or more independent court experts to answer specific questions that must be specified by the parties within the deadline for providing and appointing evidence. Following the expert's statement in written and oral answers to the questions, the case is usually ready for a decision with sufficient evidence presented before the Court. The parties may deliver their closing statements and request the court's permission to provide a written statement of defence. At the end of the hearing the court will announce that the judgment will be officially rendered, which usually occurs about four months after the last court session, however if the case is complicated the decision can be slower.

vi  Infringement
Infringement claims rely on the wording of the patent claims. The claims are construed functionally, and not limited to their plain wording.

Besides literal infringement, there is a doctrine of equivalents. Equivalent infringement requires that the allegedly infringing solution has the same effect, even if some step or part of the patent claim is omitted.

Any use of the invention that is within the scope of protection of the patent and that is made without the consent of the patent owner constitutes an infringement of the patent.

vii  Defences
Grounds that may lead to patent invalidity, according to Article 26, Paragraph 3 of LPUMR are the following:

\( a \) the invention is not patentable, in other words, there is no novelty, inventive step or industrial applicability;

\( b \) the disclosure of the essential elements of the invention is incomplete and unclear;

\( c \) the patent owner did not have the right to the patent where established by virtue of a court decision; or
The subject matter of the patent extends beyond the content of the application as filed or, if the patent was granted on a divisional application, beyond the content of the earlier application as filed.

The court acts only on patent infringements and will generally not review any arguments regarding the invalidity proceedings, which will be heard by other judicial authorities, as mentioned above.

In Bulgaria, patent infringement and invalidity are separate legal actions. In the event that an invalidity action is pending, the defendant may request the litigation to be suspended until the outcome of the invalidity suit is known, which is expressly pointed out in Article 64, Paragraph 2 of LPUMR. Further, Article 26, Paragraph 8 provides that final decisions on patent infringement, if they have been executed, are not affected by a subsequent invalidation.

Different defences that may be seen in infringement cases are that the defendants can claim a right to use the invention as they hold a prior patent of their own or because they have been using the patented invention before the registered priority of the patent. Also, they may raise the defence that the use of the patent is free as it occurred only during the experimental phase and was not for commercial use. Another defence is to allege the exhaustion of the patent right by proving the product was acquired in the EU with the authorisation of the patentee or from an authorised representative. The defendants could claim that they are entitled to a compulsory licence provided that at least one of the following conditions is met:

- failure to use the invention for a period of four years from filing of the patent application or three years from the grant of a patent, whichever is later; or
- insufficient use of the invention to satisfy the needs of the national market, within the time limits set out in item (a), unless the patent owner gives valid reasons therefor.

According to Article 45 of the Obligations and Contracts Law everyone is obliged to repair the damages he or she has caused – in a liable manner – to another. In all cases of tort, guilt is assumed until proven otherwise. Therefore the claimant does not bear the burden of proof for the guilt of the infringer, as it is presumed.

### viii Time to first-level decision

Patent infringement cases usually last between one and two years for the decision of the first instance court. The speed of the proceedings varies and largely depends on the complexity of the case, the number of court-appointed experts and the expert opinions that have to be accepted. Findings of the experts may be disputed by the parties and new experts may be appointed for additional expert conclusions.

### ix Remedies

The remedies available in patent infringement cases are determined by the possible claims according to Article 28 LPUMR, namely:

- action to ascertain the fact of infringement;
- action for compensation of the damages suffered and profits lost; and
- action to prevent the infringer from performing all infringing acts.

Where proceedings that follow the claims listed above lead to a conviction, the court may order, at the plaintiff's request, the publication of the decision in two daily newspapers at
the expense of the infringer, or the reprocessing or destruction of the infringing articles and, in addition, if the infringement was intentional, the means by which the infringement was carried out.

Punitive damages are not permitted under Bulgarian law.

The claimant is entitled to seek compensation for actual loss incurred and for loss of profit. Damages must have to be proven to have occurred as a direct and immediate result of the infringement actions as a part of the corpus delicti. It is usually difficult to prove damages and in most cases the compensation is awarded for lost profit in the form of the royalty payment usually paid for a licence. There are no binding precedents regarding how the amount of the loss of profit should be determined. The royalty is calculated as a percentage of the profit of the sales made of the infringing goods. Usually the amount of damages and lost profits is determined by a court-appointed expert specialising in intellectual property rights.

The losing party bears the court fees and has to reimburse the winner’s attorneys’ fees and expenses incurred.

The holder of a patent right or exclusive licence holder can prevent the import of infringing products with border control measures. These were introduced by EU regulations and by Bulgarian law. The patentee or licensee has to file an application with the competent customs authority – the Central Office of Customs. The applicant has to declare that he or she will repair any damages caused to another party in the event that the seized goods are not infringing his or her rights. The application is simple and requires only basic documents proving the existence of the patent rights. Border control measures are a very efficient way to stop an infringer from importing infringing products.

x Appellate review

In infringement cases, there is the right to appeal the first instance decision of the Sofia City Court to the higher Sofia City Court of Appeal. In the appeal proceedings, all findings and legal conclusions of the first instance decision can be disputed. However, new facts may only be introduced if the party did not negligently omit to present them before the first instance. There is a further appeal, on legal grounds only, to the Supreme Court of Cassation subject to the conditions described in subsection iv, supra.

xi Alternatives to litigation

The main forms of alternative dispute resolution are mediation and arbitration. The decisions issued through the mediation procedure are not binding for the parties and therefore mediation is not very popular in Bulgaria. Arbitration is binding for the parties; however, arbitration is not permissible for patent infringement cases. An arbitration procedure is available for disputes arising from the creation, protection or use of inventions and utility models; disputes concerning the right to file an application; and disputes concerning the right of prior use and of subsequent use.

V TRENDS AND OUTLOOK

Current concerns relate to the further harmonisation of patent infringement and validity proceedings in the EU. The long-expected and concluded agreement on the implementation of Regulation (EU) No. 1257/2012 for unitary patent protection and the corresponding Regulation (EU) No. 1260/2012 and the agreement to create a unified patent court are expected to drastically change patent litigation. For Bulgaria this would mean an increase in
the cost of patent litigation (as litigation in Bulgaria is generally cheap), but it is also expected to vastly improve the quality of such litigation by eliminating the risk of diverging decisions and lack of legal certainty. The agreement will need to be ratified by at least 13 states, including France, Germany and the United Kingdom. The ratification process is still ongoing, with Austria, Belgium, Denmark, Finland, France, Malta, Luxembourg, Portugal and Sweden having completed the procedure at the time of writing. It is expected that Bulgaria will ratify the agreement.
Chapter 3

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,2 a patent can be acquired 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 valid for 20 years from the date of filing with no ability to renew or extend.

A patentee has the exclusive right to make, use and sell the patented invention. Any act that interferes with these rights is an act of infringement. Infringers are liable for any damages to the patentee or any person claiming under the patentee, as well as 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 Trade-marks Act,3 the holder of a registered trademark can take action against any person using his or her trademark or a confusingly similar trademark. A registered trademark may be enforced

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1 Adam Haller is an 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.
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. This applies 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.

Trademark registrations are valid indefinitely, as long as the appropriate renewal fees are paid. However, a third party can seek to expunge a trademark for non-use in certain circumstances.

iii Copyright
The Copyright Act⁴ 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 extendible 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.

iv Industrial designs
The Industrial Design Act⁵ 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. Designs must be registered within 12 months after 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.

v 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.

⁴ RSC, 1984, Chapter C-42.
⁵ RSC, 1985, Chapter I-9.
vi Other IP statutes and regulations

The regimes described above are the foundation of Canada’s IP landscape. Perceived gaps in the availability of protection for certain technologies have given rise to speciality legislation. For example the Plant Breeders’ Rights Act\(^6\) provides protection for new plant varieties, while the Integrated Circuit Topography Act\(^7\) covers the three-dimensional configurations of electronic circuits embodied in integrated circuit products or layout-designs.

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\(^8\) (the PM(NOC) Regulations) link the patent status of brand-name medicines with the regulatory approval process for generic drug products. They 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 a ‘second person’ (typically a generic drug manufacturer) that files a drug submission for authorisation to market a bioequivalent product. The regulations set out a scheme for: the listing of patents in relation to a drug product on a patent register (akin to the US Orange Book); the service of a notice of allegation (akin to a US certification letter) in which the generic manufacturer can make allegations of non-infringement, invalidity or both; the commencement of court proceedings by the first person to prevent the Minister of Health (the Minister) from approving the generic product; the exchange of evidence and cross-examinations; and a hearing on the merits.

Upon making such an application to the Federal Court, the Minister is automatically prohibited from issuing market authorisation to the generic manufacturer until the application is dismissed or two years have passed, whichever is sooner. If the first person is unable to prove that the generic manufacturer’s allegations of invalidity or non-infringement are not justified, then the court will refuse to issue a prohibition order and the Minister will be free to approve the generic drug. A successful generic drug manufacturer has a cause of action against the first person for damages (referred to as Section 8 damages) caused by the delay in its market approval.

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.\(^9\) 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.

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\(^6\) SC 1990, Chapter 20.
\(^7\) SC 1990, Chapter 37.
\(^8\) SOR/93-133, as amended.
\(^9\) Food and Drug Regulations, SOR/2006-241, Section C.08.004.1.
II OBTAINING PROTECTION

i Patents

Patentable subject matter is circumscribed by Section 2 of the Patent Act, as applied by the courts. Higher life forms, such as plants and animals, are not patentable. However, 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.

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. 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.

11 Abbvie Biotechnology Ltd v. Canada, 2014 FC 1251.
12 Amendments to the Trade-marks Act, which have received royal assent but have not yet been implemented, eliminate ‘use’ as a prerequisite to registration.
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 also 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.

## 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.

## ENFORCEMENT OF RIGHTS

### 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.

### 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. Neither court has specialised judges to deal with intellectual property matters. However, as a result of the focused nature of the Federal Court’s jurisdiction, 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. Therefore, a plaintiff in an infringement action must establish all of the facts on which its claim is based. Similarly, 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 descriptive 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. In this regard, 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.\(^\text{13}\) 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.

**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.\(^\text{14}\)

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\(^\text{vii}\) **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 from 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.

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\(^\text{13}\) Trade-marks Act, RSC, 1985, Chapter T-13, Sections 6, 20.

\(^\text{14}\) Copyright Act, RSC, 1984, Chapter C-42, Sections 27, 29.
viii Remedies

Pretrial remedies
Interim and interlocutory injunctions, while theoretically possible to obtain, are very seldom issued in IP cases as a person must be at risk of irreparable harm to warrant the grant of an interlocutory injunction. Irreparable harm is harm that is not compensable in damages. This has been very difficult to establish in IP cases.

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 and selling an infringing product that it ‘knew or should have known’ was the subject of a patent.15

Other common remedies include: declarations of infringement, non-infringement and invalidity; 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.

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.

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15 * Bell Helicopter Textron Canada Limitée v. Eurocopter, société par action simplifiée, 2013 FCA 219.*
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 Trademarks 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.

IV  RECENT DEVELOPMENTS

i  Appellate jurisprudence

Supreme Court of Canada Jurisprudence
The Supreme Court of Canada recently considered whether a television broadcaster owed compensation to composers and authors of musical works by reason of the making of ‘broadcast-incidental copies’ of materials that contained such works.16 The broadcaster used the copies internally for synchronisation, content management, editing and other internal purposes.

In a split decision, the Supreme Court held that royalties were payable but that in this particular case SODRAC, the collective body that set the royalty, failed to take into account the principle of technological neutrality in setting the amount of the royalty. The majority of the Court laid out a framework for setting royalties with a view to technological neutrality by comparing the value derived from the pre-existing technology with that derived from the new technology and associated reproductions.

Appellate jurisprudence
The Federal Court of Appeal has recently ruled on a number of important issues in patent law including: the significant factual aspects of claim construction, typically considered a question of law;17 the application of a ‘promise’ of a patent either to all or only some of the patent claims based on construction;18 and the relevance of non-infringing alternatives in assessing damages.19

The Federal Court of Appeal also recently dismissed an appeal from an earlier decision of the Federal Court that a website’s use in meta-tags of a competitor’s trademarks and metatags did not constitute trademark, copyright infringement or passing off.20

In late 2015, the British Columbia Court of Appeal dismissed a proposed class action by consumers alleging tort and restitutionary claims based on actions taken pursuant to

20 Red Label Vacations Inc v. 411 Travel Buys Ltd, 2015 FCA 290.
the Patent Act and the PM(NOC) Regulations. The claim was based on elevated prices paid by consumers for a product, the patent over which was ultimately declared invalid by the Supreme Court. In dismissing the claim, the Court held that the Patent Act and the associated PM(NOC) Regulations conferred no rights to consumers to make the kinds of claims contemplated in the action.21

ii Legislative developments
Amendments to the Patent Act and Trade-marks Act that create a statutory privilege for communications between patent or trademark agents and their clients received royal assent in June 2015 and are expected to be in effect by mid-2016. These provisions also apply to communications with a patent or trademark agent outside of Canada where such communications are privileged in that jurisdiction.

V TRENDS AND OUTLOOK
i Legislative amendments
A number of legislative amendments have already passed and received royal assent over the past few years particularly in the area of trademarks. The stated purpose of many of these amendments was to ensure compliance with Canada’s obligations under the Singapore Treaty on the Law of Trademarks, the Nice Agreement and the Madrid Protocol. Many of these amendments, while passed, are not yet in force and are expected to be implemented over the next 24 months. Once fully in force, the changes to the Trade-marks Act will, among other things:

a. eliminate use as prerequisite for registration;

b. provide for registration of non-traditional trademarks such as 3D shapes, holograms, moving images, sounds, scents, tastes, textures and positioning of signs;

c. permit the Madrid Protocol to be adopted into Canadian law;

d. impose the Nice Classification of goods and service;

e. allow applications to be divided and merged; and

f. reduce the term of trademark registrations from 15 to 10 years.

Further legislative amendments to many of Canada’s IP statutes are expected in order to implement Canada’s obligations under the Comprehensive Economic and Trade Agreement signed in September 2014 and the Trans-Pacific Partnership Agreement signed in February 2016. While some of these changes will be minor, others, such as the implementation of patent term restoration capped at two years, and not previously available in Canada, are expected to have a more significant impact.

ii Jurisprudence
Some of the most hotly debated issues at the IP bar surround the issue of utility in patent law. In particular, parties, courts and commentators continue to debate whether a patent is or should be invalid where an otherwise useful invention fails to live up to statements

21 Britton Low v. Pfizer Canada Inc, 2015 BCCA 506. This decision is subject to an application for leave to appeal to the Supreme Court of Canada.
in the patent that the invention will achieve a particular result. The distinction between a ‘promise’ and a statement of potential advantage or hope is often difficult to predict. On 10 March 2016, the Supreme Court of Canada granted AstraZeneca Canada Inc leave to appeal a decision of the Federal Court of Appeal upholding the invalidation of a patent owned by AstraZeneca on the basis of lack of demonstrated or soundly predicted utility. The Supreme Court may take this opportunity to provide guidance on many contentious issues regarding the utility requirement. The matter is presently scheduled to be heard in November 2016 with a decision expected shortly thereafter. Eli Lilly and Company is currently taking action against the government of Canada in an arbitration under Chapter 11 of the North American Free Trade Agreement in relation to the loss of certain patent rights under the promise and utility doctrines. The hearing of the matter is scheduled in mid-2016 with a decision expected later in the year.
I 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.


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).

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

i Patents

Chilean law contains fairly strong protection for patents.

Patents can be obtained for inventions and these are defined in the law as ‘any solution for a technical problem resulting in an industrial activity’.

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

- discoveries, scientific theories, mathematical methods;
- 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;
- systems; methods; economic, financial, commercial or business principles or plans and those referred to purely mental or intellectual activities or gambling;
- 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
- 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.

**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 may able to distinguish products or services in the market. Chilean law provides also that marks can be applicable as a distinctive sign to commercial and industrial establishments.

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, which are the subject of the grant of registration.

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

Chilean law also provides for the registration of collective and certification marks.

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 file.

iv Industrial drawings and industrial designs
These two forms on 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.

The law protects those rights, which, by the sole fact of the creation of a particular work, are acquired by their authors in the field of literature, art or science, regardless of their form or expression. According to the Berne Convention, no formalities are required to obtain protection.

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).

The law especially protects books, leaflets, periodicals, reviews, articles and writings; lectures, speeches, lessons or similar works, either written or recorded versions; dramatic and musical works; paintings, drawings, photographs, engravings; architectural projects, sculptures and works of figurative arts, adaptations, translations; video and slide shows, and software, among others.

The protection of copyright in Chile lasts for the author's life and 70 years thereafter.

The law provides for some limitations and exceptions to copyright for institutions of higher education, high schools and schools, in respect of courses taught in any form, provided they are not partially or wholly published without the authorisation of their authors. The same is applied for the reproduction of architectural works through photography, cinema, television or other similar process, as well as for the publication of the corresponding photographs in newspapers, periodicals, reviews, books and texts intended for educational purposes.

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.
Chile

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

The important discussion in the past 10 years mainly on pharmaceutical and agro-chemical inventions and their protection, led to include 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 for issuing marketing authorisations for new pharmaceutical and agrochemical products by the government authorities in charge, such as the National Health Institute – depending of the Health Ministry – for pharmaceuticals and the similar service for agrochemical products depending of the Ministry of Agriculture. Submission of new products to marketing authorisation implies the filing of sometimes complex, voluminous and expensive scientific or clinical information, 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 the normal conducts in these cases and, in particular, eventual misconducts.

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, during 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.

The international discussion has not yet been concluded.

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.

This legal institution is still too new in Chile and evaluation looks premature.

II  RECENT DEVELOPMENTS

In the last 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.

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.

Moreover, in connection with certain specific matters where sometimes laws may differ, we can perhaps add the following:

a genetic material and notably isolated DNA sequences are normally patentable in Chile provided they have a function or they are associate to a function;

b genetically altered cells are patentable in Chile since they are considered similar to living beings;

c methods of production in cells, plants animals are normally patentable except in cases when they are essentially biological;

d business methods are not patentable;

e computer software is not patentable in Chile, although it can be protected through copyright;

f methods for treating patients are not patentable; and

g patents of use (Swiss-style claims) are accepted and normally used in Chile for protecting ‘use’ claims in patent applications comprising chemical or agro-chemical compounds, compositions or formulations.

IV ENFORCEMENT

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 in case of breach of rights protected by the Industrial Property Law. In effect, the last two laws on industrial property, the first dating back to 1931, 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:

- cessation of the acts that breach their rights;
- recovery of damages; and
- 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.

In order 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:

- the profits that the claimant has ceased to receive as a consequence of the breach;
- the profits obtained by the infringing party as a consequence of the breach; or
- 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:

- order for the immediate cessation of the acts constituting the alleged breach;
- 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;
- appointment of one or more auditors;
- prohibition to advertise or promote the products that are the cause of the alleged breach in any manner; and
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.

In view of the extremely positive preceding picture, it is difficult to understand the need for the inclusion in the new law of a provision such as its Article 109, which stipulates: 'Without prejudice to the other actions contemplated in this title, the persons having marketed products that infringe an industrial property right shall not respond for damages, unless the same persons has manufactured or marketed the products being duly aware that they were committing a breach of an industrial property right.'

In effect, in the modern business world it seems incredible that a person is able to infringe a patent, trademark or any other industrial property right, without knowing exactly what he or she is doing.

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 major revision. In fact, on 26 April 2013, the government submitted a new draft Law on Industrial Property to Congress, covering every aspect of the law and introducing several entirely new matters. Discussion on this new draft has taken place mainly during 2014 and 2015, but it is still uncertain when it will be completed.
Chapter 5

CHINA

Jay Sha

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 and trade dress.

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 2,285,358 trademark applications were filed in 2014, of which 2,139,973 (93.64 per cent) were domestic and 145,385 (6.36 per cent) foreign. By the end of 2014, the total number of applications was over 15,527,000 and the total number of registrations was over 10,027,000, of which 8.39 million registrations remain valid. China is a member of both the Madrid Protocol and the Madrid Agreement, and had 52,101 Madrid International applications filed in 2014 (2.28 per cent of the total).

The Patent Law was adopted in 1985 and was modified in 1992, 2000 and 2009, and a further amendment is planned. The Law includes three categories of patents: patent for invention, patent for utility model and patent for industrial design. 2,798,500 patent applications were filed in 2015, of which 1,101,864 were inventions (968,251 domestic and 133,613 foreign, about 12.1 per cent); 1,127,577 were utility models (1,119,714 domestic and 7,863 foreign, only 0.7 per cent); and 569,059 designs (551,481 domestic and 17,578 foreign, about 3.1 per cent). By the end of 2015, total valid invention patents were 1,472,374 (of which 550,617 are foreign, 37.4 per cent), and total valid utility models 2,732,554 (2,700,833 domestic and 31,721 foreign, about 1.2 per cent), and total valid

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designs 1,272,697 (1,169,766 domestic and 102,931 foreign, about 8.1 per cent), and it means that the retention rate of foreign-owned Chinese patents is higher. China is a member of the Patent Cooperation Treaty (PCT) and had 30,548 PCT applications filed in 2015, of which 28,399 were domestic and 2,149 foreign. 15,190 PCT applications were from Guangdong Province, still in first place, while Beijing, remaining at second place, had about 4,490 PCT applications, Jiangsu province had 2,442 and Shanghai had 1,060 PCT applications, respectively, filed in 2015.

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. Protection of Integrated Circuit Layout-Design Regulations was adopted in 2001, and since then, a total of 13,175 applications were filed and 11,889 certificates issued, of which 2,058 applications were filed and 18,00 certificates issued in 2015.

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 Regulation of Customs Protection of Intellectual Property was adopted in 2001 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 or Antitrust 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 though, and the Technology Import and Export Regulations (2001) specify requirements for prohibited, restricted and normal technology in cross-border technology transactions, which require 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).

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), which is the first such Interpretations; and Measures for Administrative Appeal Cases of Determination of Registrability of Trademarks (2010). These provisions, measures or interpretations provide more guidance for resolving disputes that are not clearly provided for in the laws.

The 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.
II RECENT DEVELOPMENTS

After 1 May 2014, under the third amendment of the Trademark Law, the expedited office procedures in either nine or 12 months showed the speedy handling of trademark applications, etc. The Trademark Office recently announced several measures in order to facilitate trademark processing, for example, individual business owners or natural persons are no longer required to submit proof of business scopes when applying for trademark registrations and, likewise, assignees as natural persons are not required to submit any such proof as of 14 March 2016, and certain evidence proving rights of using portraits or names of famous persons as trademarks, evidence for trademark assignments or abandonments, as well as evidence for changes of bibliography data of foreign names or addresses no longer need to be notarised. Moreover, an official action for modification of description of goods or services may contain explanations or even suggestions that may help to ensure that trademark applicants give proper responses. Furthermore, the same evidence can be used in several oppositions, and several oppositions may be handled together if the parties are the same, the opposed marks are the same (but in different classes) and the evidence used is the same. Those rules and change of practices began in March 2016.

After the 2015 amendment of the Provisions regarding Several Issues in Handling Patent Dispute Cases, the Supreme Court issued the Second Interpretations of Several Issues of Application of Laws in Handling Infringement of Patent Right Dispute Cases on 25 January 2016, which became effective on 1 April 2016 (Second Interpretations of 2016). The First Interpretations of 2009 stated standards for the construction of claims in light of the description and disclosed embodiments, and the ‘overall visual effect’ standard for design patents, as well as limitations on the ‘prior use’ defence and on initiation of any declaratory judgment cases. The 2013 amendment of the Provisions of 2001 allowed several basic courts to be patent trial courts, namely courts of first instance, and the 2015 amendment of the Provisions of 2001 specified the use of search reports (for utility models) or evaluation reports (for utility models and designs) issued before or after the effective date of the current Patent Law; defined clearly the ‘equivalent features’ for doctrine of equivalent; specified the calculation of lost profit of the patentee, illegal gains of the infringer, as well as ‘reasonable royalty’ for determination of damages; and defined what constitutes ‘offer for sale.’

The Second Interpretations of 2016 deal with the procedural issues regarding the infringement case and invalidation that may proceed parallel (Articles 1–3 and Articles 29–30); the principles of claim construction (Articles 4–13); the determination of scope of designs (Articles 14–17); the concept of contributory and inducement infringement (Article 21); the calculation damages and evidences associated therewith (Articles 18, 19, 27, 28), plus balance of public interests (Article 26); and various defences and their limitations (Articles 20, 22–25).

The establishment and opening of three special intellectual property courts in Beijing, Shanghai and Guangzhou on 6 November 2014 had a significant impact on the enforcement of intellectual property rights in China (i.e., it raised the general standard).

III OBTAINING PROTECTION

This section will focus on the major issues related to obtaining patent protection in China, namely patent preparation and prosecution, and also briefly touch on trademark applications and prosecution.
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 is 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.

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.

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. Another aspect is sufficient disclosed embodiments or examples, not just one, in order to support any broader term
used in the claims. 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. 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) is no longer acceptable for consideration of any foreseeable effects. Although there is no explicit prohibition on the submission of affidavits, there is no obligation for the examiner to consider such affidavit.

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 added 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 (1,127,577 utility models, 40.29 per cent of the total of 2,798,500 in 2015); and the total of valid utility models is 2,732,554 (2,700,833 domestic and 31,721 foreign) by the end of 2015. The proportion of utility model patent applications from non-Chinese applicants is currently still less than 1 per cent of the total, but is increasing, 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. 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 from 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), which term is roughly within three months from 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 should be kept on file for any possible verification.
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 up to two to four weeks to get approval.

vii 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 under the new law, 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 new 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 new practice (as of March 2016) indicates that an official action for modification of the terms of goods or services may contain an explanation as to what the examiner wants or even suggestions as to how to modify the terms.

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 since 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.
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.

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. Out of approximately 400 intermediate courts, about 80 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. There are special IP tribunals within the courts for 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 started working, respectively, in Beijing, Shanghai and Guangzhou. 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) will finish cases that have already been accepted. 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 State Intellectual Property Office and Trademark Office, as well as the Patent Re-examination Board or 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. Essentially, it targets
patent infringement acts at trade shows or exhibitions and at the e-commerce platforms, as
well as ‘passing-off’ patent acts. It requires the administrative authority to conclude a case
within three months after the case is accepted for processing and arranging a mediation session
promptly (i.e., within five working days after receipt of a written statement from the party
expressing willingness of settling the case). At a trade show, the enforcement officer may order
the exhibitor to remove the infringing products on display; destroy or seal any promotional
material; exchange or cover up the corresponding display board or panel; and 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, in addition to the
aforesaid measures at a trade show or e-commerce platform, the administrative enforcement
authority may impose a fine on the infringer once the infringement is confirmed.

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:
a the places of manufacture, use, offer for sale or the place of importation of the
infringing products (for invention and utility model patents);
b the place the patented process or method is used, offered for sale, sale, importation of
the products directly made from the patented process or method;
c the place of manufacture, offer for sale, sale, importation of design patent products;
and
d the place of the infringing act of passing-off another’s patent, as well as the infringement
results of the aforesaid infringing acts.
The Supreme Court Interpretation 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, supra) 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 upon 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 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 an alleged infringer 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 upon 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 after 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 change 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 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 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 specified as contributory and inducement, but it is still not specified as to whether such an indirect infringing act may be sued or actionable alone (i.e., without bringing the direct infringer, and therefore an indirect infringer may be a joint defendant).

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) if the alleged infringing technical solution falls within both scopes of the claim as published and granted, even if the two scopes are not 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).

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 Second Interpretations of 2016 set forth that an alleged infringing technical solution does not fall within the scope of the claims if it is not suitable for use in the environments as defined as environmental limitations in the claims (Article 9 thereof); the process for making the alleged infringing products is not the same or equivalent with the process as defined in the product by process claims (Article 10); and 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 orders (Article 11). Further, terms such as ‘at least’ or ‘no more than’ should be construed in the way that an ordinary person skilled in the art may understand through reading of the application, and any contradicting explanation offered by any patentee should not be accepted (Article 12 of the 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 used to be appealed to the first Beijing Intermediate People's Court before 6 November 2014, and now should be appealed to the Beijing IP court because the State Intellectual Property Office 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 entirely 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, either if the patent is clearly invalid or there is a likelihood of non-infringement.

The 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 fast 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, of 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 injunction is available as a preliminary measure 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, likely 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.

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:

\( a \) 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;

\( b \) 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

\( c \) 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.

The 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).

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 and 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 three of the Second Interpretations) (i.e., 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.

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 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).

x Appellate review
The judgment of the trial court can be appealed within one month to a court of one level up and the appellate court will not only review 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. Due 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; and the IP court shall serve as appellate court 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.

xi 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.
V TRENDS AND OUTLOOK

The further revision of the proposed fourth amendment of the Chinese Patent Law was sent out for comments at the end of 2015 and it is on course to be discussed by the legislative committee. It will adopt punitive damages (likely triple damages) awards as the Trademark Law does. The proposed fourth amendment of the Patent Law will give more power to the administrative authority to enforce patents, such as the power to conduct investigations and collect evidence as well as the power to award damages as courts do. The proposed amendment may also give more power to courts to \textit{inter alia} order alleged infringers to provide records of sales and relevant materials as evidence; impose sanctions in case the alleged infringers hide, destroy or transfer any evidence or assets; impose punitive damages of up to three times in cases of serious infringement; and to make prompt publication of decisions in any patent invalidation cases so as to speed up litigation and administrative enforcement cases.

Despite the pending proposal of the fourth amendment of the Chinese Patent Law, the modified Patent Administrative Enforcement Regulations came into force on 1 July 2015 in order to strengthen the administrative enforcement in trade shows and e-commerce platforms; and the Second Interpretations of 2016 provide more guidance on how to handle patent infringement cases and suggests stronger enforcement of IP rights, especially patent rights.

Moreover, an amendment of the ‘Registrations of Patent Right Pledge’ has been proposed in connection with the Provisional Method of Registration and Administration of Patent Right Pledge Contracts of 1996 and the Guarantee Law of the People’s Republic of China of 1995, as well as the Property Law of the People’s Republic of China of 2007. The proposed amendment will provide that:

\begin{enumerate}
  \item it is the pledge right or mortgage right of the patent, rather than the pledge or mortgage contract itself, for registration;
  \item the pledger or mortgager shall not abandon, assign or license the patent without the consent of the pledgee or mortgagee, and should hand over the patent certificate to the pledgee or mortgagee to keep, which shall be returned upon termination of the registration of the pledge right;
  \item the State Intellectual Property Office may reject the application of registration of the pledge right, if not all joint owners of the patent agree to do so or if the same patent right is being pledged for the second time;
  \item the SIPO may terminate or cancel or withdraw the registration of the pledge right if the subject patent becomes invalid or if the SIPO finds anything that may indicate the registration is improper or other condition for withdrawal; and
  \item the pledge or mortgage right should co-exist with the creditor’s right or debt obligation and the parties shall not self-impose any inconsistent term. Likewise, trademark rights and copyrights may be subjects for pledging as collateral. However, as noted, the concept of secondary mortgage does not exist in China.
\end{enumerate}

With the development of IP laws, China should have a more up-to-date IP system for the protection of IP rights, that is, a more efficient way to procure IP rights, stronger enforcement, feasible means of commercialisation or monetisation of IP rights, and management of IP assets, for the benefit of promoting the national policy of China as an innovative country.
Chapter 6

CYPRUS

Christodoulos G Vassiliades and Ourania Vrondou

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

On the surface, there is nothing innovative, unique or different about Cypriot legislation compared with other jurisdictions. Like most EU Member States, Cypriot legislation is a melange of European harmonisation and international treaties. Nonetheless, the characteristic ordinariness of Cypriot legislation is precisely its greatest advantage; there are no hidden clauses, no ambivalent provisions and no obstacles.

i Copyrights

The main legislative provision for the protection of copyrights is the Copyright Law, L59/1976. The Copyright Law provides that copyrights consist of: ‘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 and databases.

1 Christodoulos G Vassiliades is the managing director and Ourania Vrondou is a lawyer at Christodoulos G Vassiliades & Co LLC.
2 Cyprus main legislative provisions consist of the Trademarks Law (as amended) L121(I)/2006 and the Trademark Rules (as amended in February 2013).
3 Moral rights have no relevance in Cyprus.
4 Other relevant legislation includes 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 TRIPS Agreement.
5 Copyright Law L59/1976, Article 3(1).
6 Ibid, Article 2(1)(h).
7 Ibid, Article 3(1)(a)(vi).
In order to invoke such protection, any of the above needs to satisfy two main requirements: to be in written form; and to be an original piece of its creator. Both requirements are interpreted according to the meaning generally ascribed to them.

The duration of protection is defined based on whether or not the author is known, unknown, a physical person or a corporate entity and on the type of work for which the copyright subsists. The norm is that protection subsists for 70 years from the end of the calendar year of the author’s death.

As far as infringement is concerned, there are numerous related statutory provisions. However, there are no specialised courts for intellectual property disputes. Such claims are decided by regular judges, whose judgments do indeed confirm the importance ascribed to the protection of intellectual property and marketable rights in Cyprus; nonetheless the volume of such cases does not necessarily reflect the commercial value of intellectual property rights within the Cyprus commercial framework. This is illustrated in the case of Costas Socratous v. Gruppo Editoriale Fabbri-Bompiani and others. In this case the Supreme Court of Cyprus upheld the universal principles of copyright law; however, the absence of national case law on the matter resulted in the court being referred to English case law in order to determine the application of such principles. The year in which the decision was issued is also indicative of the absence of national copyright-related case law, which continues to be the case.

ii  Patents

In 1998, Cyprus escaped the re-registration of UK patents by the passing of the Patent Law L16(I)/1998. The Patent Law provides that a patentable invention needs to satisfy three requirements: novelty, inventive step and industrial application.

The duration of protection is 20 years. For every year a patent is renewed the relevant fee increases in a proportional manner.

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

iii  Industrial designs

Industrial designs are protected by L4(I)/2002, the Paris Convention and the TRIPS agreement.

In order for an industrial design to be eligible for protection, the latter has to be new and present individuality in such a way that the informed user will not create an impression similar to the one of a design that is already known to the public.

8 Ibid, 2(1).
9 Ibid, Article 3(2)(b).
12 Patents Law. L16(I)/1998, Article 5(1).
13 Patents Law. L16(I)/1998, Article 26(2).
14 Ibid, Article 27(1),(2),(4).
15 Utility models have no relevance in Cyprus.
Protection granted may be renewed for a period of 25 years\(^\text{16}\) provided that the relevant fee is satisfied.

iv  **Plant varieties**

It is widely acknowledged that Cyprus enjoys a rich plant variety culture, which is protected by L21(I)/2004. The requirements for protection are that the variety be new, distinctive, homogenous, stable and have a name.\(^\text{17}\)

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.\(^\text{18}\) 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 cancel such grant if the variety does not remain homogenous or stable or when the holder did not 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\(^\text{19}\) and the relevant ministry is the Ministry of Agriculture, Natural Resources and Environment, which in turn appoints a committee of five members whose task is to advise the Ministry on matters related to geographical indications and appellations of origin.

vi  **Trademarks**\(^\text{20}\)

Trademarks are governed by the Trademarks Law, Chapter 268, which is a product of the European Trade Marks Directive (2008/95/EC).

In order for a trademark to be registrable, it has to satisfy both absolute as well as relative grounds that could lead to refusal. Thus, the Trademarks Department needs to be satisfied, *inter alia*, that 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.

Once *ex officio* examination has successfully been completed and the mark has been published in the Official Gazette of the Republic without opposition, a registration certificate is issued, which is valid for an initial period of seven years. After that, the mark is protected for 14 years each time it is renewed.

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\(^\text{16}\) Industrial Designs Law, L4(I)/2002.

\(^\text{17}\) Plant Variety Law, L21(I)/2004, Article 5(1).

\(^\text{18}\) Ibid, Article 17(1).

\(^\text{19}\) L139(I)/2006.

\(^\text{20}\) Trade names are protected under different legislative provisions, namely the Partnerships and Business Names Law.
II OBTAINING PROTECTION

All procedures for acquiring protection in Cyprus for any intellectual property right have a strong ‘European flavour’. Thus, the main features of the procedures are already known to most European IP practitioners.

Each intellectual property right has its own forms and the procedure is adjusted to accommodate the needs of the particular intellectual property right for which protection is sought, subject to the provisions of the relevant law.

Generally, however, the procedure by which a mark is granted protection is divided into four main steps, provided that a search report is also included.

If a potential applicant would like to increase the possibility of a smooth registration procedure, it is usually recommended that via a representative, he or she submits a request to search either the Trademark Department’s database, TM View or the Office for Harmonisation in the Internal Market’s eSearch Plus in order to be reasonably certain that the applicant mark has a prima facie strong potential 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 an absolute discretion to impose any 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 from the date of publication, oppose the registration of the applicant mark on the basis of the relative grounds of refusal. In the absence of such opposition, the application proceeds to issuance of a registration certificate, which denotes the official grant of protection status to the mark.

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 need 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 demands 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.

III ENFORCEMENT OF RIGHTS

Traditionally, the courts are the proper venue for claiming infringement. Article 60 of the Patent Law 1998 defines the rights accrued by the protection of a patent, while Article 61
Cyprus

determines the civil actions and remedies available to the right holder. If such an infringement is indeed 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 35,000 Cyprus pounds. 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, a 50,000 Cyprus pound fine, or both.

As far as trademark infringement is concerned, the venue for such proceedings is also the courts with the availability of remedies applying mutatis mutandis as in patents and industrial designs.

However, enforcement of rights may also refer to oppositions at the application stage or annulment proceedings.

i Opposition proceedings

If an opposition is brought at the application stage, the parties involved will be invited to present their case. Each party has the right to present their 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 is then given time to reach a decision, which may be appealed in the courts.

ii 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 will have to be submitted.

To date, most expungement cases have either been revoked because of the excessive length of the procedure or are still awaiting 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, cost-ineffective and not worth pursuing.

IV TRENDS AND OUTLOOK

In the past year we have witnessed the results of a concerted effort to modernise and facilitate intellectual property procedures. The Cyprus Trademarks Department in cooperation with the Office for Harmonization in the Internal Market (trademarks and designs) (soon to be renamed to EU Intellectual Property Office), have created an online portal for trademark applications and renewals. Originals of the necessary documents are still required to be submitted, but the procedures have been modernised and simplified.

Further all intellectual property-related forms have now been rewritten in modern Greek, their format has been considerably improved and the website of the Cyprus Intellectual Property Office has been updated with all necessary forms. This was one of the disadvantages highlighted in last year’s chapter that has now been successfully rectified.

Importantly, Cyprus is expected to be influenced by the imminent coming into force of the new European Directive on the approximation of laws of the Members States.
relating to trademarks (Directive 2015/2436). It should be noted that Cyprus has a definite advantage vis-à-vis extrajudicial opposition and cancellation procedures in comparison to countries that have not yet put in place such procedures; Cyprus will be called upon to bring its current practices in line with the wording of Directive 2015/2436. Although the Cyprus legislator is resisting to follow the designated example of other European countries (e.g., not to examine applications on both absolute and relative grounds and to grant trademark protection for a term of 10 years instead of seven on registration and 14 with each renewal), it will be interesting to observe the reaction to Directive 2015/2436. The new Directive will also put pressure on the authorities to draw a robust counterfeit policy, since counterfeit goods in transit will also come into play upon its enforcement.

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.

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 right 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, means 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

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).
25 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,
the advantages of the Regime were combined with the fact that dividends distributed by Cyprus companies to non-Cyprus residents are 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 is currently undergoing a transitory period whereby new entrants and current entrants with new IP rights will be able to enter the Regime as it currently stands until 30 June 2016, provided that the IP rights have not been acquired by related parties. Acquisitions of IP rights by related parties should have been effected by 31 December 2015 in order for such IP rights to have been eligible for the Regime.

Those who were eligible and managed to enter or will manage 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 stands.

The question remaining is what the provisions of the scheme replacing the current Regime will be. The OECD guidelines and the initial reaction of the Cyprus authorities suggest that the new regime will strive to meet the essence of the OECD guidelines (i.e., the existence of a causal link between income and research and development expenditure). As a result, the new regime will not apply to commercially generated rights such as trademarks and designs but merely to patents.

Nonetheless, research and development does not necessarily need to produce a final product or even lead to a successful venture. So long as there has been expenditure resulting from research and development, it is suggested that this would suffice to trigger the new regime. The amendments to the current Regime are being awaited; it is not expected that such amendments will deviate (or substantially deviate) from the OECD guidelines.

Irrespective of whether the Regime will be amended, repealed or replaced, Cyprus remains a very attractive destination for intellectual property and other business. The island’s legislative and business structures are able to function as a one-stop destination for any type of business. This is in addition to the advantages Cyprus can offer as a result of its membership in the European Union.

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 business services (although new areas of economic growth are currently being explored). In terms of business services, the spectrum of providing services has been considerably shaped by the accession of Cyprus to the European Union in 2004. National legislation was harmonised to give effect to the *acquis communautaire*, such as, for example, the increase of the corporate tax to 12.5 per cent and other new initiatives like the participation on the TMview database.

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26 Law on International Trust, No. 69(I)/92 as amended by No.20(I)/2012.
and more recently, the platform for online trademark applications and renewals. Further, the European regulations and directives have allowed Cyprus to exploit its geopolitical position in the Mediterranean sea, thereby becoming a gateway into Europe.

In light of the above, Cyprus has all the elements required to safely be characterised as a one-stop business destination. The corporate environment remains fruitful even after the tightening of money laundering controls worldwide. This is mainly because companies incorporated in Cyprus enjoy the benefits of a jurisdiction that is well apprehended for the purposes of business. Therefore, Cyprus companies can be good vehicles to host IP rights and further the branding reputation and goodwill of a business. As a result, the new IP Box regime is only expected to enhance the geopolitical position of the island by attracting professional tourism such as medical and pharmaceutical researchers, media and technology companies and other research and development experts. This is effected at a time when public and private universities are further expanding their services, especially into medicine, and when national health is in the political forefront – the Ministry of Health is trying to reach a consensus with doctors and nurses in the public sector for putting in place what is referred to as the ‘general health plan’, which is said to empower the position of private hospitals and medical service providers and researchers in Cyprus.

iii Conclusion

Cyprus is a very promising and constantly evolving business and marketing headquarters. The island’s legislative and business structure and geographic position make it an ideal channel through which a successful business strategy can be realised.
Chapter 7

FINLAND

Ella Mikkola and Mikko Nurmisto

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Copyrights, design rights, patents, utility models, and trademarks are the most common forms of intellectual property (IP) protection in Finland.

According to the Copyright Act, protection is provided for such literary and artistic works which constitute personal intellectual creations. These kinds of works can be, for example, compositions, computer programs, photographic or cinematographic works, written or explanatory presentations, architectural works and works of fine art. Maps and other explanatory drawings are also seen as literary works. The copyright is not subject to registration and thus it is automatically granted to the author when his or her work has been created. The copyright generally expires after 70 years has lapsed from the end of the year of author's death.

Design rights are granted for designs (i.e., any visual appearances that are novel and have individual character). Design right protection may be acquired through domestic or international registration. Registration is effective five years from the date of filing and it may be renewed for four times. Therefore, a registered design may be maintained for a maximum of 25 years.

The Patents Act regulates the basic requirements for patentability of inventions: to be patentable, an invention shall fulfil the criteria of novelty, inventive step and industrial applicability. In addition, a patentable invention must have a technical character, a technical effect and be reproducible. Patents shall not be granted for, for example aesthetic creations, discoveries, mathematical methods, scientific theories, presentations of information or computer programs as such. Moreover, it is not possible to grant a patent for an invention of which commercial exploitation is contrary to public policy or morality, for example, processes for the cloning of human beings and modifying the germ line genetic identity of human beings, or the use of human embryos for industrial or commercial purposes. Neither

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1 Ella Mikkola is a partner and Mikko Nurmisto is an associate at Bird & Bird Attorneys Ltd.
shall patents be granted for plant or animal varieties, for essentially biological processes for the production of plants or animals, or for surgical or therapeutic treatment or for diagnostic methods. By paying yearly renewal fees, a patent granted may be maintained up to 20 years from the filing date of the application.

Utility model protection is protection for inventions. The protection is for a shorter period of time than in connection with the patents and the authorities do not examine the applications prior to granting protection, as they do in connection with patents. Requirements for protection are similar to patent protection but the level of inventive step is lower than in connection with the patents. As there is no substantive examination by the authorities, utility models are faster and simpler to obtain than patents, and thus they may offer adequate protection for inventions, especially for inventions with minor or less long-lasting commercial value. The term of protection is 10 years from the filing of the application.

Trademark is a special sign for distinguishing the goods and services between corporations. Trademark may be any kind of mark that can be represented graphically and by means of which goods can be distinguished from those of others. The Trademark Act includes a list of examples of possible trademarks: figures, letters, numerals, personal names, or even the shape of goods or of their packaging. Further, trademarks can consist of certain colours, sounds and slogans, among others. Trademark protection may be obtained through registration (national or international) or through establishment. The trademark registration is effective for 10 years from the date of registration and it may be renewed for another 10 years at a time, in principle indefinitely provided the mark is continued to be used, too.

II RECENT DEVELOPMENTS

A new specialised intellectual property court was established in Finland in connection with the Market Court in September 2013. Following the reform, the court now has exclusive jurisdiction to hear basically all IP cases as the first instance in Finland.

Also the appeals related to the registration issues and other administrative decisions of the Finnish Patent and Registration Office (PRH) are nowadays decided in the Market Court.

However, IP cases involving criminal proceedings have remained within the remit of the district courts.

In 2015, the Finnish IP court received 81 trademark cases, 46 of which were trademark application appeals relating to administrative decisions taken by the PRH. The other cases were general trademark disputes, including claims for trademark infringement. In 2015, the court received 20 patent cases, 14 of which were administrative appeals regarding patentability.

The information table includes information of the IP cases of the Market Court between 1 January 2015 and 31 December 2015. The table has been prepared on the basis of information provided by the Market Court.

<table>
<thead>
<tr>
<th>Appeals regarding patents</th>
<th>Received</th>
<th>Decided</th>
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<tr>
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<td>14</td>
<td>21</td>
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<tr>
<td>Appeals regarding trademarks</td>
<td>46</td>
<td>94</td>
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<td>Appeals regarding design rights</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Other appeals regarding industrial property rights</td>
<td>0</td>
<td>1</td>
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In 2015, certain new provisions on online storage services, amendments for reasons of equity and blocking injunctions were added to the Copyright Act.

As regards exceptions to the author's exclusive rights provided by the Copyright Act, online storage service of television programmes was added to the Copyright Act as Section 25I. The exception is subject to extended collective licence. The amended Section 29 provides the possibility for a revision of an unfair contract term. The new provision applies to situations where the original author has transferred his or her rights. Further, a new Section 60(e) was added to the Copyright Act pursuant to which the court may order an intermediary to prevent the making of copyright-infringing material available even though the alleged infringer remains unidentified.

Copyright Act has also been revised as regards copyright levies (i.e., remuneration payable for legal private copying). From the beginning of 2015, copyright levies have been paid from the state budget by the Finnish government.

### III OBTAINING PROTECTION

When obtaining patent protection in Finland, the patent application must be filed with the Finnish Patent and Registration Office (PRH). The application must contain a description of the invention, the patent claims and an abstract. It may contain several claims but each claim must relate to one and the same invention only. After the date of filing of the application, additional information that could broaden the scope of protection may not be added to the application. Finland is a member of the European Union (EU). Finland is also a member country of the European Patent Convention so patent protection covering Finland can be obtained through the European Patent Office as well. Finland has implemented a first-to-file system, which means that the date of filing (or, to be more precise, the priority date) is decisive for determining priority and obtaining patent protection.

A third party may oppose a patent by filing an opposition within nine months of the date of the date of the grant. Oppositions against national Finnish patents must be filed with the PRH. If the opposition concerns a European patent (validated or to be validated in Finland), the opposition must be filed with the European Patent Office.

Trademark protection may be obtained either by use or by registration. Protection by use requires that the mark has sufficient public recognition among consumers or other relevant target circles. Trademarks can be registered by filing an application with the PRH, by designating Finland in the Madrid Protocol application, or by registering an EU-wide European Union trademark (EUTM) at the European Union Intellectual Property Office (EUIPO).
IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement
As explained above, as the first instance, the Market Court has exclusive jurisdiction in basically all IP disputes. However, criminal cases involving IP rights infringements are heard in the district courts.

Appeals against the Market Court’s litigation-related decisions may be made to the Supreme Court but only if it grants leave to appeal. Appeals against the Market Court’s decisions on administrative matters (such as appeals concerning patent applications) may be made to the Supreme Administrative Court, which also requires a leave to appeal.

ii Requirements for jurisdiction and venue
As mentioned above, the Market Court has exclusive jurisdiction in domestic IP disputes (civil cases) and the district courts in domestic criminal cases. Regulation (EU) No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Brussels I Regulation) regulates the international jurisdiction in several IP matters in Finland.

The patentee and the licensee are both entitled to bring an infringement action. If the latter brings an action, he or she must in that case notify the patentee.

An invalidity action may be brought by anyone who suffers prejudice on account of the patent or by a public authority on grounds of public interest. Anyone intending to bring such an action is required to notify all registered licensees or pledgees, as well as advise the PRH thereof.

There is also a possibility to file an opposition with the PRH against a granted patent. Said opposition is an administrative proceeding. The opponent does not need to possess any particular legal interest, such as concrete harm suffered, to establish standing in connection with oppositions (see Section III, supra).

It is also possible to initiate declaratory proceedings to obtain declaratory judgments, including negative declaratory judgments (e.g., in a case where the licensee wishes a court to state that the licensee is under no obligation to pay any licence).

Declaratory actions can form the core of a case. In practice, however, it is more common that positive declaratory actions are presented as secondary claims in connection with injunction and remuneration claims, for example, to state that infringement has taken place.

iii Obtaining relevant evidence of infringement and discovery
Finnish law does not provide discovery proceedings similar to common law states. The rule of thumb is that each party has an obligation to present evidence to support the facts relevant for their claims.

Even in Finland, however, a party to litigation can request production of evidence. Production of evidence is successful only provided the party requesting such production can specify the document in a quite detailed way – production of evidence requires more specification than discovery process of the common law countries. Upon such request the court may order production of evidence (i.e., order the party in possession of a particular document that is of significance as evidence to present the document in court).

Upon a request presented by a party, the court may also order a pretrial order for securing evidence from the other party as a precautionary measure.
Furthermore, according to certain special provisions included in the Acts governing IP rights and litigations in Finland, if the claimant requests and if the defendant has been found to infringe the right, the court may order the defendant to provide information on the origin and distribution networks of the infringing goods or services.

iv Trial decision-maker

At the Market Court, IP cases are handled by specialist judges who have significant experience and background in IP matters. However, said legal judges are legal professionals and they generally have not taken university degrees or exams in technology. However, as explained in more detail below, at the Market Court, especially in the patent cases, the panel of judges typically includes one or more non-legal judges, too. Said non-legal judges are part of the composition of the court and they are engineers or experts with other technology-related degrees and in addition to their technical degrees they have experience in patents and patent law as well.

The Market Court tries the IP cases usually in a composition of three judges. In addition, if the case concerns inventions, the composition of judges includes a Market Court engineer, too. The composition may consist of one legal-judge and one non-legal judge (i.e., a Market Court engineer if the case concerns patent appeals against PRH’s decisions). In such case, another Market Court engineer or an additional technology expert member may be added to the composition. The Market Court may also decide to use one or two expert members in its compositions depending on the nature of the case. A single judge is competent to handle a case that concerns precautionary measures.

In criminal cases, a district court’s composition consists of one or three legal judges, as provided in the Criminal Procedure Act. Expert members of the Market Court may assist district courts by giving a written opinion on precise questions and they may also question the parties and witnesses.

v Structure of the trial

The proceedings commence with a pretrial phase. A plaintiff files an application for a summons (or a complaint, in case of appeal against the decision by the PRH) in which the grounds of the claim and the facts supporting it, as well as evidence, are brought forward. The court will then serve the application for a summons on the defendant. After the defendant has submitted its written response, the Market Court often, at least in larger cases, arranges a procedural meeting (to discuss and agree upon the next steps and timetable of the case with the parties) and conduct a preparatory hearing (to specify in collaboration with the parties which issues are in dispute and which ones are not and to prepare the main hearing). Often the parties are also given a chance to submit additional written statements and evidence. The Market Court may also ask for a statement from the PRH, such as a validity opinion in the patent cases.

The court proceedings continue with a main hearing (i.e., the trial). The main hearing consists of the parties’ oral statements and presenting the evidence, including hearing and cross-examining the witnesses, as well as of closing arguments. The main hearing may last for a few hours or for several days, depending on the scope and nature of the case.

It is also worth noting that typically there is no hearing in connection with interim injunction cases in Finland but they are usually handled and decided on the basis of written materials.
In Finland, the legal principle of free evaluation of evidence is followed and only few formal restrictions to it have been made. In principle, all kind of evidence and evidence in all forms can be used, such as written documents, electronic files and witness statements.

The rule of thumb is that the court renders the judgment within 30 days at the latest after the main hearing has ended.

As there is no ‘dual system’ (in certain countries known as ‘bifurcation’) in Finland, patent infringement and invalidation actions are usually consolidated because they concern the same matter.

**vi Infringement**

Infringements are divided into direct and indirect infringements. The provisions concerning indirect infringement have, however, only rarely been a subject of litigation in Finland.

Indirect infringement is committed by a person who, without the patent holder’s consent, supplies or offers to supply any person not entitled to exploit the invention with the means of working the invention in Finland in relation to an essential element of the invention. Indirect infringement can be described as an incitement to infringe the patent.

According to Section 39 of the Patents Act, the scope of protection conferred by a patent shall be determined by the claims. Thus, the Act does not support a doctrine of equivalents as such. The subject has been discussed widely in Finnish legal literature and the conclusions have been somewhat divergent. In case law, however, it has been confirmed that the scope of protection may extend beyond the literal interpretation of the claims. This view is also in line with the provisions of the European Patent Convention and related rules and case law.

One can note that generally, the burden of proof in patent infringement cases is on the plaintiff. However, a reversed burden of proof applies in matters concerning process patents (in the event the patent has been granted for a process to manufacture a new product).

**vii Defences**

There are a number of different defences available in patent infringement proceedings but the most common is a counterclaim presented against the validity of the patent. As explained above, there is no ‘dual system’ in Finland and therefore, both the infringement claim and invalidity claim are typically examined and decided in the same litigation. However, the Market Court may on its discretion stay the infringement claim until the counterclaim has been finally decided.

Any breach of the basic requirements for granting a patent or fault that occurs when handling the patent application may lead to its invalidity. The basic requirements are novelty, inventive step and industrial applicability, as well as technical character, technical effect and reproducibility. If the court finds the patent invalid, the invalidity decision affects *ex tunc*.

Moreover, defendants may, for example, claim to have a right to continue using the patented invention because defendants have been using the patented invention before the priority date of the patent (‘prior user rights’).

It may also be possible to successfully invoke the exhaustion of the IP rights, for example that the said patented product is an original product that has been brought to the market with the authorisation of the patentee.

Defendants may also try to argue that their use of the patented invention does not constitute infringement because the use is experimental only and it is carried out under the exception governing experimental use.
Defendants could also try to claim that they are entitled to a compulsory licence. According to Section 47 of the Patents Act, under certain conditions it is possible to request a compulsory licence. In Finland, compulsory licences have been very rare in practice, however.

viii Time to first-level decision
The Market Court’s goal is to give its decisions within a year (i.e., within a year of the commencement of the litigation proceedings).

However, larger patent litigation suits in particular, such as combinations of patent infringement and revocation proceedings, seem to last longer.

ix Remedies
Remedies are governed in different acts governing IP rights in Finland, injunctions and damages being the most typical ones. With regard to patents, a patentee may also claim alteration, impounding or destruction of infringing products. If the infringing product is protected with a patent, the patentee may claim that the products are surrendered against payment of their value to the patentee. All of these measures require an order from a court of law. A court order is not applicable if the person in possession of the products has obtained the product in good faith and has not himself infringed the patent. In principle, even criminal sanctions can apply to infringements of patents but they are fairly rare in practice.

Generally, the patentee's primary objective is to acquire an injunction against the infringement. An injunction may be final or interim (i.e., preliminary).

An interim injunction may be acquired in urgent cases as part of the main proceedings or even before initiating the case on the merits. The court may grant an injunction even without hearing the counterparty although it is more common that the counterparty is given a chance to submit its statement before the court handles the case.

Court orders for preliminary injunctions are given on the basis of applications. To obtain an interim injunction the claimant should demonstrate that he or she possesses patent rights that are enforceable against the counterparty. The court also weights and balances the interests of both parties and considers whether the defendant would suffer undue inconvenience if the injunction was granted.

In order for the claimant to succeed obtaining an interim injunction, the court must deem that the alleged infringement is plausible (it is more likely than not that there is an infringement) and that there is a probable danger that the claimant’s IP right and legal interests are infringed. Urgency of the matter is typically considered as well.

If an interim injunction is granted by the court, the injunction is enforced provided the claimant deposits a security, such as a bank deposit or guarantee.

In case of infringement, the IP rights holder is entitled to receive compensation for damage from the infringer. A number of different calculation methods can be applied to determine the amount of the damages payable. Often compensation is awarded on the basis of reasonable royalty or other actual losses suffered by the IP rights holder. Losses may consist of non-obtained profit, intangible damage, or unjust enrichment by the infringer. There are no punitive damages in Finland.

In many cases, such as patent infringement cases, compensation can be claimed only as regards damage caused during the last five years prior to the institution of proceedings.

The IP rights holder may also invoke certain border control measures that are provided in the EU regulations. Border control measures are often seen as quite an efficient way to stop an infringer from introducing counterfeited and pirated goods into the market.
According to Finnish law, the losing party is generally obliged to compensate the litigation costs of the winning party. According to applicable laws and regulations, legal costs can only be compensated if they are reasonable. However, there are no fixed or predetermined financial limits in connection with compensating legal costs of the prevailing party.

**Appellate review**

As mentioned above, in IP litigations (infringement and certain validity cases) there is a possibility to appeal from the Market Court to the Supreme Court. The appeals are, however, subject to a leave to appeal (aka ‘certiorari’). Said leave to appeal can be granted by the Supreme Administrative Court and they are subject to its discretion. The Supreme Court may grant a leave if the case has precedential value, i.e. if the case and judgment in the case are important with regard to the application of the law in similar cases or because of the uniformity of legal practice.

The Supreme Court has rarely granted a leave in patent cases in Finland.

Market Court administrative decisions (such as decisions on patent applications which decisions relate to the patentability of an invention) can be appealed to the Supreme Administrative Court – said appeals are also subject to a leave to appeal which can be granted by the Supreme Administrative Court and subject to its discretion.

**Alternatives to litigation**

Alternatives to litigation in IP disputes in Finland are arbitration and mediation.

The Arbitration Institute of the Finland Chamber of Commerce is the most important and most common national arbitration tribunal.

International arbitrations of IP disputes are most commonly brought before the WIPO and the International Chamber of Commerce.

Arbitration proceedings require that a contractual agreement between the parties on arbitration be concluded. IP licence agreements often include provisions on arbitration.

Mediation proceedings are not that common in Finland, especially not in the field of IP infringements.

However, while most IP disputes are litigated in courts (typically at the Market Court) in Finland, the parties often settle IP disputes at some point of the court proceedings, prior to the judgment of the Market Court.

**TRENDS AND OUTLOOK**

Finland has signed an agreement to create a Unified Patent Court (UPC), which will be a specialised patent court having exclusive jurisdiction for litigation relating to European patents and unitary patents. Finland ratified the UPC Agreement and passed acts concerning the matter in January 2016. Said acts will enter into force at the same time as the UPC Agreement enters into force internationally. Finland was the ninth country to ratify the UPC Agreement.

The European patent reform involves also Regulation (EU) No. 1257/2012 on the creation of unitary patent protection and the corresponding Regulation (EU) No. 1260/2012 on translation arrangements. The patent reform will enter into force when 13 states have ratified the UPC Agreement. After the new system has entered into force, all unitary patents will also be in force in Finland and the decisions of the UPC will be enforceable in Finland as well.
According to a survey conducted among Finnish companies in spring 2014, the patent reform would entail advantages over the present situation. It was also recognised, however, that Finland’s participation could create additional challenges for companies acting on the domestic market as the amount of patents in force in Finland would increase, which, in turn, could increase the risks of infringement and litigation.

In 2013, Finland decided to establish its own local division of the UPC in connection with the Market Court. Thus, disputes relating to unitary patents and European patents falling under the UPC’s jurisdiction will also be adjudicated in Finland.

In addition, the Finnish government has given the proposal of the revision of the Trademarks Act and the law concerning the matter is expected to enter into force during September 2016. As the European Union trademark system is currently under review, the Finnish Trademark Act will first be partially revised prior to the potential overall revision. The current proposals relate mainly to the terminology and the objective of the revision is to update the Trademark Act to better correspond to the Trade Marks Directive and the case law of the Court of Justice of the European Union.
Chapter 8

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 1989.2

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

1 Stanislas Roux-Vaillard is a partner at Hogan Lovells (Paris) LLP.
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.
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).3


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.

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.

3 The claims are still available in three official languages of the EPO.
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 Office (WIPO), 16,533 national French patents were applied for in 2014, of which 12,565 were applied for by French companies and individuals. During the same period, French entities applied for 10,557 European patents (directly at the European Patent Office or through the PCT route) of the 160,022 European applications filed. Further, of the 214,500 international applications filed under the PCT, 8,319 were filed by French entities.
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.

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.

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.

Trade secrets protection and other exclusive data
In addition to these main intellectual property rights and other rights codified in the CPI, other valuable assets and information may be protected by civil and criminal law, as well as specific regulatory provisions.

Trade secrets are not subject to a legal definition under French law and no specific provisions relate directly to them, but they are often recognised and protected in court

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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 With one exception, relating more specifically to the protection of a secret manufacturing process as defined at Article L152-7 of the French Labour Code: ‘The fact of revealing or attempting to reveal a manufacturing secret by any director or salaried person of the company in which he is employed shall be punishable by imprisonment of two years and a fine of
decisions under French civil or criminal law. The definition of know-how, as provided by Article 1 of Regulation (EC) No. 772/2004, is a good guide to determining which information French courts deem eligible for protection as a trade secret in France.

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

II RECENT DEVELOPMENTS

On 19 February 2013, an international agreement establishing a European Unitary patent system including a unitary patent and the Unified Patent Court (UPC) was signed by the European Union ministers. The unitary patent and the UPC are established in a legal package endorsed on 11 December 2012 by the EU ministers in charge of competitiveness issues. On the same day, the members of the European Parliament approved this EU patent package including a unitary patent and a unified patent court. This patent package has not yet entered into force. 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.
On 19 October 2015, the signatory states adopted the preliminary set of provisions for the Rules of Procedure (the Rules) of the UPC. On 25 February 2016, the Preparatory Committee for the UPC agreed the Guidelines for the determination of Court fees and the ceiling of recoverable costs of the successful party.13

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 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 per se is excluded from patentability and is protected under authors’ rights in an amended version as compared to literary and artistic works.14 However, nothing precludes obtaining a patent for a process including the use of software or a programmed computer to enable its implementation.15

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. 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 states, as a principle, that the human body itself or the mere discovery of a part of the same cannot be patented. Processes for

14 Law No. 85-660 of 3 July 1985 codified in the CPI allows the application of authors’ rights protection to computer programs.
15 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.
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.\textsuperscript{17}

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.

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.\textsuperscript{18}

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).\textsuperscript{19} The Court of Appeal of Paris,\textsuperscript{20} relying on Articles 4 and 5 of the Regulation No. 469/2009, confirmed the judgment, which decided that the basic patent for an active ingredient covers any product comprising this active ingredient, including a combination of said patented active ingredient and another product such as a diuretic. The court thus agreed that an SPC may cover a combination of active ingredients where the basic patent used to obtain the SPC covered only one active ingredient. The Court of Cassation takes the same approach.\textsuperscript{21} Following the CJEU decision in Neurim Pharmaceuticals,\textsuperscript{22} the Court of Appeal of Paris decided that a patented product receiving a second marketing authorisation for a second medical use allowed the grant of a second SPC over such use.\textsuperscript{23}

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\textsuperscript{24} held that an improvement patent is one reproducing an ‘essential feature’ of a prior invention.

\begin{thebibliography}{9}
\bibitem{17} Court of Cassation, 23 November 2010, Case No. 1194, \textit{Institut Pasteur v. Chiron Healthcare & Novartis Vaccines & Diagnostics}.
\bibitem{18} Article L613-3 CPI.
\bibitem{19} 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).
\bibitem{20} Court of Appeal of Paris, Division 1-3, 15 March 2011, \textit{Mylan and Qualimed v. El Dupont and Merck Sharpe & Dohme-Chibret}.
\bibitem{21} Court of Cassation, 15 January 2013, Case No. 11-26632, \textit{Actavis v. Novartis}.
\bibitem{23} Court of Appeal of Paris, Division 5-1, 15 February 2013, No. 11/19096, \textit{Merck & Co Inc v. INPI}.
\end{thebibliography}
France

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

Patent enforcement in France is for courts to ascertain. Since 2 November 2009, the civil First Instance Court of Paris has exclusive jurisdiction over patent cases. This allows for some harmonisation of case law in patent cases at first instance level.

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, allowing a case to be brought before the criminal courts. 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.

Since 1 January 2009 patent holders may voluntarily limit the scope of the claims of their title, notably post-grant. 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. Cumulating several voluntary limitations is allowed.

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. However, the dual consideration of the retroactive effect of the limitation and the possibility of an appeal against the decision of the INPI on the limitation should, in most cases, lead judges to stay civil proceedings on the merits before ruling on validity. This is the line followed by the Court of Appeal of Paris, which also 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 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.)

26 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.

27 Court of Appeal of Paris, Division 5-1, 12 February 2014, No. 11/01882, Donerre v. BOS.


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

Since 2009, 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.

ii Requirements for jurisdiction and venue
Law No. 2011-525 of 17 May 2011 vests exclusive jurisdiction in the civil first instance courts for all civil actions and requests over patents even when they address a related issue of unfair competition. As regards patents, since 2 November 2009 exclusive jurisdiction had already been vested specifically 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. 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). 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.

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 or to the UK disclosure in France, but as regards intellectual property rights, and specifically patents, 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 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

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32 See Article L615-17 CPI.
33 See Article L615-2 CPI.
34 Court of Appeal of Paris, Division 5-2, 17 February 2012, Case No. 11/09940, Omnipharm Limited v. SAS Merial.
35 See Article L615-9 CPI.
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.36

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. However, confidential information may be held by a third party. This is the case with seizures of the open and closed (not publicly available) part of drug master files handed to the French health authorities for obtaining a marketing authorisation. In such a case, the Court of Appeal of Paris37 has indicated that confidential information must remain accessible 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.’ Consequently, if the French health authorities did not request that information seized on its premises be kept confidential awaiting a sorting ordered by a court, it remains possible for the competitor of the patent holder to seek in court the concealment of such evidence.

In a telecoms case where the seized party was likely to benefit from a licence over the patent at stake, the Court of Appeal of Paris held that when applying ex parte for an order of the presiding judge of the First Instance Court of Paris, due process commanded that the patentee let the judge know of the likely existence of a licence.38

In addition or as an alternative to the infringement seizure, it is possible39 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.40

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.

36 Court of Cassation, 26 June 2012, Case No. 11-18.971, Tordo Belgrano & FTI v. Inglese, Metimesco and Morey Production.
37 Court of Appeal of Paris, 6 December 2011, Cipla v. AstraZeneca, PIBD 957, III, 150.
39 See Article L615-5-2 CPI.
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 little 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 recent patent nullification cases, the Court of Appeal of Paris 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. 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.

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.

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.

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. A demonstration for lack of inventive step allows for the combination of several relevant pieces of prior art. 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

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42 Court of Cassation, 23 June 2015, Case No. 13-25082, Core Distribution Inc v. Castorama.
43 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.
44 Article L613-3 CPI.
45 Court of Cassation, 14 May 2013, Case No. 11-27.686, Heidelberg Postpress v. Bobst.
selected pieces of prior art. 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. 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.

Under French law, ownership is not a defence to infringement. 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.

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.

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 are that the patent holder shows the patent is granted, that it is enforceable at the time the preliminary injunction is

46 Court of Appeal of Paris, Division 5-2, 13 January 2012, Case No. 10/17727, SAS Sandoz v. Eli Lilly & Company.

47 Court of Appeal of Paris, Division 5-2, 13 January 2012, Case No. 10/17727, SAS Sandoz v. Eli Lilly & Company.


49 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.

50 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.

51 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.

52 Article L615-3 CPI.
sought, that there is a *prima facie* case of infringement or of clear threat of infringement.\(^{53}\) 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. 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.\(^{54}\) 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.\(^{55}\) 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\(^{56}\) and compensatory damages. There are no exemplary or punitive damages in France.

Courts focus on the rightholder's economic loss to assess damages. Damages mainly amount to lost profits,\(^{57}\) corresponding to a lost royalty\(^{58}\) 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.\(^{59}\)

When given sufficient supporting evidence regarding costs, courts order that attorneys’ fees be fully borne by the defeated party.\(^{60}\)

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.

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\(^{53}\) 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.

\(^{54}\) 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*.

\(^{55}\) Court of Cassation, 16 September 2014, Case No. 13-10189, *Sanofi v. Novartis*.

\(^{56}\) Court of Cassation, 12 May 2015, Case No. 14-13024, *Mr. Pelletier v. Accordiola France*.

\(^{57}\) Courts have awarded damages for the ‘springboard effect’, which are included in the calculation of rightholder’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.

\(^{58}\) Due 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.


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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.

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’.61 This was in practice already the case as regards patents, but the statutory change clarifies the situation.

V TRENDS AND OUTLOOK

On 14 April 2016, the European Parliament voted for a Directive to protect trade secrets and confidential business information against misuse by third parties.62 The proposed Directive is designed to harmonise the definition and enforcement of trade secrets across all 28 Member States of the European Union. As compared to the original version of the proposal of 2013, the amended proposed Directive notably creates a safeguard for whistle-blowers (i.e., people ‘revealing a misconduct, wrongdoing or illegal activity, provided that the respondent acted for the purpose of protecting the general public interest’). The proposed Directive now awaits approval by the Council.

On 8 July 2015, the draft bill on the Freedom of the Creation, Architecture and Property was introduced before the National Assembly. It notably contains provisions on the copyright levy system. On 17 March 2016, a new version of the draft was introduced to indicate that a radio or TV service that offers the possibility for users to copy a broadcasted program is eligible to copyright levy. The provision is currently being discussed by the lower house of the French Parliament.

61 Law No. 2011-525 of 17 May 2011, which includes Article 196, notably amending the provisions of Article L615-17 CPI.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The most important forms of intellectual property protection in Germany are patents and utility models, trademarks, copyright and design rights.

Under the German Patent Act, patents shall be granted for any inventions that are new, based on inventive activity and susceptible of industrial application. These include all technical inventions, except for mathematical techniques, aesthetic shapes, discoveries or theories, mental acts, games, business methods or computer programs as such. Further, patents for inventions contrary to public policy or morality are not granted. This includes patents on cloning of humans and the use of human embryos for industrial or commercial purposes. The term of a patent is 20 years from the date of filing the patent application. Patents are the property right with the highest commercial relevance for technology driven businesses in Germany.

Utility models are governed by the Utility Model Act. Utility models have identical requirements to patents; however, the subject matter of utility models cannot be a manufacturing or a processing method. In addition, the term of protection is only 10 years from the filing of the application. Utility models are quick to obtain (merely by registration) and a relatively cost-efficient way to protect technical inventions.

The Trademark Act provides protection for any sign that is capable of distinguishing the goods and services of one corporation from those of another entity. Trademarks not only include words, letters, figures and personal names, but also illustrations, three-dimensional designs and sound marks. All natural and legal persons, as well as partnerships with legal personality, may apply for the registration of a trademark. Trademark protection is of high importance in all commercial fields. Trademark protection can be prolonged indefinitely – which is an important difference compared with the other protective rights.

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1 Felix T Rödiger is a partner at Bird & Bird LLP. The information contained in this chapter is accurate as of May 2015.
Protection under the Copyright Act is provided for literary, scientific and artistic works if they constitute personal intellectual creations. The Copyright Act lists as examples, *inter alia*, written works, speeches, computer programs, musical works, pantomimes, works of fine art, works of architecture, photographic and cinematographic works and scientific or technical illustrations. The copyright is automatically granted to the creator of the work provided that his creation has a certain level of originality. The copyright expires 70 years after the death of the creator. The copyright has the clear advantage that it does not require any formalities, such as registration, since protection is granted based merely on the act of creation.

Design rights are granted under the Design Act for two or three-dimensional designs that are novel and have individual character. Applications with the German Patent and Trademark Office may be filed by all private persons and legal entities. Formal requirements for the application are fairly low. The design right is granted for 25 years.

**II RECENT DEVELOPMENTS**

A recent significant development concerns the improved protection of sub-licensees in situations in which the main licence expires. In its decisions in the *Take Five* (GRUR 2012, 914) and *M2Trade* (GRUR 2012, 916) cases, the Federal Court of Justice held that the expiration of a main licence (under copyright laws) will, as a general rule, not result in the termination of a sublicence derived thereof even if the main licensee had not granted the sublicensee an exclusive right of use but only a simple licence against running royalties. These recent decisions are seen as an important step towards increased protection of licensees in situations in which their licence right is affected by disruptions originating from the ‘sphere’ of the licensor (i.e., scenarios in which the main licence agreement is terminated through no fault of the sublicensee).

A further, very relevant, scenario with practical implications concerns the insolvency of the licensor. Under Section 103 of the German Insolvency Code, the insolvency administrator has the right to choose not to perform the insolvent company’s existing contracts, including licence contracts. Introduction of this provision into the Insolvency Code has produced highly controversial debate as to whether Section 103 should apply to licence agreements and how a licensee can be protected against the insolvency of its licensor. A legislative initiative for the inclusion in the Insolvency Code of a specific provision on licence agreements failed just recently. However, recent case law is showing that, as a rule, improved protection of the licensee is sought despite the absence of a clear legal provision.

A decision that has received a lot of attention in this context is the proceeding *Infineon v. Michael Jaffé* as insolvency administrator of Qimonda at the Higher Regional Court Munich (Docket 6 U 541/12). The case has just recently become final. The court ruled that in situations in which both parties have fully performed their obligations arising from the licensing agreement (patent cross-licence agreements), the insolvency administrator does not have the right to elect non-performance and the licence right remains enforceable against the insolvency administrator. The court further decided that full performance is met where the licence has been granted irrevocably and without a time limit, and the licensee is no longer required to pay royalties, for instance because the licence is a fully paid-up licence or else a royalty-free cross-licence.

Another recent development of high importance concerns the litigation of standard-essential patents (SEPs) (i.e., patents necessarily used to comply with relevant
industry standards and thus active on the relevant market). Following the development of the telecommunications industry in particular, recent years have seen an increased volume of litigation based on SEPs. A landmark development, therefore, has been the acceptance of the FRAND defence regarding compulsory licences by the Federal Court of Justice in its Orange-Book-Standard decision (NJW-RR 2009, 1047). The criteria set out in the Orange-Book-Standard decision are currently at issue again, following a recent decision of the Düsseldorf Regional Court of 21 March 2013 in the case of Huawei v. ZTE (Docket 4b O 104/12) referring the questions on the available remedies for owners of standard-essential patents to the Court of Justice of the European Union (CJEU). The referral can be seen as a reaction to a recent press release of 21 December 2012 by the European Commission concerning antitrust proceedings initiated against Samsung for alleged abuse of a market dominant position by asserting SEPs against Apple. In its statement of objections the European Commission noted that asserting SEPs can violate competition law in situations where the defendant is ‘willing to negotiate’ over taking a licence. The regional court in this case referred five questions to the CJEU, in particular seeking clarification on whether the rather strict criteria applied to date for a FRAND offer by the defendant, as set out in Orange-Book-Standard, are still applicable. The first and main question is whether it should be sufficient that the defendant shows himself or herself to be ‘willing to negotiate’ or whether the defendant must still make a binding licence offer to the patentee (as has been required under the Orange-Book-Standard decision to date). Further questions deal with the particular requirements under which the willingness to negotiate should be met. In the end of 2014, the Advocate General has delivered his opinion upon which the CJEU will render its decision. This judgment will be highly relevant for all infringement cases in which injunction claims are grounded on SEPs. The announcement of the decision is likely to be expected in summer 2015.

III Obtaining Protection

To obtain legal patent protection in Germany, it is necessary to file an application with the German Patent and Trademark Office. Extended protection in all member states of the European Patent Convention (EPC) additionally requires an application with the European Patent Office, both organisations being located in Munich. Like other EPC member states, Germany has implemented a first-to-file system, making the date of filing decisive for determining priority and obtaining patent protection. The application has to contain a thorough description of the invention and the patent claims. Although not obligatory, a summary of prior art should also be provided to present the novelty and explain the technical background of the claimed invention. Under German law there is no special disclosure requirement such as that in the US.

Upon application the administrative bodies examine whether the application meets the formal requirements and whether the invention is eligible for patent protection, in particular whether the invention is new and based on inventive activity. Following positive assessment the patent is granted, registered and published.

A third party may oppose the grant of a German patent within three months. For European patents the limit is nine months. After the time period has elapsed a third party may file nullity proceedings with the German Federal Patent Court.
IV  ENFORCEMENT OF RIGHTS

i  Possible venues for enforcement

German courts work according to a ‘dual system’, in which patent infringement and nullity require separate legal actions. The infringement courts are competent for the question of patent infringement but not for counterclaims or defences of nullity. A defendant has to challenge the validity of a patent in separate proceedings, with an opposition against the grant of the patent at the German Patent and Trademark Office or the European Patent Office, or with a nullity action at the Federal Patent Court.

A defendant may request a stay of an infringement action pending the outcome of an opposition or nullity action. However, the action will be stayed only if the defendant can show a high likelihood that the patent will be nullified.

ii  Requirements for jurisdiction and venue

In Germany, patents are enforced in legal actions before the civil courts. In total, 12 regional courts – in Berlin, Braunschweig, Düsseldorf, Erfurt, Frankfurt, Hamburg, Leipzig, Magdeburg, Mannheim, Munich, Nuremberg-Fürth and Saarbrücken – have jurisdiction for patent infringement disputes. The plaintiff can choose a forum from among these according to the jurisdiction rules of the German Code of Civil Procedure. Usually, the jurisdiction is determined by the place where the tortious act was committed, which provides the plaintiff a free choice if the infringing product is offered throughout Germany, for example on the internet.

The above courts have special chambers for IP matters, consisting of panels of three judges. Some of them deal more or less exclusively with patent and utility model proceedings and thus have a high level of expertise; the regional court in Düsseldorf handles most of the patent infringement proceedings in Germany and the greatest number of those in Europe. In response to high case numbers, the Düsseldorf Court recently decided to establish a further (third) chamber specialising in patent matters. Also, the regional courts in Mannheim, Munich and Hamburg are well known for handling patent cases.

The registered patentee is entitled to bring an infringement action without showing any further specific interest. If the patent is owned by more than one person, the co-owners do not have to join the proceedings. Also, an exclusive licensee is entitled to take action on the basis of the licensed patent without any further requirements. A non-exclusive licensee may also bring an action. However, patentees must authorise non-exclusive licensees to enforce the cease and desist claims and assign the claims for accounting and damages accordingly.

The most common response to a patent infringement suit is starting opposition or nullity proceedings to nullify the patent. Such actions may be started by anyone; it is not necessary to show an interest. If the patent has already expired, plaintiffs have to show that their rights are somehow affected by the patent, for example because they had been pursued for alleged infringement.

Regarding declaratory judgments, the plaintiff has to show a special interest in the declaratory decision. A positive declaratory proceeding is generally not admissible, because a full infringement action would discuss the same questions and have legal priority. A negative declaratory action requires a legal relationship between the parties and the plaintiff’s interest in the requested declaration. These requirements are usually met only if the plaintiff alleges patent infringement, for example by way of a warning letter or another binding allegation. In the absence of such activities, a negative declaratory action is inadmissible.
iii Obtaining relevant evidence of infringement and discovery

The German Code of Civil Procedure does not provide pretrial discovery or disclosure proceedings similar to, for example, the United Kingdom or the United States. In principle, each party is obliged to provide evidence for the facts relevant for their claim. However, German law provides some options for inspection of products, methods or documents. Prior to an infringement proceeding, the patentee may request to inspect products, facilities and documents of the alleged infringer. Another time-efficient way to gain information prior to an infringement proceeding is the ‘Düsseldorfer Praxis’. This combines the independent proceedings for the taking of evidence with an injunctive relief against the defendant to enable the taking of evidence. An independent expert inspects the possible infringement and gives a report on it.

Moreover, during infringement proceedings, it is possible to request the provision of documents that one party has referred to according to Section 142 of the Code of Civil Procedure. However, this request is only very rarely granted, as the courts adhere to the above principle that each party has only to provide evidence for the facts that found their claim.

iv Trial decision-maker

The infringement court judges are legal professionals with no technical background. At the busiest courts, the judges are highly experienced because of the high number of patent infringement cases per year (more than 100). Being highly experienced in patent litigation, the courts rarely appoint expert witnesses.

The nullity senates of the Federal Patent Court consist of two legal professionals and three technical members who are often former examiners of the German Patent and Trade Mark Office or otherwise skilled in the art, and who often have a university degree in technical sciences. The appeal is decided by judges of the 10th Senate of the Federal Supreme Court, comprising five legal professionals who also specialise in technical matters.

Patent opposition proceedings and cancellation proceedings regarding utility models are dealt with by at least two technical members of the Patent Office and one legal professional.

v Structure of the trial

Legal actions begin with the filing of a complaint, in which plaintiffs have to bring forward the facts supporting their claim and offer evidence proving their allegations. After the complaint is filed and a court fee retainer has been paid, the infringement court will serve the complaint on the defendant. The court will then schedule an early first hearing or direct written proceedings. Early first hearings mostly serve as a basis for discussing procedural issues and for setting deadlines, the emphasis being on the written pretrial procedure. Pretrial submissions serve to discuss all arguments and provide evidence (documentary evidence, fact and expert witnesses) for the facts necessary to support or defeat the claim. In patent infringement cases the burden of proof for the infringement is generally on the plaintiff, while the defendant is under no obligation to provide evidence backing up the plaintiff’s claim.

The main hearing usually takes place about nine to 12 months after the filing of the complaint. At the oral hearing the presiding judge will give an introduction to the case and

2 Bundesgerichtshof.
point out which are considered the essential preliminary arguments. This enables attorneys to focus on the most contested issues in their oral pleadings. Evidence such as infringing embodiments may be presented at the oral hearing if, for example, the factual questions such as the specific design of the embodiment are in dispute between the parties. Depending on the complexity at hand, the court might decide to appoint an independent court expert. Following the expert’s opinion, the parties may again file written submissions in preparation for a second oral hearing.

At the end of the hearing the court will announce the date when the judgment will be officially rendered orally, usually about four weeks after the main oral hearing. The written judgment is usually made available within one to four weeks after its oral announcement.

vi Infringement

Claim construction under German patent law relies on the wording of the patent claims, the patent specification and drawings as well as the purpose of the invention. The purpose of the invention is determined against the background of the technical context as described in the patent writ. Moreover, the patent is its ‘own dictionary’ (BGH, GRUR 1999, 909, 912 – Spannschraube), which means that the patent writ can derogate the literal meaning and redefine the claim wording. The claims are construed functionally, for example, they may not be limited to their plain wording. However, the functional construction of claims is limited by the spatial and physical specifications. The prosecution history is in general not permitted for claim construction (no file estoppel).

Besides literal infringement, there is a doctrine of equivalents. Equivalent infringement requires that the allegedly infringing solution has the same effect, is obvious and equivalent. The Federal Supreme Court has set these requirements into three questions (known as ‘Schneidmesser questions’ following its groundbreaking decision in BGH, GRUR 2002, 515 – Schneidmesser I; and GRUR 2002, 519 – Schneidmesser II):

a Does the modified embodiment solve the problem underlying the invention with means that have objectively the same technical effect?

b Was the person skilled in the art, using his or her specialist knowledge, able to find the variant at the priority date as having the same effect?

c Are the considerations that the person skilled in the art had to apply oriented to the technical teaching of the patent claim in such a way that the person skilled in the art took the variant into account as being an equivalent solution?

However, equivalent infringement is excluded if the modified embodiment is disclosed or obvious in prior art to a person skilled in the art (the ‘Formstein defence’ following the Federal Supreme Court’s decision in BGH, GRUR 1986, 803 – Formstein).

vii Defences

As mentioned above, German courts work on a ‘dual system’, whereby patent infringement and invalidity require separate legal actions. In the event an opposition or nullity action is pending, the defendant may request a stay of the infringement action pending its outcome. In the nullity action, any breach of the basic requirements for granting a patent may lead to its invalidity. These are lack of novelty and inventive step, technical teaching and commercial usability. Further grounds for invalidity are insufficient disclosure, added subject matter and extension of the scope of protection. Additionally, a patent may be declared void if the
essential information necessary for the application is taken from the descriptions, models, drawings, etc. of someone else.

However, infringement proceedings are not automatically stayed if an opposition or nullity action is pending. The court has discretion about whether to stay the action upon request of the defendant. The infringement action is only stayed if there is a high likelihood that the patent in suit will be revoked in the parallel proceedings. The court will generally assess all arguments raised in the nullity proceedings. A stay is most likely in the case of novelty-destroying prior art that has not been reviewed during prosecution. Other aspects the courts may take into consideration are prior unsuccessful nullity proceedings. In general, the courts are reluctant to grant a stay because it interferes with the intention of the patent system to provide the patentee with a limited period of exclusivity.

Apart from a request for stay, there are a number of different defences available in infringement proceedings. Defendants can claim a right to use the patented invention because they hold a prior own patent (positive right of use) or because they have been using the patented invention since before the registered priority of the patent (right of continued use). Also, they may raise the defence that the use of the patent is privileged as occurring only during experiments, for example on the subject matter of the patent or for applying for a pharmaceutical marketing authorisation (exemption of experimental use). Another defence is to allege the exhaustion of the patent, for example that the patented product or even process was brought to market in the EU with the authorisation of the patentee. Finally, the defendants could claim that they are entitled to a compulsory licence due to antitrust law.

According to Section 24 of the German Patent Act, it is also possible to request a compulsory licence if it is necessary in the public interest. Licence terms are settled by the court on the basis of the submissions of the parties. The court may also appoint an expert to determine the licence terms. The grant of compulsory licences is very rare.

Finally, an alleged infringer may, according to recent case law of the German Federal Supreme Court (NJW-RR 2009, 1047 – Orange-Book-Standard), raise the request for a licence as a defence in patent infringement proceedings. The patent owner may be obliged under German and European antitrust law to grant the licence if the patent is essential for the access to the respective market. If the alleged infringer makes a fair and non-discriminatory offer for a licence agreement, the patentee cannot enforce the patent, as he or she would be obliged to accept the offer. The criteria for a successful FRAND defence, as set out in the Orange-Book-Standard decision, are currently subject to a referral to the CJEU (see Section II, supra). To date, alleged infringers, inter alia, have had to make an unconditional offer to the patentee for a licence and show that they are willing to observe their obligations under the licence to successfully raise the defence. Alleged infringers have to render an account regarding use of the patent and pay a fair licence fee. However, they risk the possibility that the court may consider the offer insufficient and may entitle the patentee to determine a reasonable licence fee.

viii Time to first-level decision

Infringement cases usually last about eight to 15 months before a first instance judgment. The speed of the proceedings varies across the venues in Germany and largely depends on the actual caseload of the court concerned.
ix Remedies

German law offers various remedies, injunctive relief and damages being the most frequent ones. A patentee may also claim rendering of accounts, destruction of the infringing goods and materials and devices used for their production, transfer of the infringing goods to the plaintiff, recall of the products from distribution channels, final removal from the distribution channels and publication of the judgment.

In the vast majority of cases, the patentee’s main goal is to obtain an injunction against infringement. Final injunctions are generally granted in main proceedings after the court decides on infringement. The court has no discretion whether to apply an injunction or not. Preliminary injunctions are also available, in very urgent cases, even *ex parte*, without oral hearing. However, they are rare because of the technical complexity of patent actions, which are difficult to consider in summary proceedings. In cases of clear infringement, a preliminary injunction may be granted if the plaintiff can show that an injunction is required to avoid severe disadvantages. This may be assumed if there are no substantial doubts regarding the validity of the patent and the matter is urgent. Such urgency is assumed if the plaintiff has requested the preliminary injunction without any undue delay after obtaining knowledge of the infringement.

Damages are calculated using the accounting information the defendant has to render after a first instance decision finding infringement. Based upon this information there are three calculation methods: licence analogy, loss of profit and infringer’s profit.

According to the licence analogy model, the infringer has to pay damages in the amount of a fictional royalty rate that would have been paid if the parties had made a licence agreement. This is generally considered to be a simple and effective method of damages calculation.

Under the infringer’s profit method, infringers have to pay damages in the amount of profit made by infringing the patent. To calculate this profit a part of the production costs are subtracted from the turnover of the infringing product. This method can be complex as there is little case law yet on which costs are deductible and which costs cannot be subtracted; however, this may result in a fairly high amount of damages.

Plaintiffs can also claim the loss of profit they suffered on account of the infringement. This method is rarely used because it requires the plaintiff to disclose the actual damage they suffered (i.e., cost structure, profit per product, etc.).

There are generally no punitive damages under German law.

Finally, the patentee can prevent the import of infringing products with border control measures. These were introduced by EU regulations and a specific German regime. Under the national legislation the patentee has to file an application to the competent customs authority, the Central Office for the Protection of Intellectual Property Rights3 in Munich, which belongs to the customs authority’s Nuremberg office. The applicant has to deposit a security, which is usually a bank guarantee. The guaranteed amount has to cover the customs authority’s costs and the potential amount of damages that the affected importer might claim in court. Additionally the applicant has to file documents that support the infringement. Border control measures are a very efficient way to stop an infringer from introducing infringing products into the national market.

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3 Zollverwaltung für den Gewerblichen Rechtsschutz.
Court and attorneys’ fees are calculated according to a fixed statutory fee schedule. The fees are calculated on the basis of the value in dispute as proposed by the claimant and fixed by the court. The losing party bears the court fees and has to reimburse the winner’s attorney fees and expenses under the fee schedule. While arrangements of hourly fees are common, the reimbursement is limited to statutory fees. The value under dispute should reflect the plaintiff’s economic interest in the case. Typical values under dispute in patent infringement and nullity proceedings are €250,000 for a minor case and €1 million for a medium case. Larger cases where the economic interest of the plaintiff is higher have respectively larger values under dispute.

In infringement proceedings with a value in dispute of €250,000, the court fees would amount to €6,312 while the lawyers’ fees and patent attorneys’ fees would amount to €11,305 per party. At a value in dispute of €1 million, the court costs would amount to €16,008 while the lawyers’ fees and patent attorneys’ fees would amount to €23,605 per party.

In nullity proceedings before the Federal Patent Court with a value in dispute of €250,000, the court fees would amount to €9,468. At a value in dispute of €1 million, the court costs would amount to €24,012. The combined lawyers’ and patent attorneys’ fees would each be the same as in the infringement proceedings.

Appellate review

In infringement cases, there is a right to appeal the first instance decision of the regional court to the relevant higher regional court. In the appeal proceedings, the appellant can contest all aspects (fact determinations and legal conclusions) of the first instance decision. However, new facts may only be introduced if the party did not negligently omit to present them in the first instance. There is a further appeal, on legal grounds only, to the Federal Supreme Court if the Higher Regional Court grants leave. If this is not granted by the Higher Regional Court, it is possible to file a non-admission complaint. In invalidity proceedings, judgments may be directly appealed to the Federal Supreme Court.

Appeal proceedings in standard cases usually last 12 to 18 months. However, if a court expert is appointed, the total duration of the appeal proceedings can easily exceed two years. Moreover, at appeal stage the appellate court can stay the proceedings (as may happen at first instance) if a parallel nullity action is pending.

In appeal proceedings with a value in dispute of €250,000, the court fees would amount to €8,416 while the lawyers’ fees and patent attorneys’ fees would amount to €12,657 per party. At a value in dispute of €1 million, the court costs would amount to €21,344 while the lawyers’ fees and patent attorneys’ fees would amount to €26,433 per party.

In invalidity proceedings before the Federal Supreme Court with a value in dispute of €250,000, the court fees would amount to €12,624. At a value in dispute of €1 million, the court costs would amount to €32,016. The combined lawyers’ and patent attorneys’ fees would each be the same as in the infringement proceedings.

Alternatives to litigation

One common alternative to litigation in IP disputes in Germany is arbitration. Patents and utility models are generally suitable for German and international arbitration proceedings. The German Institution of Arbitration is the most important national arbitration tribunal. Internationally, arbitration of IP disputes is most commonly brought before the WIPO in
Geneva and also, though less frequently, before the International Chamber of Commerce in Paris. However, the vast majority of patent infringement cases are brought before ordinary courts as they are competent for tort. In contrast, arbitration proceedings require a mutual contractual agreement between the parties. Such arbitration clauses are typically incorporated in licence agreements or settlements. Additionally, arbitration decisions only have inter partes effect for the parties to the arbitration. Therefore, arbitration proceedings are not available for decisions on the validity of the patent that have general effect (erga omnes). Another means for resolving IP disputes in Germany is mediation. Although its advantages have been promoted increasingly in the recent past, mediation is still seldom chosen for dispute resolution of patent infringement and, therefore, is of minor relevance.

V TRENDS AND OUTLOOK

Currently one of the most important trends concerns the further harmonisation of patent infringement and validity proceedings in the EU. Recent years have already seen increased harmonisation initiatives, including a strengthened exchange between European patent judges and consideration of relevant decisions, in particular in cross-border cases. Moreover, the long-expected and recently concluded agreement on the implementation of a European patent with unitary effect (unitary patent) may lead to changes in the bifurcated German system of patent litigation.

Regulation EU/1257/2012 on the creation of unitary patent protection and the corresponding Regulation EU/1260/2012 on translation arrangements were adopted and the agreement to create a Unified Patent Court (UPC) was signed by 25 of the current 27 participating states – all except Spain and Poland. The UPC will act as a specialised patent court having exclusive jurisdiction for litigation relating to European patents and unitary patents. The UPC will consist of various divisions including national ‘local divisions’.

The introduction of the UPC will also have a strong influence on German patent disputes although less litigation is not expected to be carried out in Germany. At the moment Germany is the most important venue for patent infringement proceedings in Europe. With over 1,400 cases tried annually, it is far ahead of the other European venues, such as the Netherlands, the United Kingdom and France. Because of the good reputation of German courts, it is very likely that a high percentage of cases concerning unitary patents will still be tried at first instance before the German local divisions of the UPC. The courts of Düsseldorf, Mannheim, Munich and Hamburg have been appointed as local divisions for Germany.

The creation of the UPC and the corresponding Regulations give rise to a lot of follow-on questions as to how each country will deal with its stipulations. As already indicated, in Germany one major issue will be the treatment of countersuits on nullity, which may be dealt with by local divisions with the help of an official technical expert, or may be referred to the central division of the UPC in Paris, London or Munich. Since Germany has a bifurcated system of patent litigation, the option to judge on nullity questions is completely new to German infringement courts and it will be interesting to see whether they will make use of it.

In any event it can be assumed that the continued appeal of Germany as a global venue for patent litigation will not be affected, neither in the short term nor once the UPC becomes effective.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Greece is a market with a population of about 10 million people. In 2014, GDP was $235.57 billion, representing 0.38 per cent of the global economy. GDP in Greece averaged $107.36 billion from 1960 until 2014, reaching an all-time high of $354.62 billion in 2008 and a record low of $4.45 billion in 1960. Since 2008, Greece has been undergoing its most serious economic crisis (mainly a public debt crisis) since World War II. In 2015, GDP was unofficially estimated to be about $252 billion.

The total number of national trademarks applied for in Greece in 2015 by both nationals and foreigners was 5,688. In 2014, it was 5,550 and in 2013, 5,078. The total number of international marks extended into Greece through the Madrid Protocol in 2015 was 1,368; in 2014, it was 1,351.

The total number of European patents (EPs) designating Greece, granted by the European Patent Office (EPO) in Munich within 2015, was 62,850. In 2014, it was 57,629 and for 2013, 55,834. However, only a small percentage of those EPs initially designating Greece were actually and finally validated in our country. The total number of EPs validated in Greece in 2015 was 2,815, while the same figure for 2014 was 2,685 and 2,795 for 2013. Validation requires the submission of a Greek translation with the local Patent Office, as well as the appointment of a local agent to receive a service process.

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;
Greece

- patents and utility models;
- topographies of semiconductor products;
- plant varieties;
- biotechnological inventions;
- supplementary protection certificates for pharmaceuticals;
- industrial designs, including surface (fashion) designs. Under Greek law, the legal protection afforded to industrial designs includes the type of protection granted in other jurisdictions (e.g., ‘design patents’ in the US). Non-registered designs are also protected, although under different terms than registered designs;
- non-registered distinctive signs and company names are protected under the law of unfair competition;
- other types of intellectual property, which are not protected by specific IP legislation, such as know-how, trade secrets, business methods, etc., may enjoy protection under the law of unfair competition; and
- 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 can only be protected under one specific form of IP right; 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 (Regulation (EC) No. 510/2006), protected appellations (designations) of origin (Regulations (EC) Nos. 479/2008 and 607/2009), and protected traditional specialties guaranteed (Regulation (EC) No. 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;
c) topographies of semiconductor products: Presidential Decrees 45/1991 and 415/1995;
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: Regulation (EEC) No. 1768/1992 and Regulation (EC) No. 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 Directive 2008/95/EC on trade marks (the Trade Marks Directive)); and
i) unfair competition: Law 146/1914.

European Union legislation

As Greece is a member of the European Union, 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

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 Regulation (EU) No. 2015/2424, and hereinafter EU trademarks) and Community designs (Regulation (EC) No. 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/EC concerning unfair business-to-consumer commercial practices and 2006/114/EC concerning misleading and comparative advertising.

Among the EU instruments that are of particular importance in local judicial practice, Regulation (EC) No. 864/2007 on the law applicable to non-contractual obligations (Rome II) should be noted (particularly, Articles 6 and 8 containing provisions on the law applicable to acts of unfair competition and infringement of IP rights, respectively), and Regulation
Greece is party to the following international IP conventions:

- the Paris Convention 1883 (Stockholm 1967 version);
- the WTO-TRIPS Agreement;
- the Hague Convention for international registration of industrial designs, known as the Hague System (Geneva Convention 1999);
- the Locarno Agreement (1968), on the international classification of industrial designs;
- the Madrid Protocol (1989) regarding international registration of trademarks through WIPO. However, Greece is not party to the Madrid Agreement (1891);
- the Nice Classification Agreement (1957), now consisting of 45 classes of goods and services for trademark registrations;
- the European Patent Convention – Treaty of Munich (1973) as amended in 2000, for European patents (EPs);
- the Patent Cooperation Treaty ((PCT)1990);
- the Budapest Treaty on the International Recognition on the Deposit of Microorganisms for the Purposes of Patent Procedure (1993); and

It should be noted 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 EPO as European patents, provided that they designate the EPO 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. Directive (EU) 2015/2436 to approximate the laws of the Member States relating to trade marks has replaced Directive 2008/95/EC. The new Directive has to be implemented into national law by 14 January 2019.

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

- 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.
- 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.
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.

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).

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

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.


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, IP 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 with respect 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 so-called, 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 EPO), 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, mutatis mutandis, in relation to patent rights acquired through the PCT system. These are addressed to Greece through the EPO as EPs, provided that they designate the EPO 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 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: product claims; production methods claims; and 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 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 relation to visible parts or elements of a product; 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 as 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 (EC) No. 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/EC 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 Directive 2008/95/EC, amended by Directive (EU) 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 European Union Intellectual Property Office (EUIPO), formerly the Office for Harmonisation in the Internal Market, for granting EU 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 a person applies to civil courts against infringement, as acquisition of rights is evidenced by submitting the trademark certificate alone;

b. protection under trademark law is country-wide, 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.

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

**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 EUIPO 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 commencing 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).

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 the case 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. Although this has occasionally caused embarrassment to civil courts and led to complaints, it makes national trademark registration a very strong right and affords it great legal certainty.

**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 a simple and common typeface. If the registration is in simple and common typeface, the scope of protection granted covers any possible representation of the same word – 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: ordinary proceedings and summary proceedings.

Ordinary proceedings tend to be long. It takes approximately one year from the filing of a legal action to fix a court hearing. It will take 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 (Supreme) Court. The review covers only matters of law and not matters of fact.

There are special courts dealing with EU trademarks with judges that have a level of specialisation in IP matters. If the plaintiff invokes an EU trademark, it is possible to fix an early hearing in as little as three or four months from the filing of the legal action.

Summary proceedings are available if there is any urgency. 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 usually takes 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 from 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 refer to the facts and 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 can be lengthy, potentially lasting for as long as 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 addresser. Therefore, 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.
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 damages.

However, legislation has since changed and now provides for more relaxed alternative criteria for determining the volume of damages. In particular, the plaintiff may quantify their 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.

c. 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 the other parties for a licence of a similar IP right to the one infringed.

These criteria apply to 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 the award of psychological damages 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 (e.g., approximately €10,000) even if the infringed IP rights relate to particularly strong, famous trademarks.

Very severe criminal sanctions exist for copyright infringements. In addition, there are less severe criminal sanctions for trademark infringement, as well as for infringements of unfair competition and non-registered distinctive signs.

Customs procedures

Customs procedures are available according to the EU legislation outlined in Section I.ii, supra. Customs procedures are available for all IP rights and are particularly efficient. However, they do not apply to parallel imports.

Obtaining and preserving evidence; the EU Enforcement Directive

Greece has implemented Directive 2004/48/EC on the enforcement of IP rights. The Directive offers great assistance in obtaining and preserving evidence either during 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 exercise great discretion in applying the Directive and 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.

v 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 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 content available to the public 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 only 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.

vi 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 such as 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 EPO. For instance,
Greek courts are likely to stay local proceedings in case that there are any prior proceedings already pending before the EPO 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 and the patent 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 countries that are not members of the EU are illegitimate and amount to trademark infringement. This is not the case, though, in connection to parallel imports among EU Member States.

viii Famous marks

The Supreme (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 (No. 270/2015) of the First Instance Court of Athens, 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; 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 (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 green, 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 in their ice-cream freezers. The leading case relating to the protection of a single colour (not a colour combination) is the Petro gas case (Supreme 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 the copying of even a single colour 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, highly 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. In the early 1970s, Mr Nikas founded Nikas SA, which was one of the largest local manufacturers of sausages and other cold meats. In early 2000, he sold his shares and abandoned the company. After 12 years, he introduced his own sausages under the new 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 EU trademarks and earlier national registered trademarks or earlier national non-registered distinctive marks. In a recent case (summary Judgment No. 12035/14), the Single Member First Instance Court of Athens issued a cease-and-desist order preventing the circulation in the local market of a constipation product, traded under the registered EU trademark ‘EVA/qu’ owing to an earlier national registered trademark ‘EVA’, used in medicinal and hygienic products. The Court applied Articles 55(2), 53 and 100 of Regulation (EC) No. 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 EU trademark 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 and encompasses the English law concept of ‘passing off’, but with a wider scope. 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 business conduct does not seem to comply with good business ethics. Such situations usually relate to the following types of business conduct:

a exploitation of a person’s reputation (i.e., unauthorised use of famous marks);
b misappropriation of a person’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.);
c destructing business reputation (i.e., defamation);
d deceptive or misleading advertising, emotional advertising, excessive aggressive and annoying advertising;
e intrusion in a person’s business activity (i.e., by way of soliciting employees or clients, or threatening to sue, etc.);
f violation of laws and contractual obligations; and
g 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. The said Article 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 Directives 2005/29/EC concerning unfair business-to-consumer commercial practices and 2006/114/EC concerning 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 expected 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 also anticipated to have a substantive impact on IP litigation.

In terms of trademark law, the implementation of the new Directive (EU) 2015/2436 on trademarks is expected to increase the impact of the defences of functionality and proof of use in civil proceedings. Conflicts between registered EU 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.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property protection in India covers a variety of subject matter including patents, industrial design, copyright, trademark, geographical indications, plant varieties, trade secrets and confidential information. The law on intellectual property is largely codified, except for trade secrets and confidential information, which are governed by common law principles and law of contract. As India is a common law country, interpretation of the statutes by the courts is an important source of the law and reference to judicial precedents is indispensable for a complete understanding of laws under the Indian legal system.

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 and 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 inventor of an ‘invention’ that is a novel product or process that involves an inventive step and is capable of industrial application.

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1 Pravin Anand is a managing partner and Raunaq Kamath is a senior associate at Anand and Anand.
The term of a patent is 20 years starting from the date of the patent application. After the term of the patent expires, the invention becomes a part of the public domain and the patentee ceases to have exclusive rights over the subject matter of the patent.

ii Registered designs

An industrial design 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 of any new or original design that has not been previously published in any country. Upon being granted a registration of the design, 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.

iii Layout-designs of integrated circuits

The Semiconductor and Integrated Circuits Layout-Design Act 2000 provides statutory protection to semiconductor integrated circuits layouts 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.

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2 Section 53 of the Patents Act 1970.
3 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 or any artistic work as defined in clause (c) of Section 2 of the Copyright Act 1957.
4 Under Section 2(j) of the Designs Act 2000, ‘proprietor of a new or original design’: (1) 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; (2) 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 (3) 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.
5 Section 5 of the Designs Act 2000.
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.

iv Copyright and related rights

The Copyright Act 1957 provides for the protection of exclusive rights in reproduction and exploitation of original literary, dramatic, musical and artistic works; cinematograph films and sound recordings. 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. However, registration of a copyright serves as *prima facie* proof of ownership of copyright in a court.

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.

The Copyright Act also provides for the protection of ‘broadcast reproduction right’, ‘performer’s right’ and ‘author’s special rights’ (i.e., ‘moral rights of an author’) 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. A trademark can be represented graphically and is capable of distinguishing the goods and services of one person 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.

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7 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.
8 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.
9 Section 37 of the Copyright Act 1957.
10 Section 38 of the Copyright Act 1957.
11 Section 57 of the Copyright Act 1957.
12 Section 2(1)(zb) of the Trade Marks Act 1999.
13 Section 2(1)(m) of the Trade Marks Act 1999.
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.\(^{14}\) 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.\(^{15}\)

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.

**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\(^{16}\) may apply for registration of geographical indication in relation to such goods.\(^{17}\) 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 such goods is attributed to its geographical origin.\(^{18}\)

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.\(^{19}\) Registration of authorised users is also renewed in the same manner.\(^{20}\) Only authorised users are entitled to exclusive use of a geographical indication.

A valid geographical indication entitles the registered proprietor of the geographical indication and the authorised user or users thereof to obtain relief in respect of infringement of the geographical indication.

The Geographical Indications Registry is located in Chennai. The Geographical Indication of Goods (Registration and Protection) Act 1999 came into effect on 15 April 2003, and since its establishment, the registry has granted registrations to 238 geographical indications.\(^{21}\)

14 Section 28 of the Trade Marks Act 1999.
15 Section 27 of the Trade Marks Act 1999.
16 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.
18 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.
21 See http://ipindia.nic.in/girindia.
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.

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.\(^2\)

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., which might be applied in a case where confidential information is misused.\(^3\) 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 said officer to misuse his or her position and disclose the secrets, beyond the proper discharge of his or her duty.\(^4\)

Similarly, the Right to Information Act\(^5\) 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. However, the exception to this rule is that the competent authority may disclose such information if the larger public interest warrants the disclosure.

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 extends to all categories of plants excluding microorganisms. To be granted registration, a plant variety must be novel, distinctive, uniform and stable. The registrations are to be made to the Protection of Plant Varieties and Farmers’ Rights Authority.

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24 Section 166 of the Indian Penal Code 1860.

25 The Right to Information Act 2005 is a unique Indian statute that 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.
which has been established by the central government. An application for registration under this legislation can be made to the Plant Varieties Registry. The Registrar will then advertise the application for oppositions. The Registrar shall then give both parties a hearing before deciding on the application.

The aggregate term of protection in the case of a variety of trees or a variety of vines is 18 years, 15 years from the date of notification of the variety in the case of extant varieties and in all other cases it is 15 years from the date of registration of the variety.

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 such application.26

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. 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.

II RECENT DEVELOPMENTS

i Decisions

_F. Hoffmann-La Roche & Anr v. Cipla Ltd and Cipla Ltd v. F. Hoffmann La Roche & Anr, FA (OS) Nos. 92 and 103 of 2012 (Delhi High Court (Division Bench))_

In cross-appeals against a decision passed in India’s first pharma patent infringement case in a post-TRIPS context, the Division Bench held that Roche’s patent was valid and had been infringed. Since the patent was scheduled to expire in four months, no injunction was granted and Cipla was held liable to render accounts of the manufacture and sale of their infringing product. The findings are summarised as follows.

In an infringement analysis, the comparison has to be made between the claims of a patent sought to be infringed and the product asserted to be infringed. It is not the patentee’s product that has to be compared with the infringer’s product.

The principles of claim construction were laid down. The court placed emphasis on the cardinal rule of claim construction, which states that claims define the territory and scope of protection and if the claim is a broad product claim and does not mention a polymorph, all polymorphic forms will be subsumed in the patent. On this basis the court held that there was infringement of the patent.

A claim must be interpreted using its original wording and, if the wording is clear, then subsequent statements and documents either to enlarge or to narrow the scope of the claims cannot be used.

A distinction was struck between commercial utility and patent utility and it was recognised that at the time the products are invented, they may not be commercially the most viable for immediate marketing.

In case of disclosure requirements under Section 8 during patent prosecution, the intention of the patent applicant and prejudice caused by virtue of the non-disclosure must be seen. The court also recognised the concept of incremental innovations under Section 3(d).

There was infringement of the compound patent even if the polymorph patent was rejected, as the claims of the compound patent were broad enough to cover the infringing product.

**Merck Sharp & Dohme Corp & Anr v. Glenmark Pharmaceuticals Ltd (Delhi High Court)**

In the first contested patent infringement case that concluded with a decree of permanent injunction in favour of the patentee after trial, Glenmark was restrained from dealing in products covered by the Merck’s patent, including sitagliptin phosphate monohydrate (SPM) or any other salt of sitagliptin in any form, alone or in combination with one or more other drugs. Notable findings are as follows:

- In highly technical matters the court ought to rely on the opinion of experts in the field, whose testimony is found trustworthy and reliable and supported by documents.
- At the time when a patent is granted it is not necessary to have the product manufactured. If the invention can be commercialised subsequently, it is sufficient. While sitagliptin has therapeutic (biological) utility, SPM has an advantage over the free base resulting in better physical and chemical characteristics for tablet formation.
- The court’s power to revoke a patent on the ground of Section 8 non-compliance is discretionary. In such cases, revocation will only follow if the court is of the view that omission to furnish the information was deliberate.
- Public interest was irrelevant in the aforementioned case as sitagliptin is not the only DPP-IV inhibitor drug available for treatment of type II diabetes in the market. Sale of generic drugs at a lower price cannot be a ground to decline injunction against a competitor defendant who has been infringing the plaintiff’s patent.

**Data Infosys Ltd & Ors v. Infosys Technologies Ltd (Delhi High Court)**

A full bench of the Delhi High Court clarified that a party in a pending suit for infringement of a trademark is not required to have permission from court before initiating a rectification action against the registered trademark of the opponent. An aggrieved person may seek cancellation of a registered trademark despite the pendency of a suit for infringement of said trademark inter se the parties. The discretion that the court may exercise is limited to whether the trial in the suit will remain stayed pending a decision in the cancellation action. This discretion is exercised depending on whether the court is satisfied with the tenability of the plea of invalidity of the trademark in question. If the plea of invalidity is deemed to be tenable, the court may stay the trial in the suit until the cancellation action is decided.

**Bristol-Myers Squibb Company & Ors v. Mr J D Joshi & Anr, CS (OS) No. 2303 of 2009 and Bristol-Myers Squibb Company & Ors v. Mr D Shah & Anr, CS (OS) No. 679 of 2013 (Delhi High Court)**

Bristol-Myers Squibb (BMS) instituted two patent infringement suits that were *quia timet* actions filed on the basis of the defendants’ applications to the Drug Controller General of India seeking the marketing approval and application of a manufacturing licence and a compulsory licence for the patent. The court held that BMS has a *prima facie* case of the valid patent and the alleged apprehension of the infringement where the defendants have already
taken the preparatory steps towards the manufacturing of the products by obtaining the licence, etc. If the defendants were allowed to commence the infringement in full knowledge of the patentee's invention, BMS would suffer injury and irreparable harm. The defendants' challenge on the validity of BMS's patent was rejected. It was held that the defences raised did not lead the court to express any apparent concerns about the validity of the patent, but required fact-finding and substantiation prior to arriving at any such contrary view.

**Cartier International AG & Ors v. Gaurav Bhatia & Ors, CS (OS) 1317/2014 (Delhi High Court)**

An e-commerce website, www.digaaz.com, was found to be engaged in the sale of counterfeit products bearing the trade marks of various Richemont brands including Cartier, Panerai, Vacheron Constantin and Jaeger-LeCoultre. The defendants chose to evade the proceedings and were proceeded *ex parte*. The plaintiffs led *ex parte* evidence in the suit to demonstrate the extent of the defendants’ counterfeiting activities, which led to the grant of a decree of damages of 10 million rupees – the highest amount granted against a counterfeiter in India to date. The Court also considered the evidence on record and declared that the trade marks Panerai, Vacheron Constantin and Jaeger-LeCoultre are well-known marks.

**Burger King Corporation v. Burger Place, CS (OS) No. 290 of 2015 (Delhi High Court)**

The defendant did not enter appearance in the proceedings despite service and also failed to file a written defence. The plaintiff filed an application seeking an immediate decree in the absence of a written statement. The court allowed the application while keeping in view the need for expeditious trial when suits are of a commercial nature, such as IP cases. The court held that such commercial suits ought to be treated on a different footing and cannot be kept lingering when there is no contest from the other side. The court also deemed it appropriate to dispense with the requirement for the plaintiff to file an affidavit by way of evidence and granted a decree of permanent injunction in the plaintiff’s favour.

**Shree Nath Heritage Liquor Pvt Ltd v. M/s Allied Blender & Distillers Pvt Ltd, FAO (OS) 368 of 2014 and Sentini Bio Products Pvt Ltd v. Allied Blender & Distillers Pvt Ltd, FAO (OS) 493 of 2014 (Delhi High Court (Division Bench))**

The Division Bench held the marks ‘Officer’s Special’ and ‘Collector’s Choice’ were likely to be confused with the plaintiff’s mark ‘Officer’s Choice’ for whisky. The Bench developed the ‘test of similarity in idea’ for determining similarity between trademarks and applied the relations of relative synonymy and hypernymy to observe that ‘collector’ and ‘officer’ are related by hypernymy and relative synonymy. It was held that the mark ‘Officer’s Special’ is a relative synonym of the mark ‘Officer’s Choice’.

**Louis Vuitton v. Manoj Khurana, CS (OS) No. 1668 of 2013 (Delhi High Court)**

In a suit filed by luxury brand Louis Vuitton against a counterfeiting entity, the court granted a decree of permanent injunction against the defendants and held that where the plaintiff’s goods are found to be sold outside its exclusive stores, an adverse inference is to be drawn under the Indian Evidence Act 1872 that the goods are counterfeit beyond any doubt whatsoever. The Court also held that it is empowered to admit evidence of the usages of the trade concerned.
**India**

*Sholay Media and Entertainment Pvt Ltd and Anr v. Parag Sanghavi and Ors*

The suit was filed prior to the release of the film *Ram Gopal Varma Ki Aag* by defendants, which was advertised as a remake of the plaintiff’s classic film *Sholay* and that violated the plaintiff’s rights therein. The Court decreed the suit in the plaintiff’s favour and restrained the defendants from substantially reproducing the film *Sholay* or the constituent parts of the film (i.e., the script, screenplay, sound recordings, lyrics, musical works and art works). The defendants were also restrained from using the name of one of the main characters, Gabbar Singh. This is one of the first Indian cases where intellectual property rights pertaining to fictional characters has been recognised.

**III OBTAINING PROTECTION**

The Patents Act 1970 lays down that an invention may be granted a patent when the three necessary conditions are fulfilled: it should be novel, involve an inventive step, and be capable of industrial application. Additionally, in the case of process claims, the manufacture must result in the creation of a tangible end product. This last condition is not a requirement of the Act but an internal and unpublished Patent Office guideline that is adhered to despite court decisions to the contrary (*Thomas Brandt v. Controller of Patents*).

Under the Act, inventions relating to atomic energy, preparation of microorganisms or any other living substance including plants and animals in whole, computer programs or algorithms, and mathematical or business methods are not patentable in India. Medical treatment of humans and animals is also not patentable in India. Chemical substances and compounds including drugs and food *per se*, including alloys, semiconductors, inter-metallic compounds and optical glass, which were not patentable under the old Patents Act, are now patentable following the 2005 Amendment to the Patents Act. However, patenting of new forms of already known substances is subject to the patent applicant proving an enhancement in known efficacy of the new form of the existing substance when compared to the efficacy of the known substances. 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 Act permits both pre-grant and post-grant opposition. Any person may oppose a patent application by filing a representation for opposition with the Patent Office. A pre-grant opposition can be filed any time before the patent is granted. In comparison, however, the scope of post-grant opposition is narrower since a post-grant opposition can only be filed within one year of the grant of the patent by any person interested. The

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27 1990 IPLR 37.

28 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.

29 Section 3 of the Patents Act 1970.

30 Section 3(d) of the Patents Act 1970.

31 Section 25(1) of the Patents Act 1970.

32 Section 25(2) of the Patents Act 1970.
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 opposition proceedings can be appealed before the IPAB. The orders of the Patent Office and the IPAB in various opposition proceedings can be accessed on the website of the Patent Office.

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 Act 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 advertised by the Trademark Registry before it is registered. Any person wishing to oppose the mark may do so within three months from the date of registration or within such further period not exceeding one month. The Registrar shall then grant both parties a hearing before deciding on the application.

A design will not be registered under the Designs Act if:

a. it is not new or original;
b. 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;
c. it is not significantly distinguishable from known designs or combination of known designs; or
d. it comprises or contains scandalous or obscene matter. 33

A copyright subsists in a work from its very creation. Copyright registration 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.

A new plant variety shall be registered Act if it conforms to the criteria of novelty, distinctiveness, uniformity and stability. 34 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. 35 Every application for registration shall: 36

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;

33 Section 4 of the Design Act 2000.
34 Section 15(1) of the Protection of Plant Varieties and Farmers’ Rights Act 2001.
35 Section 15(2) of the Protection of Plant Varieties and Farmers’ Rights Act 2001.
36 Section 18(1) of the Protection of Plant Varieties and Farmers’ Rights Act 2001.
be in such form as may be specified by regulations;

c 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.

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: 37

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;

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.

IV ENFORCEMENT OF RIGHTS

Possible venues for enforcement

The Supreme Court of India is the apex court of the Indian judicial system. Subordinate to it are the 24 High Courts that together form the second tier of the Indian judiciary. Most of the significant intellectual property case law over the last three decades has originated from the decisions of the High Courts of Delhi, Bombay, Calcutta and Madras. The third tier of the Indian judicial system consists of over 600 district courts.

The trademark, copyright, designs and patent statutes provide for the district court as the court of first instance for infringement proceedings. The High Courts have appellate jurisdiction over the decisions of the district courts. In some jurisdictions, the court of first instance may be the High Court when the value of the suit exceeds the pecuniary limit on the jurisdiction of a particular district court.

The Patent Office essentially is concerned with work relating to the filing of patent applications and their prosecution including examination and proceedings for cancellation of patents. The Trade Mark Registry is concerned with work relating to the filing and prosecution of trademark applications, their examination, oppositions and proceedings relating to rectification or removal of trademarks. The Copyright Office performs similar functions in relation to copyright matters. The Patent Office also looks after design applications through its head office in Calcutta. The Patent Office, Trade Mark Office and Copyright Office function as quasi-judicial bodies. Appeals against the orders of these bodies, with the exception of the Copyright Board, lie with the IPAB, which has been set up under the Trade Marks Act 1999. As of 2007 the IPAB was notified to hear appeals even from the Patent Office, but it has been facing a severe shortage of qualified members to hear patent matters.

The Protection of Plant Varieties and Farmers’ Rights Act 2001 provides for a separate Plant Varieties Protection Appellate Tribunal to hear all appeals from the Protection of Plant Varieties and Farmers’ Rights Authority and Registry.

ii Requirements for jurisdiction and venue

Every civil court exercises its jurisdiction over a territory that falls within the jurisdiction of the court. There may be pecuniary limitations to the jurisdiction of a forum and some courts exercise exclusive jurisdiction over certain subject matter. Hence, jurisdiction of a court may depend upon the relevant territory, pecuniary value and subject matter of the dispute and 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 defendant if the alleged infringement took place or the cause of action arises within the jurisdiction of an Indian court, or if the defendant or any of the defendants actually and voluntarily resides, or carries on business, or personally works for gain, within the jurisdiction of an Indian court.38 Hence, the location of the plaintiff is not a consideration. In Sholay Media Entertainment Ltd v. Yogesh Patel,39 the Division Bench of the Delhi High Court upheld that even an infinitesimal fraction of a cause of action will form a part of the cause of action in order to confer jurisdiction. In this case, the Court held that the respondent was actively promoting business in New Delhi through CDs distributed along with the December issue of IT magazine, which was extensively circulated in Delhi and that the CD when loaded displayed the website ‘www.sholay.com’ with prominence such that any user would click on the link to the respondent’s website and in turn could then avail themselves of various services such as e-greetings or e-chat and goods such as DVDs sold by the respondent. Further, the respondent’s website is a virtual store with the ‘essential interactive features’ that permits a visitor to order goods or services and communicate with the respondents via email.

38 Section 20 of the Code of Civil Procedure 1908.
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.\textsuperscript{40}

The availability of this additional forum to statutory right holders has been recently diluted by the Supreme Court by virtue of the landmark decision passed in \textit{Indian Performing Rights Society Ltd v. Sanjay Dalia & Ors} (Civil Appeal Nos. 10643 and 10644 of 2010). The Supreme Court has set out that if there is an overlap in any jurisdiction where the plaintiff resides, carries on business or personally works for gain, with a part of the cause of action, the plaintiff will have to file the suit in a jurisdiction where the overlap exists over a jurisdiction where there is no such overlap. In other words if the plaintiff is carrying on business in two jurisdictions and a part of the cause of action arises in one of these jurisdictions, the plaintiff cannot file the suit in the jurisdiction where there is no overlap. The Supreme Court has clarified, however, that the plaintiff may also file the suit where the defendant resides or where the infringement takes place regardless of the plaintiff’s place of business.

In \textit{Bristol-Myers Squibb Company & Anr v. VC Bhutada & Ors},\textsuperscript{41} the Delhi High Court held that to determine that a defendant ‘carries on business’, the plaintiff has to \textit{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.

In intellectual property matters, the district courts of India are the courts of first instance. The district court may be the court of a district judge (civil court) or that of the sessions judge or metropolitan magistrate (criminal court).

There is no special court of first instance for the resolution of intellectual property disputes. Hence, in intellectual property litigations, particularly those relating to patents, right holders are often concerned that a district court may not possess the technical expertise required to fully understand an invention, technology or other things upon which a sound decision would depend.

In some territories of India, the intellectual property statutes that confer jurisdiction upon district courts can be broadly interpreted to include High Courts. This is common in cases wherein the value of the suit exceeds the pecuniary jurisdiction of the relevant district court of a territory. In such a situation, the suit would be heard by the presiding High Court of that territory. This is not possible in territories where district courts exercise unlimited pecuniary jurisdiction.

\textsuperscript{40} Section 134(2) of the Trade Marks Act 1999 and Section 62(2) of the Copyright Act 1957.

\textsuperscript{41} Suit No. CS (OS) 2801 of 2012, order of the Delhi High Court dated 11 October 2013.
A suit for declaration as to non-infringement or a suit for infringement of a patent cannot be instituted in a court inferior to a district court. 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.  

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.

_John Doe orders_

Great care is taken when actions are instituted against fly-by-night operators and other 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 parties such as this 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. The court allows the plaintiff to formally implead such defendants into the suit once evidence is obtained by a local commissioner and they have been identified.

_Norwich Pharmacal orders_

A _Norwich Pharmacal_ order may be prayed for before Indian courts after proceedings have already commenced; however, the application usually entails a hearing that may last several hours.

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

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42 _Alloys Wobben v. Yogesh Mehra & Ors_ SLP No. 6456 of 2012 before the Supreme Court of India.


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.

**Discovery**

Discovery is possible only after legal proceedings have commenced. Under the provisions of Order 11 Rule 1 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.

Section 115 of the Patent 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 enquire 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.

The decision of the judge ultimately depends on the impression created by the witnesses, the calibre of their responses to cross-examination and of course the quality of documentary evidence on record.

Witnesses can give evidence of the existence or non-existence of facts at issue and of relevant facts that are so connected to the facts at issue that they render the latter probable or improbable.

Hearsay evidence is not permitted and witnesses cannot give an opinion unless they are experts. Oral evidence has to be concise and to the point in response to questions asked in cross-examination.

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The contents of documents may be proved by production of the originals or their copies or oral accounts of their contents. Oral evidence, which falls in the category of secondary evidence, is only viable when an original document is absent.

Oral evidence can of course supplement documentary evidence and a witness can refresh his or her memory by referring to documents while giving evidence.

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.

The examination-in-chief and cross-examination at trial are based on the pleadings of the parties and affidavits by way of evidence filed in the proceedings. However, the scope of cross-examination is limited only by the requirement of relevance; it may otherwise be wide-ranging, to include questions directed at testing witnesses’ veracity, their identity or position in life and to shake their credibility.

Re-examination of a witness is limited to explanations of matters referred to in cross-examination and a new matter cannot be introduced at this stage except with the permission of the court, and if introduced, the opponent is entitled to cross-examine the witness on that matter.

Leading questions can be asked only with the permission of the court and these pertain to matters that are introductory or undisputed, or that have in the court’s opinion already been sufficiently proved.

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 infringement of a patent. Section 48, however, vests certain exclusive rights upon the patentee or his or her agent. Violation of the rights conferred to 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 cases for infringement of patent, 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.47 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;48 or

\[ b \] by instituting a counterclaim challenging the validity of the patent.49

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47 Sections 64, 104, and 107 of the Patents Act 1970.
48 Sections 107 of the Patents Act 1970.
49 Sections 64 and 104 of the Patents Act 1970.
**Literal infringement**
The first step in patent infringement assessment requires determination of the rights conferred by the patent. This is ascertained by the construction of the claims. To construe a claim of a patent, the claim is read in the light of the description provided in the patent specification.

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 reads on 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:

- **a** read the description first and then the claims;
- **b** find out what constitutes prior art;
- **c** find out what improvement is present over the prior art;
- **d** list the broad features of the improvement (pith and marrow of the claims);
- **e** compare the said broad features with the defendant’s process or apparatus; and
- **f** 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.50

**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,51 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 & Ors*,52 wherein 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.

**Defences**
The defendant in a patent infringement suit can take the following defences.

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 correspondence applications and foreign jurisdiction for the same and substantially the same invention. In the recent decision the Delhi High Court has clarified that such non-disclosure must be material and intentional.

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51 *Ravi Kamal Bali v. Kala Tech and Kala Tech and Ors* 38 P.T.C. 3435 (Bom.).

52 38 P.T.C. 341 (Mad. 2008).
The courts have usually taken a strong view against suppression of material facts. Thus, it is better to overstate rather than understate.

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.\(^53\)

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).\(^54\)

In recent years, the courts of India have been more inclined to award damages than they ever have in the past. This is particularly true of the Delhi High Court, which has begun to award punitive and exemplary damages, in matters pertaining to the enforcement of intellectual property rights. This trend of awarding punitive and exemplary damages started with the decision in the Delhi High Court case of *Time Incorporated v. Lokesh Srivastav*,\(^55\) in which the court awarded compensatory damages of 500,000 rupees and punitive damages of 500,000 rupees for infringement of the trademark ‘Time’. The court observed that the defendant who had deliberately stayed away from the proceedings and therefore been proceeded *ex parte* could not derive benefit from the unavailability of their records to assess the actual damages payable. The court thus deemed it prudent to impose punitive damages on the absconding defendant, which would also act as a deterrent to other infringers.

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53 Section 135 of the Trade Marks Act 1999 and Section 108 of the Patents Act 1970.
54 Section 56 of the Copyright Act 1957.
55 2005 (30) PTC 3 (Del).
A trend of awarding damages has been particularly observed in cases pertaining to software piracy. In the case of Microsoft Corporation & Anr v. Mr Amritbir Singh & Anr\textsuperscript{56} 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 World Wrestling Entertainment, Inc v. Savio Fernandes & Ors,\textsuperscript{57} the court awarded the plaintiff damages of 600,000 rupees from the defendant for sale of counterfeit clothing and apparel bearing the plaintiff’s trademarks. In Timberland Company v. Rohit Bajaj,\textsuperscript{58} the plaintiff was awarded compensatory damages to the extent of 300,000 rupees and punitive and exemplary damages to the tune of 200,000 rupees to the claimant. In Cartier International v. Gaurav Bhatia & Ors,\textsuperscript{59} the defendants were found to be selling massive quantities of counterfeit luxury products through an e-commerce website and a decree for payment of 10 million rupees was granted against them.

**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 while the Bombay High Court rarely, if ever, grants such an injunction.

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,\textsuperscript{60} 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 pendency of the suit and if the suit goes to trial, they are

\textsuperscript{56} CS(OS) No. 732 of 2010.
\textsuperscript{57} CS(OS) No. 784 of 2013.
\textsuperscript{58} CS(OS) No. 2158 of 2007.
\textsuperscript{59} CS(OS) No. 1317 of 2014.
\textsuperscript{60} Order 23 Rule 3.
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 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. Appeals from orders of the district court are heard by the corresponding High Court having appropriate territorial jurisdiction and can be challenged up to the Supreme Court of India subject to grant of special leave by the apex 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. 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 comprising two judges, followed by an appeal to the Supreme Court of India.

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.61

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.62

61 1990 Supp (1) SCC 727.
62 Order 41 Rule 27, CPC.
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:

a arbitration;
b conciliation;
c judicial settlement including settlement through Lok Adalat; or
d mediation.

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. 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.
Chapter 12

ITALY

Tommaso Faelli and Francesco Banterle

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Italy has a developed system for protecting intellectual property rights. The forms of protection of IP include patents, databases, copyright, trademarks, designs, plant varieties, semiconductor topographies, domain names, geographical indications and trade secrets.

The Italian Industrial Property Code was issued in 2005, which incorporated all provisions relating to trademarks, patents, designs, trade secrets, appellations of origin, and biotechnology under one law. Italian law also includes a specific regulation governing unfair competition, which particularly protects products against, *inter alia*, slavish imitation, passing off, disparagement, boycottting, employee raiding and misleading advertising.

Other further particular forms of protection of IP rights provided by European regulations are available in Italy.

Italy is party to the international conventions on priority rights.

i Utility patents

Patent protection is mainly regulated by the Italian Industrial Property Code. A patent confers a powerful exclusive right to exploit an invention in Italy, which is designed to prevent third parties from producing, marketing, importing or otherwise utilising the invention without the patent owner’s permission. The invention must be new, susceptible to industrial application, and involve an inventive step. Utility is normally considered within the assessment of inventive step.

The term of protection of a patent is 20 years from the filing date.
Three effective patent protection schemes are available in Italy: national patents, European patents and international patents under the Patent Cooperation Treaty (PCT).

National patent applications must be filed with the Italian Patent and Trademark Office (UIBM), and are subject to the ‘first-to-file’ principle. The effects of the patent application start from the date the application is disclosed to the public, which is generally after 18 months.

If a patent is declared invalid, a court can convert that patent into a utility model at the request of the patent owner.

Italian courts assess a patent infringement not only on a literal basis, but also under the doctrine of equivalents.

ii Utility models

Utility models entail a new shape of industrial product that confers a particular effectiveness, ease of application or use to machines or their parts, tools or utensils, or household items in general.

A utility model may be protected if it is new and confers a particular ease of application or use to an existing product. The term of protection of a utility model is 10 years from the filing date.

The registration procedure for utility models follows rules similar to those of the patent registration procedure. Moreover, an applicant who applies for a utility patent can simultaneously file a patent application in respect of a utility model, to be used should the patent application not be granted. Additionally, if a patent is rejected, a court can convert that patent application into an application for a utility model upon the request of the applicant.

iii Trademarks

Trademarks in Italy may consist of any signs capable of being represented graphically, particularly words, designs, numbers and letters, numerals, sounds, the shape of a product or packaging, and combinations of colours. Trademarks can be obtained for all products and services included in the Nice Classification that meet the requirements of novelty, distinctiveness and legality. National trademarks, European and international trademarks are available in Italy.

The term of national trademark protection is 10 years from the filing date, and it can be renewed for successive periods of 10 years.

The trademark confers an exclusive right to prevent third parties from using a sign identical or similar to the trademark for identical or similar goods or services, where there is a likelihood of confusion. Moreover, if the trademark has a reputation in Italy, protection is also extended to products and services that are not similar, regardless of the likelihood of confusion, to prevent the use of the sign without good reason that allows unfair advantage to be taken from the distinctive character or reputation of the trademark, or is detrimental to it.

In addition, special forms of protection are provided for collective trademarks, which are special trademarks that certify the origin, quality or nature of the goods or services.

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3 Italy is a party to the Convention on the Grant of European Patents of 5 October 1973, as subsequently amended.
Rights on trademarks are freely assignable or licensed, provided that the licensor and licensee set up measures to ensure uniformity in the quality of the products and services that are essential for the public’s appreciation.

iv Designs
The design encompasses the aesthetic aspect of a product, or of a part thereof, resulting, in particular, from the features of lines, contours, colour, shape, texture or materials of the product, or of its ornamentation. Design protection therefore deals with the external aspects of a product regardless of the sympathy of the aesthetics, and grants the exclusive right to use the design and to prohibit use by third parties, preventing the manufacture, marketing, import, export or use of a product in which the design is incorporated.

Designs can be registered if the conditions of novelty and individual character are met. A specific ‘grace period’ is provided for design, whereby a prior design disclosure is not taken into account if the design application is filed within 12 months of the prior disclosure.

The term of protection of the design is five years, which is renewable for up to a maximum of 25 years.

Three effective design protection schemes are available in Italy: national designs, community designs and international designs (under the Hague Convention). Designs may be registered for all the classes of the Locarno Convention of 8 October 1968 and subsequent amendments. An application for a registered design can include an unlimited number of design registrations to the extent they apply to the same Locarno class. If a particular design is also eligible for utility model protection, design and utility model registration may be requested simultaneously. Moreover, design protection and copyright protection on industrial design can coexist.

Protection for unregistered designs is also recognised in Italy under EC Regulation No. 6/2002 of 12 December 2001 on community designs. Unregistered designs are eligible for protection from the date the design was first made public, and the term of protection is three years.

v Geographical indications
Geographical indications guarantee the origin of a product from a particular region or area whose quality, reputation or characteristics are due to their particular place of origin, including natural and human factors. They include both designations of origin and protected geographical indications. The term of protection is unlimited. Geographical indications grant the right to prevent third parties from using geographical indications likely to deceive the public by indicating that a product comes from a place other than its place of origin, or that it possesses typical qualities of products from the designated area indicated by the geographical indication.

vi Plant varieties
Plant variety protection is regulated by the Italian Industrial Property Code.

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4 If the overall impression it produces on the informed user differs from the overall impression on such a user by any other earlier disclosed design.
Plant varieties include a plant grouping within a single botanical taxon of the lowest known rank. A breeder has the exclusive right to produce, market and export propagation material or multiplication material of the protected variety. The term of protection of the plant breeder’s right in Italy is 20 years from the date on which it is granted (but 30 years for trees and vines).

vii Trade secrets
Trade secret protection is regulated by the Italian Industrial Property Code, which protects business information and technical-industrial expertise, including commercial expertise, subject to the owner’s legitimate control, if the information is secret in that (1) it is not generally well-known or easily accessible by experts in the field; (2) it has an economic value because it is secret; and (3) it is subject to reasonable measures to keep it secret. This protection also includes data relating to tests or other confidential data, the processing of which involves a significant effort, and the submission of which is a precondition for the authorisation introducing chemical, pharmaceutical or agricultural products into the market, implying the use of new chemical substances. Italian case law has adopted a fairly broad definition of protectable trade secrets, including customer lists and business conditions applied to customers.

Protection of trade secrets prevents third parties from disclosing, obtaining, or using confidential information unlawfully. Such protection in Italy is also granted by unfair competition rules.

viii Copyright
Copyright in Italy protects the form of expression of creative works, from the moment of their creation, and without the need for registration. Copyright protects literary works, musical compositions, choreographic works and pantomimes, figurative works, architectural works, audiovisual works including cinematographic works, photographic works, software, and databases.

In addition, industrial design is equally protected by copyright, and this protection can coexist with that provided by design registration. This protection was originally only granted to artistic design drawings; however, after certain amendments to Italian copyright law, copyright currently grants protection to industrial designs of creative character and artistic value.

Creative works published outside Italy are eligible for copyright protection depending upon the country where the work was first published (provided that this country grants equivalent protection to the works of Italian authors, and within the limits of such equivalence). Italy is also a party to the Berne Convention.

Copyright grants the author the exclusive right of economic exploitation of the creative work, as well as broad moral rights. The term of protection of exclusive economic rights is generally the author’s lifetime plus 70 years. Moral rights are not limited in time and cannot be sold or assigned.

ix Unfair competition
Italian law contains unfair competition provisions, which provide protection against certain unfair behaviour. In certain cases this protection applies in tandem with IP rights.
The Italian Civil Code sets out the unfair competition regulations in a general clause, divided in three main provisions, listing three categories of unlawful behaviour that constitute unfair competition. Indeed, under the first provision, unfair competition law prohibits the slavish imitation of competitors’ products, the misuse of competitors’ names and distinctive signs, and any other behaviour that may cause confusion with a competitors’ products or businesses.

Under the second provision, unfair competition law prohibits the spreading of false or incorrect news or opinions regarding competitors’ products or businesses that might damage them, and the usurpation of merits or qualities of competitors’ products or businesses.

Finally, under the third provision, any other unfair acts that may harm competitors are prohibited, including employee raiding, misleading advertising, boycotting, and infringement of public or administrative regulations resulting in the infringing party gaining a competitive advantage.

Unfair competition law therefore offers valuable protection to unregistered trademarks and other distinctive signs, as well as to products not eligible for specific IP right protection. Passing off and lookalikes are generally considered as falling within the scope of this clause.

Remedies for unfair competition are not identical but similar to those provided for infringement of IP rights.

II RECENT DEVELOPMENTS

The creation of the specialist Italian IP courts in 2003 improved the efficiency of the Italian IP system significantly, in connection with international and European developments.

Additionally, several decisions have been issued by specialist Italian IP courts, evolving the principles of IP right protection.

i Legislation

New European Trademark Regulation

On 16 December 2015, the European Parliament approved what is known as the ‘trademark reform package’, amending both the EU Directive and Regulation on trademarks. The new EU Trademark Regulation, which has direct effect across the EU, entered into force on 23 March 2016.

In summary, the EU Trademark Regulation provides the following key changes:

a the European Trademark Office (Office for Harmonisation in the Internal Market) is now called the European Union Intellectual Property Office and the Community trademark is now the European Union trademark;

b the fee structure has been amended, including a reduction in the amount of general fees;

c there has been a change to the designation of the goods and services protected by the trademark (in order to implement the European Court of Justice IP Translator decision);7

5 Article 2598 et seq.
7 European Court of Justice, 19 June 2012, Case C-307/10, where the Court provided guidance in the interpretation of the class headings of the international classification (whether it shall be based on usual meaning of the words or to cover all goods and services in the class).
d  the abolition of the requirement for graphic representation for trademark registration;

e  the trademark owner is now entitled to prevent the transit of counterfeit goods
through the EU territory, even if the goods are not intended to be released on the
EU market, unless the holder of the goods demonstrates that they do not infringe the
trademark in the country of final destination; and

f  the provision that the right of a party to use its name and address in the course of
trade, notwithstanding the registration of an identical or similar trademark by a third
party, applies to natural persons only.

Italian Communication Authority Regulation on the protection of copyright on electronic
communication networks

The Italian Communication Authority (AGCOM) issued a regulation on the protection of
copyright on electronic communication networks (the Regulation), which entered into force
on 31 March 2014.

The Regulation is divided into two main sections. The first section focuses on online
copyright enforcement and allows AGCOM to monitor and supervise copyright infringement
on the internet. The Regulation implements a new administrative notice-and-takedown
system, in line with the Italian E-Commerce Act and the EU E-Commerce Directive. It
introduces administrative proceedings, which the right holder (i.e., the copyright owner, a
licensee, or an association representing either), can request by completing, and submitting,
the form available on AGCOM’s website (www.ddaonline.it). AGCOM issues its decision
within 35 days in standard proceedings and within 12 days in case of urgency.

According to AGCOM’s second-year report, to date, they have received more than
500 requests, mostly in relation to audiovisual works, which led to 320 proceedings and
to the blocking of unlawful access to more than 150 websites and millions of copyrighted
contents.

New ‘IP Box’ reform: fiscal benefits to invest in Italy

With the Financial Law for 2015, Italy introduced a new ‘IP Box’ tax regime based on
the recent OECD ‘Nexus Approach’, aimed at attracting foreign R&D investments and

Goods and services for which trademark protection is sought must now be identified by the
applicant with ‘sufficient clarity and precision’ to enable third parties to determine the extent
of the protection. Applicants may also use the indications found in the class headings of the
Nice Classification, or other general terms, to meet these requirements.

8 AGCOM Decision 680/13/CONS of 12 December 2013.
9 Legislative Decree No. 170 of 9 April 2003.
certain legal aspects of information society services, in particular electronic commerce, in the
Internal Market.
11 See AGCOM, communication of 8 April 2016.
12 Law No. 190 of 23 December 2014, modified by Legislative Decree No. 3 of
24 January 2015.
13 The Nexus Approach is provided in the Organisation for Economic Co-operation and
Development document ‘Countering harmful tax practices more effectively, taking into
account transparency and substance’.
recalling IP assets from countries with more favourable fiscal regimes. The IP Box is a special and optional tax regime available for all entities conducting business activity in Italy (both national and foreign entities).

Foreign companies may benefit from the regime if their country of residence entered into a fiscal treaty with Italy (to avoid double taxation) and permits an effective sharing of fiscal information with Italy.14

Eligibility requirements for the IP Box mainly concern the performance of R&D activities on intangible assets or other promotional activities supporting trademark awareness. The scope of the exemption applies to the following IP rights: patents; trademarks; registered and unregistered designs; protectable know-how (i.e., trade secrets and technical industrial experiences, see Section I.vii, supra); and copyright on software.

The IP Box regime has a duration of five fiscal years and can be renewed. The tax exemption for 2015 and 2016 is 30 and 40 per cent, respectively, of the company's revenues deriving from direct or indirect (i.e., through licence agreements) exploitation of IP assets. From 2017 onwards, the exemption will be 50 per cent.

During the first year, instances of adhesion to the IP Box regime reached 4,500.15

ii Court opinions

Case law on copyright and ISP liability – Reti Televisive Italiane cases

Reti Televisive Italiane SpA, owner of the Italian TV channels ‘Mediaset’, brought a series of legal actions against internet service providers (ISPs) in relation to the unlawful streaming of copyrighted contents, which in particular led to two interesting decisions.

In the first case,16 the Court of Appeal of Milan held that the Yahoo! video-sharing platform shall be considered a ‘passive’ hosting provider. Thus, it can benefit from the ISP safe harbour regime under the E-Commerce Directive and avoid liability for copyright violations committed by its users. The decision is important because it also extended the safe harbour provisions to ‘evolved’ hosting services. According to the Court, adopting advanced automated functionalities for hosting third parties’ contents is not enough to qualify the provider as an ‘active’ one (which would exclude it from the safe harbour exception). Additionally, the Court held that ISPs may be held liable exclusively if they do not take action upon receiving a detailed takedown notice; and general filtering obligations on ISPs cannot be imposed.

Moreover, the Court stressed the need to adopt a reasonable interpretation of these principles with the aim of preserving areas of freedom on the internet and updating legal definitions to correspond with technological developments. Recalling the case law of the European Court of Justice, the Court affirmed that the ISP discipline must seek a fair balance among opposite interests, and copyright protection is not an absolute right and its enforcement shall be measured in light of a ‘proportionality’ principle.

In the second case,17 the Court of Milan imposed on an Italian telecommunications company a duty to adopt all proper technical measures to block access by its users to the

14 See Article 1, para. 38 of Law 190/2014 as subsequently amended.
15 See Italian Revenue Agency, communication of 11 February 2016.
16 Court of Appeal of Milan, Decision No. 29/2015, 7 January 2015, Yahoo! Italia Srl and Yahoo! Inc v. Reti Televisive Italiane SpA.
17 Court of Milan, Decision (Interim Order) No. 2067/2015, 18 November 2015, Reti Televisive Italiane SpA and Mediaset Premium SpA v. Fastweb SpA.
domain name it.rojadirecta.me and all similar future domain names to ‘rojadirecta’. Notwithstanding the prohibition to impose active control duties on ISPs (in this case, an active control on all domain names), the Court considered it fair to require the ISP to block access to each rojadirecta domain name reported from time to time by RTI.

Case law on copyright – users’ rights on social network posts
In a case concerning the use of photos published by a young photographer on their Facebook page,18 the Court of Rome confirmed that creative contents published on Facebook can be protected by copyright.

In particular, the publishing of users’ contents with ‘public settings’ affects only the information included in the content, but not the content itself. In this regard, the Court considered that according to Facebook’s terms and conditions, the publication of creative content does not entail an assignment of users’ rights on the photos, but only implies granting a non-exclusive and transferable licence to use any copyrighted content posted on Facebook or in connection with Facebook, effective as long as the content is present on the social network.

In light of this, the Court held that users’ creative contents published on Facebook with public settings cannot be used without the author’s consent.

III OBTAINING PROTECTION

i Nature of protection obtainable and the subject matters that can be protected
Utility patents may be the subject of inventions capable of industrial application, such as a method or an industrial process, a machine, an instrument, a tool or a mechanical device, a product or an industrial result and the technical application of a scientific principle, if it gives immediate industrial results.

Not all inventions are patentable, however, and the Industrial Property Code provides certain limits to patentability. Discoveries, scientific theories and mathematical methods, schemes, rules and methods for performing mental acts, playing games or doing business, and computer programs are not patentable. These subject matters or activities may not be patented per se. They therefore require a practical application to be the subject matter of a patent.

Furthermore, surgical treatment, therapeutic or diagnostic methods used on humans and animals, animal breeds (not a particular animal) and essentially biological processes to introduce a new breed are not patentable. Microbiological processes or the product of those processes may, however, be patented.

Further, the Italian Industrial Property Code sets out specific provisions for biotechnological inventions, whereby biological material and DNA sequences (including genes and partial sequences of expressed sequence tags and single nucleotide polymorphisms, both natural and mutated) may be patented. These types of patent must indicate the use of the DNA sequence, and protection is granted exclusively for that use.

18 Court of Rome, 1 June 2015.
The Italian system introduced a procedure for the formal and substantive examination of patent applications a few years ago, in cooperation with the European Patent Office. This procedure commences on receipt of a request from an applicant for examination, and is considered withdrawn if no request is received within a certain term.

The application may be amended or integrated during this procedure, but amendments are limited to the extent that the object of the patent can never extend beyond the content of the initial application.

The application is generally made available to the public 18 months after the filing date (patent, utility model and plant varieties) and, as previously explained, the patent takes effect from this date (however, the applicant may require earlier publication after 90 days from the filing date). In addition, remedies for patent infringement may be requested from the date the application is made public.

ii Supplementary protection certificate

In the field of medicinal and plant protection, there are also some special provisions, deriving from EU law, but also directly applicable to Italy, which provide a supplementary protection certificate for certain medicinal and plant products granted marketing authorisation. The supplementary certificate extends patent protection beyond the natural expiry of the patent for a period equal to the time between the filing of a patent application for a new medicinal or plant product and the date of the first marketing authorisation, which may not exceed five years.

iii Prior art and inventor’s grace period

The Industrial Property Code adopted a universal notion of the prior art for utility patents, including everything that has been made public in the national territory or abroad prior to the filing date of the patent application by means of a written or oral description, or by use of any other means. Prior art in particular includes patent applications filed in Italy or abroad that have already been published. With regard to unpublished applications, prior art includes only Italian patent applications, or European patents designating Italy, not published.

A grace period is provided only in one particular case; disclosure of the invention is not taken into account if it has been carried out during the six months preceding the patent application date and if it results directly or indirectly from evident abuse against the applicant.

iv Internal priority

The Industrial Property Code includes ‘internal priority’ provisions, whereby an applicant who has filed a patent application in Italy may file a subsequent patent application in respect of the same subject matter, claiming priority of its previous application. In this event, the subsequent application will be considered effective from the date of filing of the first application.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

Since 2003, 12 specialist IP sections have been established in Italy to process industrial property and copyright cases, but also cases concerning unfair competition (unless they bear no relation at all to IP rights) and antitrust disputes pertaining to IP rights.
In 2012, these specialist IP sections changed their name to ‘specialised sections in the field of enterprises’, increasing the number to 21 and broadening their jurisdiction.

As previously illustrated, a procedure of opposition against the granting of an application before the UIBM is only available for trademarks. Actions for non-infringement declaration are also allowed for both proceedings on the merits and preliminary proceedings.

ii Requirements for jurisdiction and venue
There are two possible venues for the enforcement of IP rights. The rights owner may bring infringement actions before the competent specialist IP court (i.e., the specialist IP court of the defendant or the specialist IP court of the region in which the infringement occurs). In addition, the application or the registration of an IP right entitles customs and border protection whereby an IP right owner can request that customs seize infringing products.

iii Obtaining evidence of infringement and discovery
The Industrial Property Code regulates the discovery procedure, and provides that a party that provides serious evidence of his or her claims can obtain an order to disclose documents, or to reveal information that substantiates such evidence, and additionally, may obtain an order to provide the basis for identifying entities involved in distribution and production of the products or services infringing the industrial property rights. The judge must take all suitable precautions to ensure the confidentiality of the information.

Additionally, the court may deduce circumstantial evidence from the answers, and unjustified refusals by the parties to comply with these orders.

Disclosure of the counterparty’s information may occur with an ex parte description order (before the action on the merits), or with an action on the merits, if the investigation on the validity of the IP right or on the alleged infringement is positive.

iv Trial decision-maker
Judges of the specialised sections are non-technical civil judges specialising in IP. In addition, they can appoint experts to assist them with any technical issues involved in each case.

v Structure of the trial
Two kinds of proceedings are available in Italy for IP rights: provisional proceedings and actions on the merits.

Even before starting ordinary proceedings, in cases of special urgency and when a delay may cause irreparable harm, the IP rights owner may start an action for certain interim injunctions, which may also be granted ex parte (no notice to the defendant).

The Industrial Property Code provides a series of provisional and urgent measures in this regard, including description, preventive expert testimony, injunctions and seizure. Injunctions may be accompanied by financial penalties in the event of breach or delay of the ordered measure.

19 In particular, the description order is aimed at finding and securing conclusive evidence of the illegal activities. The description order is performed by a bailiff at the counterparty's premises, generally ex parte (no notice to the defendant).
These provisional measures are usually granted within a few weeks for trademarks, designs, unfair competition or copyright disputes, and between four and five months for patent disputes involving a technical expertise phase.

After having obtained a preliminary or provisional order, the parties must start the proceeding on the merits within a period determined by the judge who ordered the measures, or within 20 working days or 31 calendar days (if they imply a longer period).

Any subsequent action on the merits is aimed at obtaining confirmation of the preliminary measures, if any, and financial penalties for breach of, or delay in complying with, the order. In addition, the IP right owner may request that the goods made using the infringed IP right be recalled and destroyed, and the decision be published. The IP right owner is also entitled to the award of damages and restitution of profits.

The average time to trial for infringement actions is about two to three years for a first instance decision on trademarks, copyright or design, and two to four years for patents.

vi Infringement

The scope of patent protection is limited to the claims in the application. Under Italian case law, patent infringement occurs when the invention included in the patent entirely falls within the scope of the claim, or partially, through the doctrine of equivalents. In this regard, the equivalence does not pertain to the problem addressed by the patent, but to the idea of resolving the problem itself. In all these cases, it is necessary to interpret the patent in accordance with the rules set out by the Industrial Property Code, where the claims and the description of the patent play a central role, according to objective parameters.

Remedies are also available for acts of contributory infringement.

The burden of proving the infringement lies with the IP right owner. However, for process patents, the Industrial Property Code sets out an inversion of the burden of proof, whereby each product identical to that obtained by the patented process is assumed as being obtained by this process if the product is new and there is a substantial likelihood that the identical product was obtained using that patented process.

vii Defences

Defendants commonly object to alleged patent infringement by counterclaiming lack of infringement, ‘exhaustion’ of the patent owner’s right, right of prior use, licence agreement or patent invalidity. In this regard, invalidity is usually based on lack of novelty of the patent, obviousness, lack of description or invalid claims. The burden of proving the validity of an IP title lies on the IP right owner.

In evaluating patent validity, technical experts follow the European Patent Office approach most favourable to general patentability, while judges usually take a stricter approach.

20 Under the Italian Industrial Property Code, industrial property rights are exhausted once the products protected by industrial property rights are marketed by the owner or with his consent in Italy or in a Member State of the European community or in a Member State of the European Economic Area.
Italy

viii Remedies
Under the Industrial Property Code, remedies for patent infringement, as well as for other industrial property rights, include injunctions (provisional or permanent), seizure, destruction or assignment of counterfeit products, publication of the decision in the media and newspaper, financial penalties for further infringements, reimbursement of legal expenses, and, finally, actual damages.

Actual damages include economic damage and lost profits. Economic damage mainly consists of investments wasted by the infringement (e.g., marketing and advertising investments).

Lost profits include any other damage suffered that the IP owner can demonstrate. Such proof is not always easy to demonstrate, and many courts usually use a lump-sum criterion, applying an equitable evaluation. The Industrial Property Code, however, provides a residual criterion, whereby lost profit must be determined in an amount that must be at least equivalent to the royalty that the infringer would have paid to obtain a licence to use the IP right. Generally, the imposed royalties amount to 5 to 10 per cent of the gross sale for trademarks (up to 15 per cent for trademarks with a reputation), and 3 to 8 per cent for patents (depending on the importance of the invention). If the patent is part of a complex device, royalties are imposed on the gross sales of the device if the patented component plays an essential role. If the patented component is not essential, royalties are calculated on the percentage of gross sales achieved for that specific component.

In addition, the IP owner may request the restitution of the infringer’s profits. The restitution of infringer’s profits may be requested as an alternative to the reimbursement of lost profits, or if infringer’s profits exceed this reimbursement.

ix Appellate review
A preliminary proceedings decision may be quickly appealed before a panel of three judges of the same court, which hears oral arguments. This second stage is generally decided in two to four months. Alternatively, the preliminary decision may be appealed within the action on the merits.

The specialised section for enterprises within the relevant Court of Appeals reviews all first-instance decisions concerning IP rights. The appeal does not review the case, merely the decision of the first-instance court within the limits of the complaints brought by the parties. To this extent, fact determination may be reviewed if the first instance court wrongly interpreted the circumstances claimed. In addition, during the appeal proceedings, parties are generally prohibited from introducing new evidence. Indeed, any party wishing to introduce new evidence must prove that it was unable to bring the evidence or produce documents in the first instance for reasons out of its control.

The average time of appeal proceedings is about two to four years.

First instance decisions are immediately enforceable in Italy, and the appeal does not automatically stay the enforceability of first-instance decisions. In fact, judges rarely stay first instance decisions.

x Alternatives to litigation
Alternatives to the proceedings described above are available in Italy. These mechanisms are also available to resolve patent disputes, even if they are not mandatory for IP right-related matters. They do, however, present advantages in terms of time savings, and mediation may be less costly.
V TRENDS AND OUTLOOK

With the creation of specialist IP courts and the introduction of the Industrial Property Code, Italy has improved the efficiency of its IP regime and judicial system, in full compliance with the European standards concerning IP rights.

In addition, new non-traditional remedies for the protection of IP rights on the internet are now available in Italy, through the intervention by AGCOM, against copyright infringement online. These administrative proceedings are alternative solutions to the ordinary proceedings that can be commenced before judicial authorities and are completed in less time at a lower cost.

In particular, the AGCOM Regulation is the first of its kind internationally. This new regulation should encourage the development of the ‘legal offer’ of digital works and the lawful use of these works online; it will also strengthen copyright protection on the internet.
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.

1 Chie Kasahara and Kunihiro Sumida are partners, and Takafumi Ochiai is of counsel at Atsumi & Sakai.
The Design Act (Act No. 125 of 1595) 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:

- consist solely of a mark indicating, in a common manner, the common name of the goods or services;
- are customarily used in connection with the goods or services;
- consist solely of a mark indicating, in a common manner, in the case of goods, 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;
- consist solely of a mark indicating, in a common manner, a common surname or name of a juridical person;
- consist solely of a very simple and common mark; or
- 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 the 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 50 years after the death of the author or, in the case of a jointly authored work, for 50 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 50 years either from the date the work was first made public, or, if the work was not made public within 50 years of its creation, 50 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 from 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 (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 recent 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 is aimed at harmonising 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 also 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.

v  Copyright Act
The Copyright Act was amended, effective on 1 January 2015. The amendment includes the expansion of the publication rights to include digital publications and electronic transfers via the internet.

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.

Revision of the Customs Act to permit seizure at customs of products that infringe trade secrets is currently under consideration.

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:

\[ a \] a claim element, which the subject product or method does not have, is not an essential part of the claimed invention;

\[ b \] 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;

d the subject product or method must not be anticipated or obvious based on the prior art; and

e 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 import of an item, which 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. In cases of the manufacturing, assignment or import of an item, which is 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 making preparation 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 import 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 damages.

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.

x 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 from 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.

xi Alternatives to litigation
Several efficient alternative remedies are available in Japan, such as arbitration, mediation and direct negotiation. Certain notable advantages to these alternate 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 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 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.
Chapter 14

KENYA

Anne Kiunuhe and Shem Otanga

I  FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property (IP) rights in Kenya are governed under a number of national and international laws. Kenya has relatively modern IP laws that are frequently reviewed and amended so as to bring them up to par with international best standards. The most common forms of IP rights in Kenya are trademarks, patents, industrial designs and copyrights.1

i  Trademarks

The Trade Marks Act (the TM Act) defines a ‘mark’ as including ‘a distinguishing guise, slogan, device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof whether rendered in two dimensional or three dimensional form.’2

Sound marks, olfactory marks and gustatory marks fall outside the scope of this definition and are therefore not registrable in Kenya. Also excluded from registration are trademarks that are identical or confusingly similar to prior registered marks, or to well-known marks (regardless of whether or not they are registered in Kenya).

For a mark to be registrable, it must contain at least one of the following:

a  the name of a company, individual or firm, represented in a special or particular manner;

b  the signature of the applicant or his or her predecessor;

c  an invented word or words;

d  a word or words having no direct reference to the character or quality of the goods and not being a geographical name or a surname; or

e  any other distinctive mark.3

1 Anne Kiunuhe is a partner and Shem Otanga is a principal associate at Anjarwalla & Khanna Advocates.
3 Section 2(1), TM Act.
4 Section 12(1), TM Act.
Kenya applies the Nice Classification (10th Edition – 2016) and a trademark proprietor may apply to register a mark in more than one class through a single application. The registration process involves examination, advertisement and possible opposition by members of the public before issuance of the certificate of registration. Where a notice of opposition is filed against an application, the registration process will stop and opposition proceedings will commence in which the applicant bears the burden of proving that the opposition is not justified. Trademark registrations are valid for 10 years and may be renewed for further consecutive periods of 10 years each.

Kenya is also a signatory to the Madrid Treaty and the Madrid Protocol and it is therefore possible to undertake a trademark registration in Kenya through the Madrid system.

ii Patents and utility models

The Industrial Property Act (IPA) defines an invention as a solution to a specific problem in the field of technology and goes further to state that an invention may be, or relate to, a product or process. In order for an invention to be patentable, it must be new, industrially applicable and involve an inventive step.

The requirements and procedures relating to utility models are similar to those governing patents, except for the fact that utility models are not required to demonstrate an inventive step and the same are not subjected to substantive examination. Utility model protection lasts for a non-extendable period of 10 years.

The process of registration of patents is discussed in further detail in subsection iii, infra.

iii Industrial designs

The IPA defines industrial designs as ‘any composition of lines or colours or any three dimensional form, whether or not associated with lines or colours, provided that such composition or form gives a special appearance to a product of industry or handicraft and can serve as a pattern for a product of industry or handicraft’.7

In order for a design to be registrable, it must:

a be new, that is, it must not have been disclosed to the public, anywhere in the world in any way, prior to the filing date or where applicable, the priority date;

b not be contrary to public order and morality;8 and

c not be protected under the Copyright Act 2001 (CA).

Further, any aspects of an industrial design that serve solely to obtain a technical result are excluded from industrial design protection.9

Since Kenya is a party to the African Regional Intellectual Property Organisation’s (ARIPO) Harare Protocol,10 industrial designs registered by ARIPO and designating Kenya

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5 Madrid Agreement Concerning the International Registration of Marks.
6 Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.
7 Section 84(1), IPA.
8 Section 86(4), IPA.
9 Section 84(2), IPA.
10 Protocol on Patents and Industrial Designs under the Framework of ARIPO.
are protected in the same manner as national design registrations unless the Kenya Industrial Property Institute (KIPI), the state corporation that operates the national IP Office in Kenya, gives ARIPO notice of reasons why such a registration cannot be protected in Kenya (e.g., lack of novelty). Industrial design registrations are valid for a period of five years and may be renewed for a maximum of two further consecutive five-year terms.

iv Copyright
The CA provides that the following are eligible for copyright protection:

- literary, musical, artistic and audiovisual works;
- sound recordings; and
- broadcasts.11

Literary, musical and artistic works are not eligible for copyright protection unless:

- sufficient effort has been expended on making the work to give it an original character; and
- the work has been written down, recorded or otherwise reduced to material form.

The CA defines the nature of copyright protection as being the exclusive right to control the reproduction, distribution and communication to the public of the work or its derivatives. The CA provides for defences and exceptions to the above rights that include, among others, fair use and dealing for scientific research, private use and use in judicial proceedings.

Copyright accrues automatically to the author upon fixation of the work into material form. Registration of the copyright is recommended (but not mandatory) as registration is deemed to constitute *prima facie* proof of ownership.12

The duration of copyright protection under the CA varies depending on the nature of the work as follows:

<table>
<thead>
<tr>
<th>Type of work</th>
<th>Date of expiration of copyright</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literary, musical or artistic work other than photographs</td>
<td>Fifty years after the end of the year of the author’s death</td>
</tr>
<tr>
<td>Audio-visual works and photographs</td>
<td>Fifty years from the end of the year in which the work was either made, first made available to the public or first published (whichever date is the latest)</td>
</tr>
<tr>
<td>Sound recordings</td>
<td>Fifty years after the end of the year of the recording</td>
</tr>
<tr>
<td>Broadcasts</td>
<td>Fifty years after the end of the year of first broadcast</td>
</tr>
</tbody>
</table>

11 The CA provides that broadcasts are not eligible for copyright until they have been broadcasted.

12 Regulation 8(11), Copyright Regulations.
II RECENT DEVELOPMENTS

i Regulatory developments

KIPI circulated a draft Trade Marks Bill in March 2015. Two of the most significant proposed changes under this draft Bill are the hypothecation of trademarks and the effecting of ARIPO trademark registrations in Kenya. KIPI called for and received stakeholder comments on the draft Bill in April 2015. In March 2016, a revised version of the draft Bill was circulated (together with proposed rules) for further stakeholder comments. The aforementioned proposed changes have been retained in the revised draft Bill.

In Kenya, the Trade Marks Registry is maintained separately from the Companies and Business Names Registries. Consequently, the Registrar of Companies has in the past proceeded to register companies without checking to confirm whether the companies’ names are similar to registered trademarks. As a result, this scenario has resulted in ownership disputes over names in the commercial environment in Kenya.

However, in November 2015, a new Companies Act and new Companies Regulations (the Regulations) were promulgated in Kenya. Regulation 11(g) of the Regulations prohibits the registration of companies with names that the Registrar of Companies deems to be offensive, undesirable or contrary to public interest. In considering what would render a proposed company name offensive, undesirable or contrary to public interest, the Registrar of Companies is required under Regulation 12(f) to consider whether the proposed company name includes a registered trademark that is not owned by the entity seeking registration of the company. This provision essentially introduces an obligation on the part of the Registrar of Companies to confirm whether a proposed company name has been registered by another person as a trademark before approving the said name for the purposes of company registration. It is hoped that this new requirement will prevent or reduce the occurrence of conflicts in relation to the ownership and registration of company names and business names on the one hand, and trademarks on the other.

ii Notable case law

Sony Holdings v. Registrar of Trade Marks and another [2015] eKLR

The Court of Appeal’s decision in this case established a new precedent in Kenya’s IP law as it altered the interpretation of a fundamental provision of the Trade Marks Rules (the TM Rules) relating to the extension of time by the Registrar of Trade Marks (the Registrar) in proceedings being conducted before him or her. The appeal arose from the Registrar’s ruling on the interpretation of Rule 102(3) of the TM Rules in opposition proceedings filed by Sony Corporation against a trademark application that had been filed by Sony Holdings Limited, a Kenyan company.

Rule 102(3) of the TM Rules provides for the extension of time and reads as follows in its material parts: ‘A time limit may not be extended for a period exceeding ninety days […]’.

Prior to this case, the Registrar had interpreted the aforesaid Rule 102(3) to mean that the maximum aggregate period that an extension of time can be granted was 90 days and that the Registrar had no discretion to grant an additional extension to a party.

However, in the said opposition proceedings, the Registrar departed from his previous interpretation of the law and extended the time for filing of Sony Corporation’s notice of opposition beyond the hitherto standard, aggregate 90-day extension period. Upon Sony Holdings’ appeal against this ruling, the High Court agreed with the Registrar’s new
interpretation and held that the Registrar has discretion to issue several extension orders extending the time for filing a notice of opposition beyond an aggregate of 90 days provided that each single extension order was issued for a period of not more than 90 days. Dissatisfied with the decision of the High Court, Sony Holdings appealed further to the Court of Appeal, which also agreed with the Registrar and the High Court, thereby setting a new precedent on this aspect of procedure.

This decision represents a significant widening of the Registrar’s discretion to extend time. The grant of numerous extension orders is likely to lengthen the general amount of time taken to conclude such proceedings. However, the Registrar is under the duty to exercise this discretion judiciously and to award multiple extensions only where there is good cause.

III OBTAINING PROTECTION

In order to obtain patent protection in Kenya, an application for grant of a patent may be filed:

a directly at KIPI, either with or without a priority claim under the Paris Convention;
b through an international application designating Kenya under the Patent Cooperation Treaty and thereafter entering the national phase through a local filing at KIPI; or
c through an ARIPO application designating Kenya under the Harare Protocol.

i Nature of available protection

Patent holders have the right to preclude any person from exploiting the patented invention by making, importing, offering for sale, selling and using the product or the process (if the invention is a process). In the case of international applications designating Kenya, such protection arises at the moment of international publication of the patent application in the English language.\(^\text{13}\) In the case of national patent applications, infringement actions may only be filed in respect of granted patents.\(^\text{14}\) The patent holder may obtain an injunction against infringing actions or damages for wilful infringement. Compensation may also be obtained from any person who, knowingly and without authorisation, creates the invention as published after having received written notice that the invention is the subject of a published application.\(^\text{15}\)

Generally, any invention that is novel, industrially applicable and comprises an inventive step is patentable. However, the IPA specifically provides that the following shall not be regarded as inventions and shall not be eligible for patent protection:

a discoveries, scientific theories and mathematical methods;
b schemes, rules or methods for doing business, performing purely mental acts or playing games;
c methods for treatment of the human or animal body by surgery or therapy, as well as diagnostic methods practised in relation thereto, except products for use in any such methods;
d mere presentation of information; and

\(^{13}\) Section 51(1), IPA.
\(^{14}\) Section 106, IPA.
\(^{15}\) Section 55, IPA.
public health-related methods of use or uses of any molecule or other substances whatsoever used for the prevention or treatment of any disease that the Health Minister may designate as a serious health hazard or as a life threatening disease.

Further, the following are expressly stated to be excluded from patentability:

a. plant varieties as provided for in the Seeds and Plant Varieties Act, but not parts thereof or products of biotechnological processes; and

b. inventions contrary to public order, morality, public health and safety, principles of humanity and environmental conservation.

The IPA does not provide for any methods of circumventing the above exclusions but in practice, patent examiners in their examination reports do recommend that Swiss-type claims be adopted in place of claims that comprise a method of treatment.

**ii Filing a patent application**

Patent applications are filed at KIPI and are required to contain: a prescribed statutory request form; a description; one or more claims; one or more drawings (where necessary); and an abstract.16

The right to apply for a patent belongs to the first person to invent the subject invention. The rights of prior users of an invention are reserved under the IPA17 and such prior users may apply for the invalidation of a granted patent on account of their prior use, which would be deemed to strip the patented invention of novelty.18 In addition, Section 31 of the IPA provides that where a patent applicant has obtained the essential elements of his or her invention from another person’s invention, he or she shall, unless authorised by that other person, be obliged to assign the application or patent (where the same has been granted) to that other person.

**iii Prior art**

The requirement of novelty is absolute. The invention must not be one that is anticipated by anything that has been disclosed to the public, anywhere in the world, by publication in tangible form; or in Kenya by oral disclosure, use or any other way prior to the filing, or the priority date (i.e., prior art). Any disclosure of an invention made within the 12-month period preceding the filing date (or the priority date), occurring as a result of acts committed by the applicant or his or her predecessor in title, or an evident abuse by a third party in relation to the applicant or his or her predecessor in title, will not be taken into account when determining whether an invention is anticipated by prior art.

As part of the process of reviewing prior art, the Patent Office may request the applicant to conduct an international-type search and provide copies of any document cited in the search report. Failure to provide any such documents within 90 days after the date of the request will lead to a rejection of the application.19 This time period may be extended upon application.

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16 Section 34(1), IPA.
17 Section 56, IPA.
18 Section 103, IPA.
19 Section 43(3), IPA and Regulation 27, IP Regulations.
iv Office actions
The patent prosecution process entails both formality and substantive examination procedures. Substantive examination must be requested by the applicant within three years of the filing date, otherwise the application will be deemed to be irreversibly abandoned. If the invention is found to meet the requirements of patentability, the patent will be granted and published but if not, an office action will be issued requiring the applicant to amend or defend their application so as to make it patentable. If the applicant succeeds in overcoming the office action, the patent will be granted. If not, it will be refused. Appeals against such refusal can be made before the Industrial Property Tribunal (IPT).

v New information
Any new information or developments that arise post-filing may only be added to the application if such additions do not go beyond the scope of the disclosure in the initial application. If the same goes beyond the scope of such disclosure, a subsequent patent application for the new material may be filed, but its the subject matter must be shown to bear sufficient novelty in addition to the other requirements of patentability in order for it to be patentable.

vi Protection period
Patent protection lasts for 20 years subject to the payment of annual maintenance fees.\[20\]

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement
The venue for enforcing IP rights depends on the type and status of the IP right. Patents, utility models and copyright interests may be enforced either through civil or criminal proceedings. Criminal proceedings may also be instituted against parties that manufacture or distribute counterfeit products. Other forms of IP rights may only be enforced through civil proceedings.

Trademark opposition and cancellation proceedings are conducted before the Registrar. Appeals against decisions of the Registrar are made to the High Court\[21\] with the possibility of a final appeal to the Court of Appeal.\[22\] Trademark infringement and passing-off actions are heard in the first instance by the High Court and thereafter on appeal by the Court of Appeal.\[23\]

Complaints against counterfeit products are made to the Anti-Counterfeit Agency (ACA), which has the power to enter and search premises and to seize and detain counterfeit goods.\[24\] However, such goods cannot be destroyed without an order from a court of competent jurisdiction.

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20 Section 60(3), IPA.
21 Sections 20(4) and 21(6), TM Act.
22 Section 72, Civil Procedure Act (CPA).
23 Section 66, CPA.
24 Section 33, Anti-Counterfeit Agency.
The proprietor of seized goods has the right to approach a court of competent jurisdiction for a determination that the seized goods are not counterfeit goods and for an order that they be returned to him or her. The Commissioner of Customs also has powers to receive applications for seizure and detention at the port of entry of any counterfeit goods that are imported into the country. Owners of such goods may challenge such seizure before a court of competent jurisdiction.

Patent revocation, invalidation and infringement proceedings are required to be filed before the IPT, which also hears appeals against decisions made by KIPI during the patent prosecution process. Appeals against decisions of the IPT may be made to the High Court with the possibility of a final appeal to the Court of Appeal on matters of law.

**Requirements for jurisdiction and venue**

As indicated in subsection i, the jurisdiction and venue of any forum depends on the type of action.

Infringement and invalidation proceedings being instituted in the first instance in respect of patents, utility models or industrial designs can only be filed at the IPT. Appeals against decisions of the IPT should be made to the High Court. Further appeals may be made to the Court of Appeal.

Trademark opposition and cancellation proceedings are conducted before the Registrar, who sits in Nairobi. Appeals against decisions of the Registrar should be made to the High Court, subject to filing a notice of appeal at the Trade Marks Registry within 60 days of the date of the decision. Trademark infringement and passing-off suits are required to be filed before the High Court. Further appeals may be made to the Court of Appeal.

Presently, the High Court has 20 stations across the country, each of which has jurisdiction to hear trademark infringement suits. As a matter of practice, suits are required to be filed at the High Court station that has the closest proximity to the location where the cause of action arose.

**Obtaining relevant evidence of infringement and discovery**

In infringement proceedings before the High Court, the parties are required to file the following together with their pleadings:

- a list of witnesses to be called at the trial;
- witness statements signed by the witnesses (except expert witnesses); and
- copies of documents to be relied on at the trial.

25 Section 23(1)(b), Anti-Counterfeit Agency. The specific court would be determined on the basis of the value of the subject matter of the counterfeit proceedings.
26 Section 25(3), Anti-Counterfeit Agency.
27 Section 34(7), Anti-Counterfeit Agency.
28 Section 72, CPA.
29 Sections 103(11) and 115(1), IPA.
30 See footnote 20, supra.
31 See footnote 20, supra.
33 Order 7, Rule 5, Civil Procedure Rules, 2010 (CPR).
Within 10 days from the date of the close of pleadings, parties are required to file and serve a pretrial questionnaire, which sets out certain details, including whether:

a a full disclosure of all documents has been given to the other party or parties;
b there is need for inspection of any documents;
c there is need to serve interrogatories;
d the interrogatories have been answered under an affidavit (for defendants);
e all witness statements have been filed and exchanged; and
f the bundle of documents for trial has been prepared.

Within 30 days from the date of the close of pleadings, the court is required to convene a case conference during which it, among other matters, creates a timetable for the proceedings. At this stage, the court also has the discretion to make orders for:

a the admission of statements without calling of the makers as witnesses where appropriate and the production of any copy of a statement where the original is unavailable;
b the giving of evidence on the basis of affidavit evidence;
c discovery, production, inspection or interrogatories that may be appropriate to the case; and/or
d the examination of any witness by an examiner or by the issue of commission outside court and for the admission of any such examination as evidence in court.

The IPT also has power to make orders for the attendance of any person and the discovery or production of any document.

Generally, parties to an appeal in the High Court are not entitled to produce further evidence. However, there are exceptions where additional evidence may be taken under limited circumstances.

iv Trial decision-maker

There are no specialised divisions of the High Court or the Court of Appeal that deal with IP matters. While hearing IP matters in the first instance and on appeal, the High Court is presided over by one judge; however, the Chief Justice has power to direct that an appeal be heard by more than one judge of the High Court. Further appeals to the Court of Appeal are heard by an uneven number of judges whose number must not be less than three, save where the matter being determined is the summary dismissal of an appeal.

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34 Order 11, Rule 2, CPR.
35 Order 11, Rule 2, and Appendix B, CPR.
36 Order 11, Rule 3.
37 Section 114, IPA.
38 Order 42, Rule 27, CPR.
39 Section 79C, CPA.
40 Section 5(3), Appellate Jurisdiction Act.
Parties to suits before the High Court may call expert witnesses but no assessors may be appointed in IP disputes.\textsuperscript{41} The chairman of the IPT, however, has discretion to appoint any person with expert knowledge as an assessor in an advisory capacity in any case before the IPT.\textsuperscript{42}

v Structure of the trial
The judicial system in Kenya is adversarial in nature. In civil cases, the burden of proof lies with the party instituting the suit. Such cases are determined on a preponderance of evidence. In criminal cases, the burden of proof lies with the prosecution, which is required to prove the guilt of the accused person beyond reasonable doubt. However, as pointed out in Section I.i, \textit{supra}, in trademark opposition proceedings, the applicant for registration bears the onus of proving that the opposition filed against its application is without merit.

In proceedings before the High Court, evidence may be adduced through statutory declarations, affidavits, witness statements and oral evidence where necessary. In proceedings before the Registrar and the IPT, evidence is ordinarily presented by way of statutory declaration.\textsuperscript{43} However, the Registrar and the IPT may allow oral evidence to be tendered during hearings.\textsuperscript{44} Expert witnesses may be called by the parties depending on the circumstances of the case.

The procedures for instituting and prosecuting disputes, the requirements and timelines for filing of the pleadings and the general conduct of cases before the Registrar, the IPT, the High Court and the Court of Appeal are clearly provided for in several applicable Acts and Regulations.

vi Infringement
Section 57 of the IPA provides that the scope of protection conferred by the patent shall be determined by the terms of the claims but the description and drawings included in the patent may be used to interpret the claims. While there is little jurisprudence on the issue, it may reasonably be stated that patent infringement can be literal or by equivalence. The IPA bears no provisions that suggest anything to the contrary and is in fact silent on this issue. Patent infringement is deemed to occur where any person performs any of the acts that are the exclusive reserve of the patent owner and without the patent owner’s authority.

Registration of a trademark is a prerequisite to the institution of an infringement action based on any such mark. Passing-off actions may be instituted in respect of unregistered marks. The pertinent question in both trademark infringement and passing-off proceedings is that of confusing similarity between the plaintiff’s trademark and that of the defendant. In infringement and passing-off actions, if a plaintiff is able to prove a likelihood of confusion, then infringement will be deemed to have occurred.

\textsuperscript{41} Section 87(1), CPA.
\textsuperscript{42} Section 116, IPA.
\textsuperscript{43} Rule 24, IPT Rules.
\textsuperscript{44} Rule 27(a) IPT Rules and Section 54 of the TM Act.
vii  Defences
Generally, the defences that are available to defendants in patent infringement cases include: claiming invalidity of the patent; the existence of a licence or compulsory licence; and prior user rights.

The defences against trademark infringement claims include: the lack of a likelihood of confusion; the existence of rights arising from prior use (vested rights); the use of own name; and the existence of a licence agreement or an assignment.

viii  Time to first-level decision
The time it takes to conclude a case before the judicial bodies that handle IP matters varies depending on a number of factors, from the availability of dates in the court diary to the commitment of the parties to an expeditious disposal of the case. Cases before the IPT take an average of six months to one year to conclude. Proceedings before the Registrar on average take two years, while typical High Court cases take two to three years to be concluded, although the actual timelines may, on a case-by-case basis, be considerably longer or shorter.

ix  Remedies
Civil remedies for infringement of patents, utility models, industrial designs and trademarks include injunctions, damages and other remedies provided in law. Interlocutory injunctions may be obtained prior to the hearing and final determination of the case.

In criminal proceedings for intentional patent, utility model or industrial design infringement, infringers face a fine of not less than 10,000 Kenyan shillings and not exceeding 50,000 Kenyan shillings, or imprisonment for a term of three to five years, or both.

x  Alternatives to litigation
None of the Acts governing IP in Kenya provide for methods of alternative dispute resolution (ADR). However, the Civil Procedure Rules 2010 give the High Court power to make a referral order for ADR, albeit the referral of matters to ADR occurs mostly in cases of commercial disputes where parties had made a contractual provision for ADR. However, there is nothing that stops parties in court proceedings from mutually agreeing to arbitration or other forms of ADR in order to resolve their disputes.

V  TRENDS AND OUTLOOK
i  The proposed merger of IP dispute resolution bodies
In 2013, a government-appointed task force was set up to look into the reform of state corporations. The task force recommended that the Kenya Copyright Board, KIPI and the ACA be merged into one IP rights regulator. This recommendation was incorporated into the draft Government Owned Entities Bill 2014, which provided for the setting up of a unified IP Office of Kenya but the same is still subject to stakeholder discussion. The IPT has also reiterated this recommendation.\(^\text{46}\)

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45  Order 11 Rule 3(h), CPA.
46  *George Ragui v. Moras Group Limited and 2 Others* IPT Case No. 66 of 2012.
ii  **Software protection**

Computer programs are not excluded from patent protection and therefore may, technically, be patentable provided they meet the statutory criteria for patentability. However, owing to the difficulty in demonstrating patentability, the Patent Office generally recommends that registration and protection for software be sought under the Copyright Act. Therefore, most software developers prefer to protect their software through copyright registration combined with trademarks, technical measures and end-user licence agreements.

iii  **Conclusion**

Although there are numerous challenges facing the protection of IP rights in Kenya, the policies and trends are evidently changing in the right direction. There are significant steps being taken, both in the legal framework review and in the enforcement platform, to bring about positive change. It is hoped that in due course, the country will be at par with international best practices.
Chapter 15

LUXEMBOURG

Anne Morel and Aleksandra Gucwa

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Patents

The word ‘patent’ originates from the Latin *patère*, which means ‘to lay open, to be accessible’. A patent is the exclusive right granted for a certain period of time to the inventor of a novel and technological invention, involving an inventive step, which is susceptible of industrial application. This means, that the inventor, to whom a patent has been conferred, disposes of a temporary monopoly for exploitation of the invention in a specified territory, and may prevent others from exploiting his or her invention.

Luxembourg is a party to many important international treaties on intellectual property, but the main national legislation is the Law on patents of 20 July 1992 (hereinafter the Law of 1992).

Interestingly, the Law of 1992 does not give a precise definition of the term ‘patent’. It only states in Article 3 that, under the conditions and within the limits established by the Law, an industrial property title, called patent, may be granted to an inventor of an invention, who will personally, or by his or her successors, benefit from an exclusive right of exploitation.

The Law also stipulates that a certain number of products or processes are not considered to be inventions and are consequently excluded from patentability:

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

1 Anne Morel is a partner and Aleksandra Gucwa is a senior associate at Bonn Steichen & Partners.
methods of surgical or therapeutic treatment of humans or animals and diagnostic methods practised on humans or animals;

inventions that, if commercially exploited, would be contrary to public policy or morality; and

plant varieties or animal breeds, as well as essentially biological processes for the production of plants or animals.

ii Trademarks

A trademark is any sign, which may consist of one or a combination of characters, scents, colours, figures, letters or words that can be represented graphically. Even if the scope of the trademark protection is wide, the most common trademarks are verbal (i.e., the name under which the concerned product is commercialised) or figurative (i.e., the logos, labels, etc.). Trademarks enable the distinction of goods or services of one undertaking from those of its competitors.

In Luxembourg, national registration of trademarks no longer exists. Trademark protection is possible through the Benelux trademark registration or the Community registration. An international registration of a trademark is also possible.

The Benelux trademarks are subject to the Benelux Convention on Intellectual Property dated 25 February 2005, which was implemented in Luxembourg by virtue of the law of 16 May 2006, as amended. The registration of a Benelux trademark covers the territory of Belgium, Luxembourg and the Netherlands. It is valid for a period of 10 years from the date on which the application is filed. The term of protection can be renewed on request for an unlimited number of 10-year periods.

The Community trademark, delivered by the European Union Intellectual Property Office (EUIPO), formerly the Office for Harmonisation in the Internal Market, covers all the Member States of the European Union. It is subject to the Regulation (EC) No. 207/2009 on the Community trademark. Similar to the Benelux trademark, a Community trademark registration is made for 10-year periods, renewable for periods of 10 years each.

In addition, as Luxembourg is part of the Madrid Agreement concerning the International Registration of Marks dated 14 April 1891 and to the Protocol Relating to the Madrid Agreement concerning the International Registration of Marks dated 27 June 1989, the owner of the already registered trademark (whether a Benelux trademark or a Community trademark) may extend the protection of the trademark outside the Benelux territory via an international registration. A registration of the international trademark is made through a single form of application designating the concerned countries, to be filed with the Benelux Office (the application is transferred to the World Intellectual Property Organization (WIPO)). An international registration has the same effect in the designated countries as a national procedure carried out in each of the individual states.

Finally, in accordance with the Paris Convention for the Protection of Industrial Property dated 20 March 1883 to which Luxembourg is party, on the basis of a trademark application filed in one of the countries in the European Union, the applicant may, within six months of that filing, apply for protection in Luxembourg (so-called 'priority right'). Any of these subsequent applications have priority over applications filed by others during that six-month period for the same trademark.
iii Registered designs
A design refers to the visual and aesthetic appearance of a product as a whole or only part thereof, without considering its manufacture files or its technical functionality. A product’s design may either be a two-dimensional representation (a drawing), or a three-dimensional representation or object (a design) including layout, shape and texture.

iv Copyrights and related rights
Under Luxembourg law, any intellectual creation (commonly called a ‘work’), whether literary, scientific or artistic, including databases or computer programs, may be protected by copyright. Ideas, procedures, methods of operation, concepts or information are excluded from copyright protection as such.

Copyright protection is obtained automatically without the need for registration or other formalities. A copyright protection is automatic once the artistic or literary work is accomplished. The protection is valid throughout the creator’s life plus another period of 70 years from the creator’s death.

In order for the artistic or literary work to be protected by a copyright, two cumulative conditions must be satisfied: it must have sufficient original character; and it must have a concrete shape (which excludes ideas or concepts).

Copyrights and related rights in Luxembourg are subject to the Law of 18 April 2001 on copyright, related rights and databases, as amended (the Copyright Law). In addition, Luxembourg has signed and ratified several international copyright conventions such as the Berne Convention for the Protection of Literary and Artistic Works, dated 9 September 1886; the Universal Copyright Convention of Geneva, dated 6 September 1952; the Agreement on Trade-Related Aspects of Intellectual Property Rights, signed in Marrakech on 15 April 1994; and the WIPO Copyright Treaty signed in Geneva on 20 December 1996.

Related rights are a separate set of rights given to certain persons or bodies that help make works available to the public. The beneficiaries of related rights are usually performers, producers of phonograms and broadcasting organisations.

II RECENT DEVELOPMENTS
By implementing an IP tax regime in 2008, Luxembourg provided a very attractive and competitive tax rate applicable to companies granting or using copyrights linked to intellectual property. This tax regime foresees an 80 per cent exemption on royalties and capital gains realised on the disposal of such intellectual property rights. As a consequence, only 20 per cent of the net revenue or capital gains are subject to the ordinary Luxembourg tax rates (which is currently 29.22 per cent for the aggregate of corporate income tax and municipal business tax, including any surcharges thereto), meaning that the effective tax rate is 5.84 per cent on the income linked to IP rights. The aim of the tax deduction is to encourage companies to invest more in research and development.
However, it is being contemplated by the Luxembourg Parliament to repeal this IP regime, effective of 30 June 2016, but for IP rights registered prior to 31 December 2015, there will be a transitory period of five years that will end on 30 June 2021.

III OBTAINING PROTECTION

i Luxembourg patents

Any natural person or legal entity, recognised after the filing as the holder or owner of the patent, who wishes to obtain a patent in Luxembourg, must file a patent application at the Office for Intellectual Property at the Ministry of Economy.

To file a patent application, some conditions of form must be met, which are specified by the Grand-Ducal Regulations of 17 November 1997 on administrative procedure related to patents. In respect of those conditions, a request for a grant must be submitted in triplicate, together with a sufficiently clear and complete description of the invention, allowing a person skilled in the art to carry it out, and one or more clear and concise claims providing the definition of the object for which the exploitation monopoly is asked, and determining the scope of the protection of the granted patent.

In some cases, the patent application must include technical drawings to outline the embodiment of the invention, and if necessary, a concise and clear description of the claims and drawings. All these technical documents of the application can be prepared in Luxembourgish, French, German or English.

The owner of the patent will automatically be the person who first filed the patent application, regardless of whether it is a natural person or a legal entity. However, this does not exclude that a patent application is filed jointly by several applicants, who will then all be co-owners of the patent.

The patent is generally granted for a maximum period of 20 years. After 20 years, the invention is deemed to be returned to the public domain, which means that it may be used freely.

As a patent is only effective in the country in which it is granted, a Luxembourg patent only covers the territory of Luxembourg. However, the holder’s rights may be extended to other countries. The priority right, granted by the Paris Convention, attached to every Luxembourg patent application, allows the applicant who wishes to obtain protection for his or her invention in other countries, to file a subsequent application for the same invention in every country where such protection is desired, provided that these countries have signed the Paris Convention on the recognition of the right of priority; such application must be filed, at the latest, 12 months after filing the Luxembourg patent application. The applicant must

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2 The date of the application is decisive.

3 A difference is made between the inventor, who is always a natural person, and the successor in title (the patent applicant) who may also be a legal entity who has acquired the rights to the invention.


5 A form of request is provided by the Office for Intellectual Property, Ministry of Economy.

6 It should however be noted that some translations have to be provided if the documents are prepared in English or Luxembourgish.
claim the priority of the first application in order to make use of his or her right of priority. Consequently, the date of filing of the first application will be considered to be the effective date of filing for the invention’s examination of novelty and inventive step. This territorial extension of the protection results in a free disclosure of the invention for the applicant. Yet, the applicant may check whether his or her invention is capable of meeting the main criteria for patentability in the different countries where the protection is desired.

To make the territorial extension even easier, the Patent Cooperation Treaty, on the one hand, makes it possible, by filing one single international patent application after the first filing in Luxembourg, to cover 148 countries at once. By this procedure, the applicant has almost worldwide protection of his or her invention for 30 months. During those 30 months, the applicant, benefiting from an option to protect his or her invention, will be able to assess the patentability of his or her invention and to designate the countries in which he or she wants to obtain a patent.

On the other hand, the European Patent Convention allows the applicant to extend the protection of his or her invention throughout the European territory, by obtaining a European Patent for his or her invention, which is valid in the contracting Member States of his or her choice.

ii Benelux trademarks

Registering a trademark can significantly improve the commercial value of a firm since it grants statutory rights that prevent third parties from using the trademark without obtaining a prior authorisation from its owner. In addition, since registering a trademark allows for differentiating the protected products and services from those that are proposed on the market by the competitors, it is deemed a loyalty tool, useful for maintaining customer relations. It is important to know that only registered trademarks are protected. Under Luxembourg law there is no protection for non-registered trademarks.

Under the Benelux Convention, names, drawings, imprints, stamps, letters, numerals, shapes of goods or packaging and all other signs that can be represented graphically, and that serve to distinguish the goods or services of an undertaking, may constitute a trademark.

The exclusive right to a trademark shall be acquired by registration of the trademark that has been filed in the Benelux territory.

The Benelux Convention lists a series of legal grounds (so-called ‘absolute grounds’) that compel the Benelux Office to refuse the registration of a trademark:

- the sign does not constitute a trademark within a meaning of the definition provided for by the Benelux Convention;
- the trademark is devoid of any distinctive character;
- the trademark consists exclusively of signs or indications that may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or time of production of the goods or performance of the services, or other characteristics of the goods or services;
- the trademark consists exclusively of signs or indications that have become customary in the current language or in the practices of the trade; or
- the trademark (1) is contrary to the accepted principles of morality or to public policy in one of the Benelux countries; (2) is of such a nature as to deceive the public, for instance with regard to the nature, quality or geographical origin of the goods and services; (3) is similar to a collective trademark or an individual trademark that had
already been registered by a third party for similar goods and services beforehand; (4) might give rise to confusion with a well-known trademark belonging to a non-consenting third party; and (5) was filed in bad faith.

If the Benelux Office recognises one of the above-mentioned absolute grounds for refusal, it issues a decision of provisional refusal, which may be objected to by the applicant. Unless the Benelux Office objections to the registration are resolved, the registration of the trademark is wholly or partially refused. The applicant may lodge an appeal against the decision of refusal with the Luxembourg Court of Appeal within two months following the notification of its decision by the Benelux Office.

Even if none of the absolute grounds for refusal is met, the registration may be challenged by the applicant or the holder of a prior trademark, who may submit a written opposition to the Benelux Office within a period of two months from the date of the publication of the application. Such opposition may be filed against a trademark that, in the order of priority, ranks after its own trademark or may give rise to confusion with its well-known trademark. The decision rendered by the Benelux Office upon the opposition is subject to an appeal before the Luxembourg Court of Appeal within two months following the date on which the decision was rendered.

The exclusive right to the trademark is granted once the registration proceedings are complete. The proceedings last approximately four months; however, an accelerated registration is possible upon payment of an additional fee. The date of the registration takes effect retroactively as of the date on which the application for registration was filed with the Benelux Office. All the registered trademarks are published in the public register available online.

iii Benelux designs

Nowadays, design is sometimes even more important than functionality, because it is often the design that is the purchasing criteria for consumers.

To be registrable, a design must be new, not be purely technical and have an individual character that makes it identifiable.

The registration of a design can be useful if the characteristics of a product are purely visual and not linked to any functionality of the product itself. However, there should be no confusion between functionality of a product and its useful purpose, because designs may only be registrable if they have a useful purpose. Furthermore, a new design is a design that has not been presented publicly before and has major characteristics that differentiate it from other designs that already exist or that have once existed.

Once the design is registered by the issuance of a certificate, it is protected for a period of five years. Its protection may be renewed four times, which means that a registered design may be protected for a maximum period of 25 years. During the period of protection, the applicant may act against incorporation or reproduction of its design, as well as against every other design that produces a similar effect to that of his or her original and registered design.

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7 A registrable design must not be entirely original, but must bear the personality of its designer.
Owing to the complexity of the different criteria for protection of designs, which are completely subjective, the filing of a registered design application depends entirely on the assessment of the judge responsible for examining a design's validity.

However, there is a difference between unregistered designs and registered designs. A design is deemed to be unregistered from the moment it is made available to the public in the European Union and for the following three years. The design will have an underlying copyright, which protects it against identical duplicate, but, unlike a registered design, the unregistered design may never protect all the different parts of an industrial design.

Provided that all the conditions of registration are met, the applicant has the choice between two different types of filing, depending on the number of designs that are subject to protection: a single design application; or a multiple design application (this is a simple matter of grouping together different designs in one single application). A multiple design application is useful in order to obtain a protection for an entire collection or group of objects within a few weeks, while at the same time reducing the costs associated with the application.

Whereas a design may be protected in more than one country, the applicant must decide where he or she wants his or her design to be protected. After the first filing, the protection may be easily extended to other countries while benefiting from the priority period, during which any foreign filing can be made, based on the date of the first filing.

The design's filing is special because it is not necessary that a prior registration be made in the applicant's country; thus, the first filing may be an international registration.

Moreover, the applicant may decide between three different types of protection for his or her design. First, where the national registration for designs does not exist, the applicant may decide to opt for a Benelux application, protecting the design in the three Benelux countries, Belgium, the Netherlands and Luxembourg. Secondly, the applicant may decide to protect his or her design in the entire European Union. The benefit of an EU application is that, by one application, the design is protected in all 28 Member States. However, an automatic protection for unregistered designs is given for three years as soon as the design is made public in the EU. Thirdly and lastly, an international design allows the applicant to choose the different territories where his or her design should be protected.

iv Copyrights

The rights conferred on the creator of the work protected by a copyright may be divided into two categories: economic rights and moral rights. Economic rights are related to a possibility of reproduction in various forms of the work and its communication, by any means, to the public (e.g., printed publication, sound recording, broadcasting). As far as moral rights are concerned, such rights consist of a possibility given to the author to claim authorship of the work. They may be divided into the following subcategories: (1) the right of paternity, which means that the author of the work may claim authorship upon the concerned work; (2) the right of disclosure, which gives the author of the work the right to decide if the work is to be made public; and (3) the right to object to deterioration or modification of the work.

However, the above-mentioned rights are not absolute, as the Copyright Law provides several exceptions to the author's copyrights. Notably, the author of the protected work may not prohibit third parties from making short quotations where use of such quotations is

Six months after the first filing.
justified by the critical, polemic, educational, scientific or informative nature of the work to which they relate; from using the work for private purposes; and from communicating the work for the purpose of scientific research or private studies.

IV ENFORCEMENT OF RIGHTS

Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights has been implemented in Luxembourg by the Law of 29 April 2004 (the Enforcement Law). The aim of the Enforcement Law is to ensure that effective means of presenting, obtaining and preserving evidence are available in Luxembourg.

i Possible venues for enforcement

Depending on the subject matter, in Luxembourg, the disputes are ruled upon by the judiciary or the administrative courts. The lower judiciary courts are divided into three geographical areas: Luxembourg City, Esch-sur-Alzette and Diekirch. The district courts are divided into two geographic areas: Luxembourg City and Diekirch. The lower courts have jurisdiction to judge any cases where the amount involved does not exceed €10,000 and also have exclusive jurisdiction in certain specific matters (e.g., employment or real estate rent), irrespective of the amount of the claim. The district courts deal with the civil and commercial matters that have a value at or below €10,000.

There is one Superior Court of Justice in Luxembourg, composed of the Court of Appeal (which hears appeals related to the decisions rendered by the district courts or by the lower courts that have ruled upon a matter upon which they have exclusive jurisdiction) and of the Supreme Court of Cassation. While the Court of Appeal reconsiders the facts of the case that have been submitted, the Supreme Court only deals with matters that involved a violation of the rule of law by the judges.

With regard to proceedings related to disputes over patents or community trademarks, the district courts have exclusive jurisdiction irrespective of the value of the case.

ii Requirements for jurisdiction and venue

There are no specific territorial legal venue requirements regarding disputes related to IP rights.

For the Luxembourg courts to be declared competent, the defendant shall reside in Luxembourg or the infringing act must take place in the territory of Luxembourg. Depending on the residence of the defendant, the claimant will bring the case to a court based in the competent district.

iii Obtaining relevant evidence of infringement and discovery

In Luxembourg, the general principles of tort law apply: the holder of an IP right who wishes to get compensation appropriate to an infringement of his or her right, must first of all prove that there has been an infringement and that this infringement caused him or her damage. In any case, it is the plaintiff who bears the burden of proof.

Under Luxembourg law, counterfeiting may be proved by any means.

According to the Enforcement Law, in order to ensure that evidence is preserved before the commencement of the proceedings on the merits of the case, by virtue of the summary proceedings and under specific circumstances, a person who considers themselves
to be wronged may request the president of the district court to designate a competent expert who will prepare a detailed description of the materials, documents, objects and elements that may demonstrate the existence of counterfeiting, its intended recipients and its importance.

If deemed necessary and reasonable, taking into account the particular circumstances of the case, the president of the district court may also prohibit the holders of the presumably counterfeited goods, or of the materials and implements used in the production and the distribution of these goods, from moving them or affecting their functioning. The measures of a physical seizure of the infringing goods or a sequestration of the income provided by counterfeiting are also possible.

If evidence must be obtained urgently, and any delay would be such as to cause irreparable prejudice to the right holder, the decision regarding the above measures is taken *ex parte*, without the presence of the defendant.

iv Trial decision-maker

The summary proceedings are carried out before the president of the district court (a single judge).

The proceedings on the merits of the case are conducted before the district court, which is composed of three judges.

v Structure of the trial

There is no specific procedure for cases regarding intellectual property rights.

The system of law in Luxembourg is classified as a civil law system. The claimant must first make a claim. The judge only accepts evidence that has been previously disclosed to the opposing side, as the communication of evidence must be exchanged between the parties before the trial begins in order to allow each party to analyse the supporting documents of the opponent and prepare the defence.

The proceedings before the district court may be oral or written, depending on the matter (commercial or civil) or the choice of the parties. As a general rule, the owner of the trademark introduces a brief before the competent court where he or she will specify the nature of the infringement and the remedy sought. In the majority of cases, the claimant requests the court to order an injunction restraining the alleged infringer from continuing with what he or she has been doing, as well as damages to compensate the harm. The parties exchange their arguments (either in writing or orally before the judge during the pleadings, as the case may be). Once the parties have presented their arguments, the court renders its judgment.

vi Infringement

If there is an infringement of an IP right, and it is impossible to resolve the dispute in an amicable way, the damaged party may seek a legal remedy from the courts. The damaged party may claim monetary compensation or ask the judge to order any appropriate measures that would prevent the continuation or repetition of the infringement.

vii Defences

*Patents*

A patent infringement occurs when a non-authorised party directly or indirectly exploits an invention defined by one of the patent’s claims and belonging to the patent’s holder. The
The burden of proof falls to the patent holder. To defend him or herself against any accusation, the defendant may argue that his or her exploitation of an invention does not fall under the definition of the patent’s claims.

**Trademarks**
The defendant in a Benelux trademark dispute may put forward various arguments to claim that the adverse trademark is invalid. The most common defence is to advance that the challenged trademark has no distinctive character, is deceptive or is purely descriptive, which disables the sign to be registered as a trademark.

Finally, if a trademark has not been used for a period of at least five years, the defendant can also claim that the trademark must be revoked.

**Designs**
In addition to the arguments that allow the defendant in a design infringement case to argue that a design is void (for the reason of lack of originality or for the reason that a design is purely and exclusively technical and therefore not registrable), the defendant may also argue that his or her design is not a simple copy of an already registered design, but that it differs from every other design because it represents an individual character, which makes it identifiable. In fact, as mentioned in Section III.iii *supra*, a registerable design must not be entirely original, but must bear the personality of its designer. However, in that last case, it is the defendant who bears the burden of proof that his or her design differs completely from the other design.

**Copyrights**
In the matter of copyright, the defendant may claim that the artistic or literary work has not been created by the person who claims to be the author or that the work is not original (i.e., was not independently created by the author).

In addition, the defendant may claim that there is no infringement of a copyright as the use or reproduction of the work enters into a scope of the exceptions listed and admitted by the Copyright Law (such as the use for private purposes or short quotations).

Further, although rarely done, the defendant could proffer that the work is in the public domain because the term of the copyright protection has expired.

Finally, arguments may also concern the scope of the registration of the trademark and whether the alleged infringing trademark is confusingly similar to the earlier trademark.

**Time to first-level decision**
The summary proceedings are quite straightforward and generally last between two and six months.

The length of the proceedings on the merits of the case varies depending on the type of the case and its complexity. Decisions taken by the district court in commercial matters generally takes between 10 and 18 months. In civil matters, the average time of proceedings is between one and two years.
Remedies
The main purpose of the remedies is to provide to the damaged party compensation for the prejudice caused by the infringement of the IP rights and to prevent any further violation. The type of remedies depends largely on the type of action and the type of the IP right concerned.

Since damages are generally assessed according to the *ex aequo et bono* principle, the courts do not give very explicit and transparent explanations as to how the damages have been calculated. It is common that the courts take into consideration the negative economic consequences of the infringement, but no detailed explanation is given by the judges. Moreover, as it is extremely difficult to prove the exact amount of lost profits in intellectual property rights cases, the Luxembourg District Court often opts for awarding the holder of an IP right ‘lump sum’ damages, based on the approximate lost profits as an estimation in equity of the actual prejudice. These lump sum damages should, however, always reflect all the negative economic consequences that the holder of an IP right has been reasonably found to have suffered.

In matters related to copyrights, the Copyright Law provides for criminal sanctions in case of counterfeiting. Such criminal sanctions may consist of a pecuniary fine, seizure and impounding, and destruction of the copies and materials. There are also increased punishments in case of recidivism. The criminal sanctions are applicable not only to the persons who directly committed counterfeiting, but also to those who contributed, for instance by knowingly selling the counterfeited goods or making them public.

Appellate review
The decisions taken by the summary judge are subject to an appeal within 15 days from the date on which the decision was served on the defendant.

The decisions rendered by the Luxembourg District Court are subject to an appeal before the Luxembourg Court of Appeal within 40 days from the date on which the judgment has been served on the opposing party. Such period of time may be extended by 15 days, if the opposing party resides outside Luxembourg.

Alternatives to litigation
A holder of a previously registered Benelux trademark may initiate an opposition procedure against a person who recently filed a request for registration of a similar or identical trademark. The opposition procedure must be initiated within two months of the publication of the disputed filing. An opposition is to be filed with the Benelux Office via the internet.

The parties may also consider submitting their dispute to an arbitration court.

TRENDS AND OUTLOOK
In times of businesses based increasingly on knowledge and know-how, companies tend to invest more in research and development of intangible assets such as intellectual property.

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9 The judges have the power to dispense with consideration of the law and consider solely what they consider to be fair and equitable in the case at hand.
Located in the heart of Europe, Luxembourg is the ideal gateway to the European market, with over 500 million consumers. Thanks to its political and social stability, skilled and multilingual workforce, advanced infrastructure, excellent connectivity to markets and legal and attractive tax framework, Luxembourg offers opportunities and strengths that are exceptional for doing business in Europe. By transposing swiftly into national law every EU directive, international agreement and treaty on the subject, Luxembourg has developed over the past 30 years a safe and effective environment for the management and protection of intellectual property rights.

Moreover, by implementing an IP tax regime in 2008, Luxembourg provided a very attractive and competitive tax rate and attracted foreign companies, created jobs and generated necessary skills.
Chapter 16

MALTA

Maria Chetcuti Cauchi

I FORMS OF INTELLECTUAL PROPERTY

Over the years Malta has established itself as an attractive jurisdiction for entrepreneurs wishing to set up businesses. Popular industries in Malta include pharmaceuticals, ICT, filming, aviation, shipping, online gaming, digital gaming and life sciences.

The country has understood and embraced the fact that intellectual property is one of the most valuable assets a business could have. With its flourishing economy, that proved resilient in times of financial crises, its competitive taxation system, its strong IP laws, an appropriate network of international agreements, and a continuous flow of new opportunities for such industries, Malta has managed to establish itself as a very favourable jurisdiction for such entrepreneurs establishing their business in the country.

Malta has appropriate legislation in place for the protection and enforcement of intellectual property rights. The most important forms of intellectual property protection available in the country are patents, trademarks, designs and copyrights. Protection of utility models is not possible in the Malta.

i Background

The vesting of rights to intellectual property owners has been possible in Malta since 1911 in respect of copyright and since 1899 in respect of inventions, trademarks and designs. In 1994, Malta became a founding member of the World Trade Organization (WTO) and was thus bound by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) from 2000. That same year the century-old laws governing copyright, patents and trademarks were repealed and replaced by new legislation. In 2002 new legislation concerning design was also introduced. The year 2000 also heralded a major revision of Maltese copyright, patents and trademark protection laws, which brought Malta in line with the relevant EU IP legislation. Malta also joined the European Patent Convention (EPC) and the Patent

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Malta’s main intellectual property laws enacted by legislature are: the Copyright Act of 2000; 2 Copyright (Amendment) Act; 3 Cultural Heritage Act; 4 Patents and Designs Act (PDA); 5 Trademarks Act; 6 Enforcement of Intellectual Property Rights (Regulation) Act (EIPRA); 7 Patents and Designs (Amendment) Act; 8 and Intellectual Property Rights (Cross-Border Measures) Act. 9


Pertinent Maltese IP legislation incorporates all rights and obligations arising from the domestic legislation, treaties and conventions listed above, and is in line with the TRIPS agreement and the EU acquis.

The Industrial Property Registrations Directorate (IPRD) within the Commerce Department is the office responsible for the registration of trademarks, certification marks, collective marks and designs; patenting of inventions; issuing of supplementary protection certificates in respect of pharmaceutical products and plant protection products; and the recording of transfers, cancellations, amendments and renewals relating to the aforementioned IP rights.

ii Patents

A patent may be granted in Malta for inventions that are novel, involve an inventive step and are susceptible of industrial application.

Patenting in Malta is regulated by the PDA, 10 which incorporates all obligations arising from the PCT and the EPC, thereby extending Malta’s patent protection regime beyond the Maltese territorial boundaries and to other member or signatory countries.

When applying for a patent, a declaration claiming priority may be given to one or more earlier national, regional or international applications filed by the applicant or his or her predecessor in title. This can be done within 12 months from the date of the first filing of a patent application. This is pursuant to the Paris Convention and based on one or more earlier national, regional or international applications filed in or for any country that is party to the Paris Convention, the WTO or for any country with which Malta has made an international arrangement for mutual protection of inventions.

2 Copyright Act of 2000 (Chapter 415), as amended.
3 Copyright (Amendment) Act, No. IX of 2009 (2009).
4 Cultural Heritage Act (Chapter 445) (2009).
5 Patents and Designs Act (Chapter 417) (2007).
6 Trademarks Act (Chapter 416) (2007).
7 EIPRA (Chapter 488) (2006).
10 PDA (Chapter 417).
Owing to the rather trivial size of the Maltese market, the number of registered patents domestically is relatively low. This has resulted in a high number of possibilities especially for generic pharmaceutical manufacturers who have set up here.

Furthermore, Malta is one of the few EU countries to fully embrace the nature of the Bolar provision, which takes its name after the US case of Roche Products v. Bolar Pharmaceuticals.\(^ {11}\) Malta has been very proactive in this regard. The Bolar provision was implemented into Maltese law in 2003, even before its accession to the EU, which would have rendered such transposition mandatory by means of Directive 2004/27/EC. The Bolar provision typically defines circumstances in which the proprietors of a patent are precluded from preventing third parties from performing acts which are otherwise protected by patent law. The PDA has adopted this exemption in a rather wide manner in that it allows generic companies to carry out clinical trials and commercial testing for the purposes of obtaining regulatory approval or other commercial purposes prior to the expiration of the lifetime of the patent concerned. This exemption does not only permit use for purely experimental purposes and scientific research but also extends to acts done privately and for non-commercial purposes, and acts done for the development and presentation of information as required under Maltese or foreign legislation regulating the production, use or sale of medicinal or phytopharmaceutical products.\(^ {12}\)

### Designs

Protection of designs and their status as a property right is also granted by the PDA, which defines what a design is. A registered design is the personal property of its owner. The PDA also provides that a design shall be protected by registration that confers exclusive rights to the holder to use and to prevent any third party from using it without his or her consent. The proprietor’s rights have effect upon the date of registration, are protected for a period of five years from the filing of the application and can be renewed for one or more periods of five years, amounting to a total term of 25 years.

A design shall be considered new if no identical design has been made available to the public before the date of filing of the application for registration or, if priority is claimed, the date of priority. Designs with features that differ only in immaterial details shall also be deemed to be identical.

A right in a registered design shall not subsist in:

\(a\) features of appearance of a product that are solely dictated by its technical function; and

\(b\) features of appearance of a product that must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated, or to which it is applied, to be mechanically connected to or placed in, around or against another product so that either product may perform its function.

A right in a registered design shall not subsist in a design that is contrary to public policy or to accepted principles of morality.

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11 733 F.2d 858 (Federal Circuit 1984).
12 PDA (Chapter 417), Article 27(6).
A registered design is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property. It is also transmissible either in connection with the goodwill of a business or independently.

iv Copyright
Copyright encompasses the protection of any artistic, audiovisual, literary and musical works, and databases and is protected through the Copyright Act (CA). Literary works, as defined by the CA, are automatically copyrighted upon creation and receive statutory protection automatically once they are placed in the public domain. This is subject to satisfying the three criteria of eligibility: qualification, originality and fixation.

For copyright protection, formal registration of the work is not required. Copyright is granted to an eligible work automatically. The main connecting factors would be domicile or citizenship of the creation. Copyright protection is also conferred on every work that is eligible for copyright and that is made or first published in Malta.

Upon establishing that a work is entitled to copyright protection, such protection shall subsist for 70 years after the end of the year in which the author dies, irrespective of the date when the work is made available to the public.

Copyright endows the author of a literary, musical or artistic work with two categories of rights – material and moral. Material rights further subdivide into reproduction and distribution rights, and performance rights. Moral rights are personal rights and arise from the amount of intellectual or physical creativity exercised by the author.

v Trademarks
The Malta Trademarks Act (TA) regulates trademarks, which are defined as any sign capable of being represented graphically and that is capable of distinguishing goods or services of one undertaking from those of other undertakings. It also elaborates that trademarks can consist of words (including personal names), figurative elements, letters, numerals or the shape of goods or their packaging.

When registering one’s trademark, the right holder acquires exclusive property rights on the trademark, thus enabling the owner to protect his or her brand against any form of infringement and misuse by third parties. Moreover, Maltese trademark law also extends protection to well-known marks in Malta eligible for protection under the terms of the Paris Convention.

Under the Malta Trademarks Act a separate trademark application must be filed for each separate class of goods and services. Despite not being a signatory to the Nice Classification of Goods and Services, as a non-participant country, Malta still follows this classification method.

A Malta Trademark is registered for a period of 10 years from the date of filing and may be renewed for further periods of 10 years. Moreover a registration may be refused on various absolute and relative grounds and may be issued with territorial or specific limitation as per use of the mark. Priority may be claimed over a previously registered trademark if such a trademark was duly applied for in any county or territory that is a member of the WTO or a party to the Paris Convention, and if the Malta application is completed within a period of six months from the date of filing of the first application.

The process of trademark protection in Malta has been facilitated for pan-European and international businesses when Malta joined the system for Community Trademarks (CTM), which grants protection across European borders. This cost-effective system provided
businesses with a single registration covering all the Member States of the EU, while still permitting national trademark registrations. The term of registration and renewing a CTM is identical to the Malta trademark term of 10 years.

II RECENT DEVELOPMENTS

i Legislative background
Malta, like all other countries, has an interest in legislating in favour of the protection of intellectual property, not only because it seeks to protect the moral and economic rights of the creator and the accessibility of the resulting products to the general public, but also because it seeks to provide a safe environment that promotes creativity through the sharing of knowledge and results. This, in turn, has led to a higher level of social and economic development, competitiveness and fair trade.

Historical analysis
The vesting of rights to intellectual property owners in Malta has been possible as early as 1899 in respect of inventions, trademarks and designs, and was extended to include copyright in 1911. A relatively recent enhancement to the intellectual property package took place in the year 2000 in preparation of Malta’s accession to the EU.

During the span of these 16 years, the TA, the CA and the PDA and their subsidiary legislation and regulations have been amended regularly, with the most recent amendment taking place in 2014 in respect of the PDA. This ensured that the aforementioned set of IP legislation has kept pace with current, fast-paced business needs.

Industrial Property Registrations Directorate
Presently, the IP protection offered by Malta is not limited to national legislation, but also extends to a gamut of national and international laws. A person can seek different levels of international protection at a regional or even at an international level.

The IPRD handles all IP policy (including in the area of copyright) both on the national, regional (EU) and international level and provides technical direction, and presents Malta’s position (following necessary consultation) on these matters. In addition the IPRD also participates in European Commission and Council meetings as necessary and in meetings organised by the European Patent Office (EPO), the European Union Intellectual Property Office (EUIPO) and WIPO.

After EU accession in 2004, Malta became part of EUIPO, with the IPRD representing Malta in the EUIPO Administrative Board and Budget Committee, as well as attending liaison meetings that deal with the Community Trademarks and Designs Cooperation. Through the IPRD, Malta has also become a member of the intergovernmental European Patent Organisation that extends patent protection throughout 36 European states.

In 2007, Malta widened its horizons in respect of international patent protection when it became a member of the PCT and the EPC. In 2009, Malta continued to increase its IP protection regime by acceding to the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

Intellectual Property Rights (Cross-Border Measures) Act
Through the Intellectual Property Rights (Cross-Border Measures) Act, the Maltese legislator established measures relating to the importation into Malta, and the exportation and re-exportation from Malta, of goods in contravention of IP rights. Malta’s applicable
law with regards to counterfeit goods and the relevant procedure for intervention is in line with the relevant EU Regulations and Directives. It is important to note that the protection granted by virtue of the Intellectual Property Rights (Cross-Border Measures) Act to the right holder, will not be enjoyed in cases where goods bearing trademarks, or protected by patents, copyrights and design rights, have been manufactured with the consent of the right holder even though they have been subsequently put into circulation without the consent of the right holder.

**The Patents Tribunal**
The PDA was subject to a major update in 2014 when a bill was tabled in Parliament to amend patent legislation. Several amendments were put forward, the most prominent being the establishment of the Patents Tribunal, which is a specialised court attributed exclusive jurisdiction to hear and determine claims relating to patent infringement and revocation and actions related thereto. It was also specified that claims for damages arising from infringement will continue to be determined by the First Hall of the Civil Court.

Other noteworthy revisions included:

a. authority being bestowed on the comptroller obliging an applicant to present a search report together with the patent application;

b. alterations to the process for the examination of formalities in an application;

c. modifications to sections related to the manner by which a patent is revoked; and

d. changes to the manner for determination of an earlier filing date when priority is claimed.

In December 2014, the commencement notice implementing such amendments presented by the Bill was published. The new PDA now incorporates these amendments.

**‘Making Malta an IP hub’ project**
It is also important to note that on 24 November 2014, a project was launched entitled ‘Making Malta an IP hub’. The main aim behind this exercise is to consolidate the various IP laws into one Code, providing the knowledge sector with a solid, yet pragmatic legal framework. Matters being tackled include:

a. the creation of a unified electronic register for all forms of IP, where all registrations can be filed and searches can be conducted electronically;

b. the introduction of the concept of voluntary registrations of copyright, which would be vital to a number of the industries Malta seeks to promote, including IT, digital gaming, film, music and the arts;

c. the introduction of recognition and protection measures for novel forms of IP, such as image rights and trade secrets; and

d. the introduction of specialised IP courts and the facilitation of the placing of IP as security for financing.

This project is still ongoing.

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13 Article 58 of the Bill entitled ‘An Act to amend the Patents and Designs Act (Chapter 417) and to make provision with respect to matters ancillary thereto or connected therewith’.

ii Litigation

Matters related to litigation, procedure and formalities adopted in Malta are outlined in this subsection.

Opposition

It is interesting to note that Malta presents no pre-grant or post-grant opposition procedure, even though a pre-grant opposition procedure is foreseen.

Appeal

An appeal, which shall have suspensive effect, may be made from a decision of the comptroller or the arbiter, as applicable, where the decision consists of:

- refusal of a patent, in which case the appeal may be made only by the applicant;
- refusal of a notice for revocation of a patent, in which case the appeal may be made only by the person filing the notice;
- acceptance of a notice for revocation of a patent, in which case the appeal may be made only by the proprietor of the patent;
- refusal of a notice of revocation of a priority claim, in which case the appeal may be made only by the person filing the notice;
- acceptance of a notice of revocation of a priority claim, in which case the appeal may be made only by the proprietor of the patent;
- refusal of an application for the re-establishment of rights, in which case the appeal may be made only by the proprietor of the patent; and
- refusal of any other request of the patent applicant or patent proprietor, in which case the appeal may be made only by the patent applicant or patent proprietor respectively.\(^{15}\)

The types of appeal listed in items (a) to (g) above may only be made to the Court of Appeal within 30 days of the date of service of the decision of the comptroller. In the case of revocation proceedings initiated directly with the Patents Tribunal in accordance with Article 44 of the PDA, any party to the proceedings that feels aggrieved by the decision of the Patents Tribunal may appeal to the Court of Appeal on points of law, only by means of an application filed in the registry of that court within 30 days from the date of the decision of the Patents Tribunal. The Court of Appeal shall be constituted in accordance with Article 41(6) of the Code of Organisation and Civil Procedure (COCP).\(^{16}\) The Rule-Making Board established under Article 29 of the COCP may make rules governing appeals to the Court of Appeal. With regard to costs, the Court of Appeal may make an order in accordance with the provisions of Article 223 of the COCP.

The Patents Tribunal

As mentioned in subsection i, supra, the amendments to the PDA resulted in the creation of the Patents Tribunal, which has jurisdiction to hear and determine claims that concern

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\(^{15}\) PDA (Chapter 417), Article 58(1).

\(^{16}\) COCP (Chapter 12).
the revocation of a patent, civil claims for infringement, applications for declarations of non-infringement and precautionary actions related to the above. Claims for damages arising from any infringement shall continue to be determined by the First Hall of the Civil Court.\textsuperscript{17}

Case law
With regard to patent case law, Malta, unlike common law jurisdictions, does not follow the law of precedent. Therefore courts are not bound by law to follow the footsteps of earlier judgments. However, it is frequently the case that judges still refer to previous similar judgments.

There are not many cases related to patent law in Malta. In \textit{John Mifsud v. Angelo Dalli Et},\textsuperscript{18} the defendant made use of and put on the market a product that was already patented. The Civil Court accepted the pleas of the plaintiff and prohibited the defendant from making use of the product. It also confiscated the machinery and all other means used for the production and selling of the product.

In \textit{Melita Marine Ltd v. Mark Darmanin Kissaun},\textsuperscript{19} the plaintiff asked for the revocation of a patent regarding the method used to attach a sail on a marine vehicle. The plaintiff argued that the specification did not delineate a new invention and did not include an inventive step. Moreover it was shown that the defendant had not registered his patent within the first two years of a period of trial and error and had already put it on the market, disqualifying the invention from becoming patentable. The Court of Appeal accepted the claims of the plaintiff and revoked the patent that had been granted.

III OBTAINING PROTECTION

i Patentability

General
Part IV of the PDA deals with the attainment of patent protection of inventions. Article 4(1) provides that inventions that are new, involve an inventive step and are susceptible of industrial applications shall be patentable provided that: such inventions shall also be patentable even if they concern a product consisting of or containing biological material or a process by means of which biological material is produced, processed or used; and that biological material that is isolated from its natural environment or produced by means of a technical process may be the subject of an invention if it previously occurred in nature.

Following the above, in Article 4(2), the PDA also meticulously specifies what shall not be regarded as an invention:

\begin{itemize}
  \item \textit{a} discoveries, scientific theories and mathematical methods;
  \item \textit{b} aesthetic creations;
  \item \textit{c} schemes, rules and methods for performing mental acts, playing games or doing business and programs for computers; and
  \item \textit{d} presentations of information.
\end{itemize}

\textsuperscript{17} PDA (Chapter 417), Article 58A (1).
\textsuperscript{18} Civil Court, First Hall 23 June 2009.
\textsuperscript{19} Court of Appeal, 29 June 2012.
Article 4(5) of the PDA specifies a number of instances where patent applications are refused. The following are listed:

- **a** an invention the exploitation of which would be contrary to public order or morality;\(^{20}\)
- **b** the human body, at the 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;\(^{21}\)
- **c** processes for cloning the human body, processes for modifying the germ line genetic identity of the human body and uses of the human embryo for industrial or commercial purposes;
- **d** processes and products for modifying the genetic identity of animals that are likely to cause them suffering without any substantial medical benefits to man or animal;
- **e** plant and animal varieties;\(^{22}\)
- **f** essentially biological process of the production of plants or animals;\(^{23}\) and
- **g** a DNA sequence not containing any technical information and in particular any indication of its function.

**Business methods**

In accordance with Article 4(2)(c) of the PDA business methods are not patentable in Malta.

**Computer software**

Maltese patent legislation does not cover computer software, but such software falls within the ambit of copyright protection. The reason that software is not deemed to fall within the definition of a patent could refer to the versatile nature of computer programs that renders them difficult to define. Article 4(2)(c) specifically excludes from patent protection schemes, rules and methods for performing mental acts, playing games, doing business and the creation of computer programs.

**Methods for treating patients, both with drugs and medical procedures**

As per Article 4(4) of the PDA, methods used on a human or animal body by surgery or therapy, and diagnostic methods practised on a human or animal body are not regarded as inventions that are capable of industrial application, and therefore do not fall within

\(^{20}\) Proviso: provided that exploitation shall not be deemed to be so contrary merely because it is prohibited by law or regulation.

\(^{21}\) Proviso: provided that an element isolated from the human body or otherwise produced by means of a technical process, including the sequence or partial sequence of a gene, may constitute a patentable invention, even if the structure of that element is identical to that of a natural element.

\(^{22}\) Proviso: provided that patents shall not be granted for plant varieties only after a new form of plant variety protection is introduced in such form as may be prescribed. Provided further that a patent may still be granted for a plant variety in respect of which a patent application is still pending on the date that a new form of plant variety protection is prescribed.

\(^{23}\) Proviso: provided that this is without prejudice to the patentability of inventions that concern a microbiological or other technical process or a product obtained by means of such a process.
the definition of what makes an invention patentable. However, any products, particularly substances and compositions that are used in the aforementioned methods, can receive patent protection.

ii Special disclosure requirements
The patent application must disclose the invention in an appropriate and clear manner and must be complete enough for a person who is skilled in the area to carry out the invention.

For the purposes of Article 5 of the PDA, a disclosure of the invention shall not be taken into consideration if it occurred no earlier than six months preceding the filing of the patent application and if it was because of an evident abuse in relation to the applicant or his or her legal predecessor; or the fact that the applicant or his or her legal predecessor has displayed the invention at an official, or officially recognised, international exhibition.24

iii Filing requirements
An application must be filed in duplicate and must include a request for the grant of a patent, a description of the invention, any other claims, any drawings referred to in the description or claims, an abstract of the invention and its title outlining its technical designation. The Patents Regulations 200225 are a detailed set of rules that include an outline of the procedure for filing. These Regulations provide that all inventors shall be designated, and if the applicant is not the inventor, or only one of the inventors, the applicant must provide the legal grounds on which he or she is entitled to file the registration.

iv Prior art
As in most other jurisdictions, for an invention to be considered as novel, it must not form part of the prior art. This includes material that was readily available to the public as well as the content of any other patent previously filed, or that has effect in Malta.

v Length of protection
The standard term of protection of a patent is 20 years from the filing of application; however, this term may be extended for a maximum of five years through a Supplementary Protection Certificate. Pharmaceutical companies often seek this extended term of protection because of the lengthy procedures needed to acquire the necessary marketing authorisation.

vi Grace period
The payment of the official annuity fee has to be made by the last day of the month in which the patent renewal falls due. If it is not carried out, the patent holder will be subject to an official late payment fine. When a deadline falls on a weekend or a public holiday, payment is to be effected on a working day prior to the weekend or public holiday. A grace period of six months from the end of the month in which patent renewal falls shall be given, and no renewal of the grace period is possible.

24 PDA (Chapter 417), Article 8.
Publication
After the decision to grant an application has been taken, the comptroller shall publish a notice in the government gazette or any other relevant publication.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement
As outlined in Section II.i, supra, one of the main amendments to the PDA was the setting up of a Patents Tribunal, which has jurisdiction over cases regarding the revocation of patents, claims of infringement and declarations of non-infringement, and is also in charge of issuing precautionary warrants. With regard to patent revocation, some cases may be referred to the comptroller. Even though the Patents Tribunal has been set up, the First Hall of the Civil Court is still the appropriate venue to file claims for damages that arise out of infringement, as well as for the enforcement of design patents.

ii Requirements for jurisdiction and venue
EIPRA regulates the enforcement of intellectual property rights. EIPRA delineates those persons who are entitled to avail themselves of the measures, means, procedures and remedies provided by the Act, namely persons who are the holders of intellectual property rights or those who are authorised to use the aforementioned right, particularly who are licensees of such right, as well as recognised collecting societies and professional defence bodies that represent holders of intellectual property rights.26

EIPRA provides for the procedure for collating evidence, measures for preserving evidence, the right of information and measures (provisional and precautionary) to be taken by the court.27

iii Obtaining relevant evidence of infringement
In determining any application filed before it, the Patents Tribunal shall give an opportunity to all parties concerned to put forward their evidence and submissions and it may also order the production of any additional expert evidence and secure expert opinion as it may consider necessary. In its decision, the Patents Tribunal shall also decide upon responsibility for the payment of any costs incurred in the proceedings, including the cost of expert evidence or searches or opinions.28

iv Trial decision-maker
The Patents Tribunal is appointed by the prime minister and consists of a chairman (a judge or a magistrate) and two other members.29 Decisions of the Tribunal are delivered by the chairman and reached by simple majority, and the chairman must be part of that majority.30

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26 EIPRA (Chapter 488) (2006), Article 3.
27 The court that is competent to take cognisance of a case according to the rules established in the Code of Organization and Civil Procedure.
28 PDA (Chapter 417), Article 48.
29 PDA (Chapter 417), Article 58A(2).
30 PDA (Chapter 417), Article 58A(3).
The chairman and members of the Patents Tribunal are appointed for a term of three years and are eligible for reappointment.\textsuperscript{31}

The Patents Tribunal is independent and cannot act under the direction or control of any other person in the performance of its functions.\textsuperscript{32}

The minister responsible for the protection of industrial property may appoint one or more persons to serve as arbiters in cases that are referred to them from time to time. The person so appointed must have held a warrant to practise the profession of advocate in Malta for at least seven years; and the appointment shall be for a period of three years and may be renewed. The arbiter shall, before entering upon his or her duties, take an oath of office before the attorney general in the form approved by the minister responsible for the protection of industrial property.

The arbiter has the power to take expert advice when necessary, at his or her discretion, and to summon any person to appear before him or her to give evidence on oath and to produce documents; for these purposes he or she will have powers conferred by law on the First Hall of the Civil Court. Every summons must be signed by the arbiter and must either be served personally or by registered post, and in the latter case, in proving service, it shall be sufficient to prove that the summons was properly addressed and posted.\textsuperscript{33}

\textbf{v Structure of the trial}

Infringement proceedings can be brought before the Patents Tribunal and may not be instituted after five years from the date when the injured party obtained knowledge of the infringement and of the identity of the alleged infringer.

Where the subject matter of the patent or the patent application is a process for obtaining a new product, the same product when produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process or the process contained in the patent application.

In the assessment of any proof to the contrary by the defendant, the legitimate interests of the defendant in protecting his or her manufacturing and business secrets shall be taken into account by the Patents Tribunal.

The Patents Tribunal shall stay any proceedings for infringement in respect of:

\begin{itemize}
  \item[a] a patent application filed with the comptroller until after a final decision has been made by the comptroller to grant or refuse a patent on the application; and
  \item[b] a patent application filed at the EPO until after a final decision has been made by the EPO to grant or refuse a patent on the application.
\end{itemize}

The defendant in such proceedings may, in the same proceedings, request the revocation of the patent on any of the grounds referred to in Article 44 of the PDA. In any such case, the comptroller shall be made a party to the proceedings.

Where the subject matter of the patent or the patent application is a process for obtaining a new product, the same product when produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process

\textsuperscript{31} PDA (Chapter 417), Article 58A(4).
\textsuperscript{32} PDA (Chapter 417), Article 58A(5).
\textsuperscript{33} PDA (Chapter 417), Article 58B(1-3).
or the process contained in the patent application. In the assessment of any proof to the contrary by the defendant, the legitimate interests of the defendant in protecting his or her manufacturing and business secrets shall be taken into account by the Patents Tribunal.  

Any interested person shall have the right to request, by instituting proceedings against the proprietor of the patent or of the patent application, that the Patents Tribunal declare that the performance of a specific act does not constitute an infringement of the patent. If the person making the request proves that the act in question does not constitute an infringement of the patent, the Tribunal shall grant a declaration of non-infringement.

vi Infringement

In a civil action, any person who exploits a patented invention or patent application shall be liable in damages towards the proprietor of the patent, a patent application or the licensee. The application to sue for damages may be made before the Patents Tribunal without prejudice to the right of such person to apply for the issue of any precautionary warrant as provided in the COCP to protect his or her rights.

In criminal actions, whoever puts into circulation, or sells any article, falsely representing that it is a patented article shall, on conviction, be liable to a fine. If any person puts into circulation or sells an article having stamped, engraved or impressed thereon or otherwise applied thereto the word "patent", "patented" or any other word expressing or implying that a patent has been obtained for the article, that person shall be deemed for the purpose of that article to represent that it is patented.

vii Time to first-level decision

In the case of a notice for revocation filed directly before the Patents Tribunal, the Tribunal shall, as soon as possible upon receiving a notice for revocation of a patent, notify the patent owner who shall, within 90 days from the date of service, file his or her reply. Non-compliance with the deadline given by the comptroller or the above requirements shall render the reply inadmissible. The Patents Tribunal shall hear and determine the case for revocation as far as possible within nine months from the date of the institution of the case. The Patents Tribunal shall regulate its own procedure.

viii Remedies

Any person who exploits a patented invention or patent application shall be liable in damages towards the proprietor of the patent, a patent application or the licensee. The application to sue for damages may be made before the Patents Tribunal without prejudice to the right of such person to apply for the issue of any precautionary warrant as provided in the COCP to protect his or her rights. The Patents Tribunal may, moreover, at the demand of the plaintiff, order that the machinery or other industrial means or contrivances used in contravention

34 PDA (Chapter 417), Article 48.
35 PDA (Chapter 417), Article 49.
36 PDA (Chapter 417), Article 47.
37 PDA (Chapter 417), Article 50.
38 PDA (Chapter 417), Article 44B.
of the patent, the infringing articles and the apparatus destined for their production, be forfeited, wholly or partially, and delivered to the proprietor of the patent or of the patent application, without prejudice to the relief mentioned in Article 47 of the PDA.  

The PDA provides that whoever puts into circulation or sells any article, falsely representing that it is a patented article shall, on conviction, be liable to a fine of not less than €232.94 and not more than €11,646.87. If any person puts into circulation or sells an article having stamped, engraved or impressed thereon or otherwise applied thereto the word ‘patent’, ‘patented’ or any other word expressing or implying that a patent has been obtained for the article, he or she shall be deemed for the purpose of this article to represent that the article is a patented article.

If the owner of any such offending goods is unknown or cannot be found, any magistrate may, by warrant under his or her hand, direct any officer of the executive police named in the warrant to enter any house, premises or place so named, and search for, seize and remove such goods. The seized goods shall be produced before the Court of Magistrates sitting as a court of criminal judicature, and such court shall determine whether they are liable to forfeiture under the PDA.

ix Appellate review

An appeal shall have a suspensive effect. An appeal may be made from a decision of the comptroller or the arbiter, as applicable, where the decision consists of:

a refusal of a patent, in which case the appeal may be made only by the applicant;
b refusal of a notice for revocation of a patent, in which case the appeal may be made only by the person filing the notice;
c acceptance of a notice for revocation of a patent, in which case the appeal may be made only by the proprietor of the patent;
d refusal of a notice of revocation of a priority claim, in which case the appeal may be made only by the person filing the notice;
e acceptance of a notice of revocation of a priority claim, in which case the appeal may be made only by the proprietor of the patent;
f refusal of an application for the re-establishment of rights, in which case the appeal may be made only by the proprietor of the patent; and
g refusal of any other request of the patent applicant or patent proprietor, in which case the appeal may be made only by the patent applicant or patent proprietor respectively.

Such appeal referred to above may only be made to the Court of Appeal within 30 days of the date of service of the decision of the comptroller.

In the case of revocation proceedings initiated directly with the Patents Tribunal in accordance with Article 44 of the PDA, any party to the proceedings that feels aggrieved by

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39 PDA (Chapter 417), Article 47.
40 PDA (Chapter 417), Article 50.
41 PDA (Chapter 417), Article 51.
42 PDA (Chapter 417), Article 52.
43 PDA (Chapter 417), Article 58(1).
44 PDA (Chapter 417), Article 58(2).
the decision of the Patents Tribunal may appeal to the Court of Appeal on points of law only by means of an application filed in the registry of that court within 30 days from the date of the decision of the Patents Tribunal.45

x Alternatives to litigation

In Malta, currently both pre- and post-grant opposition proceedings are unavailable. Arbitration and mediation are both valid venues for alternative dispute resolution in Malta. These routes are not compulsory, yet may result in less costly mechanisms for interested parties. Generally, any matter that is the subject of a dispute is capable of settlement by arbitration. Part IV of the Arbitration Act46 deals with the conduct of domestic arbitration in the settlement of disputes, which are defined to include any controversy or claim arising out of or relating to an agreement, or the breach, termination or invalidity thereof or failure to comply therewith. Part V of the Arbitration Act deals with international commercial arbitration. Part V incorporates into Maltese law, the UNCITRAL Model Law on International Commercial Arbitration, which is a well-known and tested legal regime that has been adopted in many countries around the world.

xi Legal costs

In an action, the court47 shall, as a general rule, decree that the judicial costs and other expenses incurred by the successful party be borne by the unsuccessful party unless it considers that equity otherwise requires.48

V TRENDS AND OUTLOOK

Most likely, the most noteworthy initiative in the last couple of years was the launch of the project intended to dub Malta as an ‘Intellectual Property Hub’. The aim of this initiative is to attract more investors to Malta by ensuring the highest levels of protection possible, and for this to be achieved, a solid legislative framework must be put in place to cater for all the possible legal requirements of such right holders. The initiative proposes plans which not only provide for greater certainty in relation to the property rights of intangible assets, but also proposes a legal framework which will safeguard proprietors further and will provide them with inventive ways on how to best exploit their rights, hence facilitating financing and the raising of capital.

In July 2015, Malta signed a memorandum of understanding (MOU) with China for cooperation in the field of intellectual property law. Through this MOU the two countries intend to exchange information and good practices on IP. The MOU consists of a work plan for the sharing of information on IP laws, policies and working experiences, exchange and training of personnel, organisation of joint seminars, introduction of IP holding companies and IP intermediary service organs in Malta. Since it is estimated that 40 per cent of all

45 PDA (Chapter 417), Article 58(3).
46 Arbitration Act (Chapter 387).
47 The court that is competent to take cognisance of a case according to the rules established in the COCP.
economic activity in the EU is based on the industries directly involved with intellectual property rights, Malta aims to be among pioneers when it comes to IP rights. The MOU with China (and similar MOUs) are but the initial step to the attainment of efficient and effective intellectual property right protection for Maltese entities.

In the past decade, Malta's previous and revised IP offerings and the whole range of IP laws and regulations have proven to be essential to creative industries such as iGaming, digital gaming, financial technology, software development, e-commerce and pharmaceuticals. Intellectual property has certainly acted as a catalyst in attracting global players to Malta's shores. It is envisaged that such regular IP initiatives coupled with sound corporate and tax laws will continue to reinforce Malta's position as a centre for excellence for creative industries with the aim of taking on a more developed leading role in the coming years.


Chapter 17

MEXICO

Victor Garrido

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I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The current Mexican IP system was developed and implemented from the end of the 1980s to the middle of the 1990s. Mexico signed the North America Free Trade Agreement (NAFTA) in 1992, and implemented the dispositions of the TRIPS Agreement and the Patent Cooperation Treaty (PCT) in 1995. The forms of intellectual property protection available in the country include patent, utility model, industrial design, trademark, industrial secret, appellation of origin, plant variety, copyright and the neighbouring rights, among others.

Patents

Patent protection is available for any invention complying with the following three essential requirements: novelty, inventive step and industrial applicability. Exemptions for patentability and non-statutory subject matter are discussed in Section III, infra.

An invention is considered to be any human creation that allows transformation of matter or energy existing in nature for human benefit and the fulfilment of human needs.

The term for a patent is 20 years from the recognised filing date, subject to payment of annuities. The recognised filing date for PCT-derived patents is the international filing date. The patent term cannot be currently extended at all.

Mexico has a first-to-file patent system, but it contemplates a 12-month grace period for previous disclosure of the invention performed by the inventor or his or her assignee.

The scope of protection conferred by patents is determined by the approved claims (literal interpretation; no doctrine of equivalents established). The exploitation or working of the patent consists in the manufacture, sale or importation of the relevant product in Mexico. Lack of use for three years counted from the grant date or four years counted from

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the filing date, whichever occurs later, enables third parties to request and eventually obtain a compulsory licence, unless there are justified reasons for non-use. Patent marking, although not compulsory, is recommended.

The previous user of a patented invention within Mexico is entitled to continue using his or her invention, provided the prior use is duly proven.

Compulsory licences could be granted to third parties for reasons of public utility; however, the patent owner shall be previously heard and must be compensated economically. No compulsory licence has been granted in the country so far.

Amendments to the claims are permitted before issuance of notice of allowance if they are supported by the specification and drawings with payment of a fee. Divisions can be requested during examination if inventive concept (unity) does not exist among the claims. Voluntary divisions are also permitted before paying grant fees for the parent case. Post-grant amendments are limited to correct errors or limit the scope of the granted claims. If a patent application is rejected, the claims are not permitted to be amended during appeal procedures.

ii Utility models
Registration for new utility models with industrial applicability is available in the country (no inventive step required). Utility models are objects, utensils, apparatus or tools that, as a result of a modification in their arrangement, configuration, structure or form, offer a different function with respect to their component parts or advantages of use. The term of protection of a utility model registration is 10 years from the filing date subject to payment of annuities, with no extension. Utility model protection is not available for processes. Utility model applications undergo substantive examination, where novelty and industrial applicability are evaluated under the same standards used to evaluate patents.

iii Industrial designs
Protection for new industrial designs capable of industrial application is also available. For a design to be novel it needs to be of independent creation, significantly different from already known designs or combinations of characteristics from already known designs. Industrial designs include two-dimensional drawings and three-dimensional models. Only ornamental features are protected.

The protection term is 15 years from the filing date of the application, subject to the payment of annuity fees, with no extension.

Under the current inventive concept standard, multiple designs are difficult to obtain in a single registration, independent of whether they are comprised by the same Locarno class. Divisions can be entered either voluntarily or at the Mexican Institute of Industrial Property's request (MIIP). The practice tends to process one design per filed application. Electronic filing (not the complete prosecution) of design applications is currently possible in Mexico.

iv Trademarks
The Industrial Property Law (IPL) provides protection for distinctive signs, which includes not only product and service trademarks, but also collective trademarks, trade names and slogans. Generally, the exclusive use of such signs is obtained by registration.
Among the mentioned signs, trademarks are the most popular figure of protection. Trademarks can be nominative, non-nominative and mixed. A word mark to be registered must be distinctive, that is, different from any other mark. Multi-class trademarks are not currently available in the country.

In Mexico there is protection for well-known and famous marks. A well-known mark is one known by a determined sector of the public or the country’s commercial groups. A famous mark is one known by almost all of the consumer public. A specific and yet polemic protection for well-known and famous marks is currently obtained by an official declaration for which some commercial information about the use of the trademark should be submitted and significant fees should be paid.

Filing a letter of consent from the owner of a trademark cited because of similarity issues is possible to try to avoid refusal of a determined trademark. However, this letter of consent is not accepted when the two trademarks involved are absolutely identical.

Trademark protection is granted for 10 years from the filing date of the application in Mexico. The registration can be renewed every 10 years. Renewal of the registration of a trademark will only be appropriate if a written declaration under oath is submitted that the trademark has been used on Mexican territory for the products or services to which it applies, and that its use has not been interrupted for a period of three consecutive years.

The Mexican government can declare exceptionally for public interest reasons that certain trademarks cannot be used. The Mexican government has also the right to grant compulsory licences for public interest issues, provided that the trademark owner is guaranteed hearing rights.

Once a trademark has lapsed, any third party can apply and obtain the trademark, even the person who used to be the owner of the trademark, should he or she apply for it before a third party does. A trademark declared nullified or cancelled cannot be revived.

The IPL establishes that the illegal use of registered trademarks is a crime. It is an administrative violation deserving a fine and the payment of damages. This also includes the use of a mark similar to a registered trademark to the point of confusion, graphically or phonetically, or as an element of a commercial name when the establishment is engaged in the sale of products or services similar to those covered by the registered trademark. Falsification of a trademark is also a crime.

The most important recent development in the trademark field has been the entrance into force of the Madrid Protocol on 19 February 2013. The country is working on developing an opposition system. No date has been set to launch said opposition system. Electronic filing (not the complete prosecution) of trademark applications is currently possible in Mexico.

Industrial secrets
The IPL contains provisions for protecting certain information as an industrial secret, provided such information gives the proprietor a competitive or economic advantage, and measures are taken by such proprietor to keep the information confidential. The information constituting a trade secret shall necessarily relate to the nature, characteristics or purposes of products; to production methods or processes; or to ways or means of distributing or marketing products or rendering services. Examples of information qualifying as an industrial secret are: know-how, some business methods, some lists of clients, etc. The information should be fixed in a tangible medium, including electronic means, to be protectable. In addition to the IPL,
industrial secrets are enforceable under the Civil Law for breaches of contracts and claims for damages, and the Federal Criminal Code under which the disclosure of an industrial secret constitutes a criminal offence.

vi Appellations of origin
A denomination of origin is the name of a domestic geographical region that serves to designate a product native to that region, and whose quality or characteristics are exclusive to that geographical zone, including the natural and human factors. The MIIP carries out the denomination of origin declaration by publishing it on the Federation’s Official Gazette. The MIIP, through the Department of Foreign Affairs, processes the registration of the denominations of origin that have been declared in order to obtain their worldwide recognition, according to international treaties on the matter. The MIIP authorises the use of the denomination of origin to individuals or companies that are devoted to the extraction, production or elaboration of the products protected by the denomination of origin and that carry out their activities within a certain territory, as well as to those entities that comply with the official standards regarding the products in reference. The authorisation has a validity of 10 years, and can be renewed jointly with a trademark.

Products with a denomination of origin in Mexico include, Tequila, Mezcal, Olinalá, Talavera, Bacocho, Café Veracruz, Ambar de Chiapas, Sotol, Charanda, Mango Ataulfo del Soconusco Chiapas, Café Chiapas, Vainilla de Papantla, Chile Habanero de la Península de Yucatán and Arroz del Estado de Morelos.

vii Plant varieties
The current plant variety system is based on the UPOV Act 1978. The country joined the Act on 9 August 1997. Applications are processed before the Ministry of Agriculture, Livestock, Rural Development, Fishing and Food through the National Service of Seeds Inspection and Certification.

A plant variety qualifying for protection must be new, distinguishable, stable and homogeneous. Additionally, some filing requirements should be met, such as: to propose a denomination; to specify the genealogy as well as the origin of the plant variety; to submit the plant variety or its propagation material (if requested); to provide a description according to UPOV guidelines; to supply photographs; and to supply the relevant trademark, if any.

Priority rights are recognised within the 12-month period following filing in another country with which Mexico has signed a treaty. The protection lasts 18 years for perennial species (forest, fruits, vines and ornamental) and their implant-carriers, and 15 years for other species not previously included.

viii Copyrights
The Federal Copyright Law acknowledges protection for artistic works. The protected rights can be:

a moral rights and acknowledgements to the author of the work, which are inalienable, non-lapsable, non-renounceable and non-sizeable rights;
b exclusive economic rights: the right to exploit the work in an exclusive manner or to authorise third parties to do so; or
simple remuneration rights: non-exclusive economic right to obtain payment for
the exploitation of a work, applicable to very specific cases having in common that
exploitation is performed independently of the author’s consent, although usually
legal.

Exclusive economic rights may be transferred or licensed onerously and temporarily. Moral
rights cannot be waived by the author. The protection for economic rights lasts the lifetime of
the author and up to 100 years after his or her death. Personal rights do not expire, although
enforceability of some of them is limited after the death of the author. Registration is not a
prerequisite for protection; however, it facilitates litigation.

One interesting and sui generis protection provided by the Federal Copyright Law
is the so-called reservation of rights. The reservation of rights is the faculty for the exclusive
use and exploitation of titles, names, designations, distinctive physical and psychological
characteristics or original operational characteristics, as applied, according to their nature, to
any of the following genres:

- periodical publications: edited in successive parts with varied content and intended to
  continue indefinitely;
- periodical broadcasts: broadcast in successive parts with varied content and capable of
  being transmitted;
- human or fictional or symbolic characters;
- persons or groups devoted to artistic activities; and
- promotional advertising: a novel, or an unprotected operation mechanism intended
to promote a product or offer a good or service with the additional incentive of
providing the general public with the option to acquire another good or service on
more favourable conditions than those generally encountered on the market.

Usual commercial advertisements shall be excluded from the foregoing. Contrary to copyright,
reservation of rights is recognised by the law by means of registration. The term of protection
is variable: one year (renewable) in the case of titles of newspapers, journals, magazines and
TV and radio shows broadcast on a regular basis; five years (renewable) for the names of
fiction characters; and five years (non-renewable) for original advertising campaigns.

Mexico was part of the negotiations and eventually signed the polemic
Anti-Counterfeiting Trade Agreement on 11 July 2012, containing high copyright
enforcement standards in digital media. However, owing to the secrecy of the negotiations,
concerns about privacy rights on the internet and internet service provider obligations, the
Senate has not ratified the agreement and it may not enter into force.

ix Neighbouring rights

Rights in favour of performers, producers of phonograms (sound recordings) and videos,
book editors, and broadcasting organisations are also acknowledged by the Federal Copyright
Law; they are collectively known as related rights.

Related rights provide exclusivity rights to:

- performances, including the right to oppose the fixing of the performance on tangible
  media, the reproduction of any such fixation and the public communication or
  broadcast of fixed performances;
- book editors to oppose the reproduction of their books, regardless of whether the
  work is in the public domain;
the producers of phonograms and videos to oppose the non-authorised reproduction and public communication of the phonogram and video, among other rights; and

broadcasting entities to oppose the retransmission, fixing, public communication and reproduction of the broadcasted material.

The statute provides that related rights are fully protected without registration. However, related rights concerning books, phonograms and videos may be registered with the Copyright Registry.

The protection term varies depending on the specific right: for book editions, videos and broadcasting, the term is 50 years from the date of the first edition, fixing or broadcast, respectively; for performers and phonogram producers, the term is 75 years from the date of first fixing of the performance or the first fixing of sounds, respectively.

II RECENT DEVELOPMENTS

i Legislation

In 2010, the IPL was amended to contemplate the following relevant patent-related issues.

a To modify the definition of industrial application as follows: ‘the possibility that an invention has a practical utility or can be produced or used in any branch of economical activity, for the purposes described in the application’. A further related amendment was introduced to require that the specification contain information exemplifying the industrial application of the invention. These amendments have been interpreted by examiners in the chemical, pharmaceutical and biotechnological fields as raising the utility standard to demonstration of actual industrial application from the very initial specification, with a negative, restrictive impact for applicants.

b To include a provision for determining partial priority in patent cases.

c To introduce provisions for third-party observations for published patent applications. According to this amendment, after an application is published in the Official Gazette, a six-month period is open for any party to submit observations to try to show that the invention contained in the published application is not patentable. Within these six months, the application does not enter the examination process. If third-party observations are submitted, the MIIP informs the applicant of the observations. The applicant can decide to respond or not to such observations. The response is not served to the third party as it does not acquire the character of an interested party. After the six-month period ends, the application goes to examination just as any other application. The MIIP can decide whether to take into consideration any of the third-party observations or the response filed by the applicant. Very few applications undergo third-party observations, so questions have arisen about whether the observation system is worth stopping the prosecution of all patents for six months.

In 2011, the IPL Regulations were amended to contemplate the following relevant patent-related issues:

a to clearly indicate that lack of signature in writs submitted to the MIIP will be definitively dismissed, meaning that dismissal is not subject to appeals;

b to reduce the term for entering complementary official fees, when missing, from two months (extendable for two additional months) to only five working days (with no extension); and
to benefit applicants submitting applications in their original language to be requested to file the translation by means of an office action instead of being subject to the previous automatic, non-extendable, two-month term from the national filing date.

ii Court opinions

Fixed term for patents

On 4 September 2015, the Supreme Court ruled that the fact that NAFTA contemplates that contracting parties may provide for patent term extensions does not invalidate the current local statute establishing a fixed 20-year term. According to the ruling, NAFTA leaves to each of the parties the discretion to allow extensions. Therefore, Mexico continues with its policy of not allowing patent term extensions under any circumstance.

Presumption of legality of the commercial exploitation of an invalidated patent

On 19 February 2016, a federal circuit court wrongly ruled that a patent provides for the presumption that the exploitation of the patented invention is legal because the granted patent was subject to examination under which prior patents were reviewed. According to this ruling, no responsibility can be generated for the patent owner in view of third-party patent rights because the infringement or rights had been checked during examination. Therefore, in the case that a patent is invalidated, such invalidation destroys the related exclusive patent right but not the mentioned presumption of legality of the commercial exploitation of the patented invention. This ruling is clearly wrong, because the possible violation of a third party’s rights is not a task carried out during the examination process.

Linkage system for pharmaceutical products (2010–2012)

The most important patent decision in recent times was issued on January 2010 by the Supreme Court on the linkage system between the MIIP and the regulatory agency in charge of marketing approvals for medicaments – the Federal Commission for Protection against Sanitary Risks (COFEPRIS).

The linkage system was established in 2003 to coordinate the MIIP and COFEPRIS. Under the system, the MIIP periodically issues the Linkage Gazette listing those patents in force covering allopathic medicines. The MIIP initiated the Gazette editions by listing only patents covering active ingredients. Pharmaceutical composition patents and patents covering ‘uses’ were not included because of a narrowed interpretation from the MIIP. Process patents have been expressly excluded from participating in the system from the very beginning.

A series of constitutional appeals (amparos) were interposed against the MIIP’s interpretation before federal circuit courts resulting in contradictory rulings. The Supreme Court intervened to clarify the issue ruling that patents covering pharmaceutical compositions (product patents) qualify for listing in the Gazette and that only patents covering processes were unambiguously excluded from the linkage system.

Currently, it is sufficient that a petition is filed for a composition patent to be listed in the gazette, although patents covering use claims (usually Swiss-style claims, or compound or composition-for-use claims) still need to undergo constitutional appeals because the Supreme Court did not unequivocally address this type of patent in its decision. These patents covering use claims are eventually ordered to be listed by federal circuit courts mainly under an interpretation of the same Supreme Court decision.
A subsequent decision related to composition patents was ruled by one of the lower courts on 9 August 2012, through which the MIIP was requested to indicate in the Gazette that the exclusive right provided by the listed patent is limited to the relevant pharmaceutical composition containing an active ingredient but not to the active ingredient as such.

*Misinterpretation of patent claim scope*
On 28 February 2013, a federal circuit court ruled an unfortunate decision misinterpreting the concepts of claim scope and claim support in the specification. According to the IPL, claim amendment is permitted, provided it does not exceed the scope of the original application as filed. The federal circuit court held that after submission of a response to an office action from the substantive examination, the MIIP shall review whether the number of new claims coincides with those formerly on file. If not, a further office action shall be issued to request clarification. This decision seems to interpret that the mere number of claims defines claim scope and that support for claims amended during examination shall be found in the original claims (or those previously on file), instead of the whole original application as allowed by law and usual practice. Moreover, the ruling tries to unduly give the burden to the applicant to determine whether the claim amendment fulfils requirements, which is the MIIP’s duty.

###III OBTAINING PROTECTION

Essential requirements for obtaining patents in Mexico are discussed in Section I.i, *supra*. However, it should be also taken into account that by statute the following matter is not considered to be an invention: theoretical or scientific principles; discoveries that consist of publishing or revealing something that already existed in nature, although previously unknown by man; schemes, plans, rules and methods for performing games or businesses; mathematical methods; computer programs; information presentation forms; aesthetic creations and artistic or literary works; surgical treatment; therapeutic or diagnostic methods applicable to the human body and those related to animals; the juxtaposition of known inventions or mixtures of known products, their variation or form, dimensions or materials, except when their combination or fusion is actually involved in such a way that they cannot function separately or their characteristic qualities of functions are modified to obtain an industrial result that is not obvious to an expert in the matter.

Moreover, the following matter is specifically excluded from patent protection: essential biological processes for obtaining, reproducing and propagating plants and animals; biological and genetic material such as is found in nature; animal breeds; the human body and the living matter constituting it.

###IV ENFORCEMENT OF RIGHTS

####i Possible venues for enforcement
Patent rights are enforced first via an administrative infringement action filed at the MIIP acting as a first instance.

Since 2009, the Federal Trial Court on Tax and Administrative Matters (FTCTAM) has had a specialised chamber dealing with IP matters. This chamber acts as a second instance for appeals in IP cases.
There is a third and final instance for appeal before a federal circuit court by means of a constitutional appeal (amparo).

Only in exceptional cases would the Supreme Court intervene in this type of case (patents).

ii Requirements for jurisdiction and venue

Although the MIIP has regional offices across the country, contentious cases are all solved in its main office in Mexico City. Accordingly, both patent infringement and patent nullification actions are held therein.

iii Obtaining relevant evidence of infringement and discovery

The plaintiff at the time of submitting the complaint must add all the evidence that supports its claim. The same applies for the defendant submitting his or her response to the action. Evidence will not be accepted afterwards unless dated after the complaint filing date or, if dated before, if it is declared under oath that it was unknown to the party submitting it.

iv Trial decision-maker

At the first instance, internal lawyers and experts in the relevant technical field compose the MIIP’s contentious department rendering decisions. At the second instance, the specialised IP chamber is integrated by three magistrates. At the third instance, the decision is rendered by a judge.

v Structure of the trial

There are some pre-action procedures to obtain information regarding the alleged infringers. According to the IPL, the MIIP may verify the compliance of the provisions for the infringement action by bringing the following procedures: requests for reports and information, and inspection visits.

The prosecution of a patent infringement action follows as described below:

a filing the infringement action along with all the evidence available;
b once the infringement action has been served, the defendant has 10 business days to respond along with all evidence to support its defences;
c if expert opinions are filed as evidence by the parties, the MIIP grants a discretionary time to prepare the relevant opinion;
d official file is sent to the corresponding MIIP division for the infringement technical analysis;
e the MIIP grants to the parties a term to submit closing arguments; and
f the MIIP renders its decision.

Decisions rendered by the MIIP will only rule on whether the infringement took place and the defendant will be ordered to immediately stop the infringing activity and will also be fined.
vi  Infringement
Mexican law provides that a patent is infringed when the patented product is manufactured or when the patented process is carried out by a third party without the authorisation or corresponding licence of the owner. Importation of the product obtained by a patented process constitutes infringement. There is no doctrine of equivalents in defining infringement.

vii  Defences
If provisional measures are requested by the plaintiff, the defendant has the right to lift the same by submitting a counter bond.

Apart from submitting evidence and arguments in his or her favour during the infringement action, including expert opinions, the defendant has the right to initiate an invalidation proceeding against the relevant patent as a counterclaim within a settled legal term. If so, the MIIP shall decide both actions at the same time and will therefore most likely issue a sole ruling. Nullity claims instituted by the defendant after the legal term will not be deemed linked to the same process and thus, the claim for infringement may very well be decided upon before the nullity case is decided, and without taking the same into consideration.

Usual grounds of patent invalidation include lack of clarity or support (primarily in the claims), novelty and inventive step. Where the invalidation affects only one or some of the claims, or part of a claim, invalidation shall be declared only in respect of the relevant claim, or the relevant part of a claim. Invalidation may be declared in the form of a limitation or specification of the corresponding claim. The patent claims cannot be amended during an invalidation action.

When a patent has been invalidated by means of a decision rendered by the MIIP, the relevant patent holder may appeal it before the FTCTAM.

viii  Time to first-level decision
The procedure at the MIIP usually takes about 18 months, although there is no obligation for the MIIP to decide within this time period; especially when a patent invalidation proceeding is interposed and expert opinions are submitted in one or both of the infringement and invalidation actions.

ix  Remedies
Provisional measures are available in Mexico that range from the seizure of merchandise or materials used to produce infringing products, to the issuance of restrictive orders; and they are in force until a decision is rendered by the MIIP. The requirements are a bond to guarantee the defendant against the possible damages caused by the application of the provisional measures and prove that it has made public the fact that the product is protected by a patent (i.e., the inclusion in the patented product that it is protected by a Mexican patent, or instead a public announcement in a major newspaper in Mexico).

In all infringement cases there are two different sums to be paid: a fine that is determined by the MIIP in its final decision (up to about US$120,000) and is kept by the Mexican government, and damages that may be collected by the plaintiff (once the case has raised res judicata). For this purpose, it would be necessary to initiate a separate judicial action, in this case a civil procedure.
If the MIIP declares the administrative infringement, after hearing the parties, this authority would decide the fate of seized products, if any.

On the other hand, the MIIP provides that compensation or indemnification for damages derived from the violation of the rights shall in no case be less than 40 per cent of the public sale price of each relevant product or the price of the rendered service. Such damages must be collected in a separate civil action. It is worth noting that contrary to copyright cases, for patent matters civil actions cannot be initiated before the infringement action initiated at the MIIP becomes *res judicata*.

**x Appellate review**

After the first instance trial, 45 business days are provided to appeal the MIIP’s resolutions, and after the second instance trial is decided, there are 15 business days to appeal FTCTAM’s judgments at a federal circuit court via an *amparo* appeal.

It is important to mention that there are no hearings in these procedures. All arguments have to be submitted in writing when filling the appeal or when filing the relevant response. Moreover, there are no *de novo* hearings under Mexican law. According to the Federal Law of Administrative Procedure, the FTCTAM may analyse and decide on the formal and substantive grounds of each case.

The FTCTAM takes approximately five months to render a decision once the closing arguments have been filed. A federal circuit court takes around five months to rule once the relevant magistrate has been elected to resolve the case.

**xi Alternatives to litigation**

The parties may settle at any time before and during the prosecution of the infringement action. Although not commonly used, the parties may choose to undergo an arbitration procedure for solving their disputes.

**V TRENDS AND OUTLOOK**

Mexico continues to sign international agreements to align its internal regulations and practices with international practices. Mexico has been very active in implementing patent prosecution highway (PPH) programmes for accelerated patent examination. PPH programmes are currently available in the following jurisdictions: Canada, China, Japan, Korea, Singapore, Spain, the United States and the European Patent Office.

Mexico is part of the Trans-Pacific Partnership Agreement signed on 4 February 2016. This agreement is in the process of being ratified by Mexican Congress. If the agreement enters into force, it would impose a number of obligations, possibly including accession to the Hague Agreement Concerning the International Registration of Industrial Designs and the 1991 UPOV Act. The agreement contains provisions that may impact the local patent system, such as: patent term extensions; data protection for pharmaceutical, agrochemical and biotechnological products; and publication of the patent prosecution history before grant.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Overview

Nigeria offers protection for a range of intellectual property rights including copyrights, trademarks, patents and designs. Being largely an importer of technology and finished products, trademark rights remains the most significant and more commonly deployed form of intellectual property protection in Nigeria, attracting significant value in the form of royalties and licence fees and increased application for registration at the Nigerian Trademarks, Patents and Designs Registry (IPO). Although Nigeria is a member of international organisations such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO) and signatory to a number of international treaties connected to the protection of intellectual property rights, the majority of these treaties are yet to be domesticated into the local laws. The effect being that majority of the local laws, particularly in relation to trademark law, are yet to fully evolve and align with international developments in the intellectual property world.

Civil litigation remains the traditional form of enforcement of IP rights. However, enforcement by administrative procedures and remedies is increasingly being resorted to through administrative bodies such as the National Agency for Food and Drug Administration and Control (NAFDAC), Standards Organisation of Nigeria (SON), Nigeria Copyright Commission (NCC), the Nigeria Customs Service and other special requirements related to border measures. The main features of these forms of intellectual property rights will be discussed in this chapter.

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ii Trademarks

The laws guiding and regulating trademarks are contained in the Trade Marks Act 1965 (TMA) and the Trade Marks Regulations 1967. The principal objective of trademark law is to confer exclusivity of use on the proprietor of a registered trademark for goods and services placed in streams of commerce, and to restrain unauthorised use of similar or identical trademarks. The TMA is modelled on the English Trade Marks Act 1938 and has not been updated or amended since its enactment. Although there has been no amendment extending the application of the TMA to service marks, registration of service marks became operative in Nigeria on 19 April 2007 by virtue of the executive fiat from the Federal Minister of Trade and Commerce. This has led to the branding of services in Nigeria and increased application for service marks at the IPO. Apart from service marks, the TMA has been applied to protect non-visual marks such as slogans and sound marks. There are, however, no specific provisions in the TMA recognising the registrability of sound mark, scent mark and geographical indication unlike in other jurisdiction.

Nigeria is a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and a member country of the Paris Convention for the Protection of Intellectual Property. These treaties are yet to be domesticated into Nigerian law. As such, the local trademark law has failed to evolve to recognise priority applications in other member countries of the Paris Convention. The local law also does not observe the principle of national treatment, which is a basic obligation for members of the TRIPS Agreement. Substantive standard protection under the TRIPS Agreement for the protection of a ‘well-known mark’ for member countries is not recognised under the local law, as emphasis is placed on local registration. However, a broad interpretation of the provisions of the TMA2 allows the IPO discretion to refuse to register a mark as a well-known mark, even in the absence of express provisions under the TMA. In addition, as a practical matter the IPO has had occasion to deny registrations on the basis that the mark sought to be registered was a well-known mark being registered by a person other than its true proprietor.

iii Patent and designs

The laws guiding and regulating patents and designs are contained in the Patents and Designs Act 1971 (PDA). The PDA has not been updated or amended since its enactment. The Act provides that an invention is patentable if it is new, results from inventive activity and is capable of industrial application, or if it constitutes an improvement upon a patented invention in addition to being new, is the result of inventive activity and is capable of industrial application. Unlike in other jurisdictions, Nigeria still regards plant varieties and seeds as non-patentable.

Section 11 TMA, which states: ‘It shall not be lawful to register a trade mark or part of a trade mark - (a) any matter the use of which would by reason of its being likely to deceive or cause confusion or otherwise, be entitled to protection in a court of justice or be contrary to law or morality […]’. It could safely be argued that in the context of opposition proceedings, a registration could be opposed, if it is an attempt to register to a well-known mark by a person other than its true proprietor relying on Section 11(a) TMA. Such a registration would, while not being in violation of the specific provisions of the TMA, be open to the morality argument found in Section 11.
Nigeria is a signatory to the Patent Cooperation Treaty (PCT). As such, a PCT applicant can seek protection of their patent in Nigeria as the IPO accepts national phase filing of PCT applications and issues letters of patent in appropriate cases. In Nigeria, PCT applications are filed like normal patent applications. There are no qualified examiners as the Registrar examines the patent to ensure conformity with the provisions of the PDA. Examination is only as to form and not substantive.

iv Copyrights

The laws regulating copyrights are contained in the Copyright Act 1988. The Act is fashioned after the WIPO Tunis model and incorporates standard provisions reflecting current trends in global copyright legislation. The principal purpose of the Copyright Act is to protect against the appropriation of another person’s literary and artistic work or effort. Nigeria is a signatory to the Berne Convention.

II RECENT DEVELOPMENTS

There has been an increasing trend of cybersquatting in Nigeria. A notable case is the recent dispute between the world’s largest online distributor of licensed Nollywood films Iroko Partners Limited (owners of Iroko TV) and its competitor Iroko TV Movies (owners of Afrinolly), a case of cybersquatting resolved at the WIPO Arbitration & Mediation Center.3 In this case, Iroko Partners, as the complainant, disputed the respondent’s use of the domain name ‘irokotvmovies.com’. Although the complainant was unable to show that it had obtained registration over the trademark ‘irokotv’ other than pending or approved trademark applications, the administrative panel found that the complainant had a protectable interest at common law and established a *prima facie* case stating that the respondent did not have rights or legitimate interests in the disputed domain name, and the registration and use of the disputed domain name by the respondent was in bad faith. The respondent was divested of the use of the domain name.

Also of significance is the *Konga Online Shopping Limited v. Rocket Internet GmbH Arnt Jeschke* case involving Nigeria’s two biggest online shopping competitors.4 In this case, Konga Online Shopping Limited, the complainant, contended that the disputed domain name ‘konga.sc’ is identical to trademarks in which it has rights; that the respondent has no rights or legitimate interests in the disputed domain name; and that the disputed domain name was registered by the respondent as a bargaining tool to persuade the complainant to join a partnership agreement with the respondent. The administrative panel denied the complaint on the ground that the complainant’s trademark applications did not constitute Uniform Domain-Name Dispute Resolution Policy (UDRP)-relevant trademark rights to sustain a complaint under the UDRP. The administrative panel also found that the complainant failed to adduce credible evidence in support of its assertion of an unregistered or common law trademark right. The complaint was effectively denied on this ground.


As a measure to counteract the increasing trend of cybersquatting in Nigeria, the Cybercrimes (Prohibition, Prevention, etc.) Act 2015 was enacted, which, among other things, criminalised the act of cybersquatting. Section 25 of the Act provides that any unauthorised use of a person’s name, business name, trademark, domain name or other word or phrase registered, owned or in use by that person on the internet or any other computer network with the intent to interfere with the use by the owner, registrant or legitimate prior user constitutes an offence and attracts, upon conviction, a term not exceeding two years or a fine.

III OBTAINING PROTECTION

i Computer software

Computer software is a protected work under the Copyright Act.\(^5\) It falls under the genre of literary works accorded protection under the Act. Protection is usually effected in two ways. One route for protection is to lodge the work with the NCC, a task accomplished by the filling in of relevant forms followed with a description of the work and the lodging of the work with the NCC upon the payment of a fee. Thereafter the NCC would issue to the creator of the work a ‘Notification of Copyright’.

The second route for enforcement would be by way of a civil suit before the Federal High Court, where the creator of the work would have to prove, in the course of a plenary trial, on a balance of probabilities, that he or she had originally created the work, that the offending work imitated, copied, reproduced or performed his or her original work publicly without his or her consent. The Act also establishes that it is the NCC that is empowered to investigate and prosecute criminal actions commenced under the Act.

IV ENFORCEMENT OF RIGHTS

Under the Trade Marks Act the venue for enforcement depends on the nature of rights sought to be enforced. Generally, the Federal High Court has jurisdiction over trademark infringement actions. The administrative hearing panel of the IPO is the appropriate forum to consider trademark opposition matters. In matters concerning removal from the register on ground of non-use;\(^6\) cancellation of defensive registration of well-known invented words;\(^7\) and exercise of the general power to rectify the register or to strike out or vary registration for breach of condition,\(^8\) a party may apply to the IPO or institute an action in court. The application must however be made in court if there exists a pending action in respect of the trademark.

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5 See Section 1(2)(b)A; literary musical or artistic work shall not be eligible for copyright unless (b) the work has been fixed in any definite medium of expression now known or later to be developed from which it can be perceived reproduced or otherwise communicated either directly or with the aid of any machine or device.

6 Section 31 of the Trade Marks Act.

7 Section 32(4) of the Trade Marks Act.

8 Section 38 of the Trade Marks Act.

9 Section 39 of the Trade Marks Act.
It is, however, preferable for an applicant to explore administrative resolution of the issue at the IPO before instituting an action in court in order to secure an expedited resolution of the dispute. An appeal from the IPO is made to the Federal High Court. A further appeal may be made to the Court of Appeal and ultimately to the Supreme Court of Nigeria.

i Requirements for jurisdiction and venue

In an action for trademark infringement, the existence of a registered trademark or a certificate of trademark is a condition precedent to the exercise of jurisdiction by the court. The courts have held repeatedly that a pending or approved trademark application cannot form the basis of a trademark infringement action. The apex court in Nigeria has also held that the subsequent registration of a trademark during the pendency of an action will operate to vest the court with the jurisdiction to determine the action, notwithstanding that the action was commenced while the trademark was yet unregistered. In the absence of a registered trademark, the option available to the party is to institute an action in passing off. Nigerian courts also permit class action where named defendants are sued in their own right and as representatives of the class of persons trading in the infringing product.

Further, in order to commence an opposition proceeding before the administrative hearing panel at the IPO, the latter must be notified of any opposition within two months from the date of publication in the trademark journal. Any opposition filed outside the statutory period would not be dealt with, as there is no provision under the Trade Marks Act that permits the extension of time for such an action. The option available to a party that has lost its right to register an opposition is to institute an action for trademark infringement.

It is also not unusual for a litigant to institute pre-emptive action to defeat the rights of rightful owners of such intellectual property, but a pre-emptive action is no guarantee of ultimate success. Two examples of this are outlined as follows. The first is Suit No. M/262/2012 – UAC Nigeria Plc v. Innscor International Limited (unreported). In this case, UAC, as claimant, instituted a declaratory action against Innscor regarding the validity of a subsisting arbitration agreement contained in a Master Franchise Agreement executed between both parties. The action was a pre-emptive action aimed at truncating the steps intended to be taken by Innscor towards enforcing its IP rights against UAC, having terminated the Master Franchise Agreement and forwarded a cease-and-desist letter to UAC, which UAC ignored. The suit was effectively dismissed by the court. The second instance is an ongoing pre-emptive declaratory action instituted by Wacot in response to a cease-and-desist letter issued by Hozelock Exel in connection with an allegation of the infringement of a registered design belonging to Hozelock Exel by Wacot. This action is constituted as Suit No. FHC/L/CP/1240/13; Wacot v. Hozelock Exel (unreported).

13 Section 20 of the Trade Marks Act.
14 Section 45(1)(g) of the Trade Marks Act; also Regulation 104 of the Trade Marks Regulation 1967 Cap 436 Laws of the Federation of Nigeria 1990.
ii Obtaining relevant evidence of infringement and discovery

It is not uncommon for litigants to engage the services of a private investigator to assemble the relevant evidence required for litigation. The scope of work will usually involve matters such as identifying the producer and manufacturer of the infringing product; the location and address of the site of production; taking photographs of target goods; and conducting trap purchases and market samples of the infringing product. At other times, market research companies are employed to conduct a market survey on identical products in order to establish actual confusion.

The Rules of Court also allow a litigant to procure evidence by means of discoveries and interrogatories, which are to be made on oath by the party that requires the information and documentation. In the case of a discovery, a party shall disclose documents in its custody or control in relation to the matter in question and produce such documents as evidence if it is ordered to do so by the court.

iii Trial decision-maker

The trial decision-maker is composed of a single judge deciding facts and law with no jury. There are no specialist judges in the field of intellectual property law. However, it could be argued that if the Federal High Court is a specialised court exercising exclusive jurisdiction in tax, federal revenue, admiralty and IP matters, then its judges are also specialised. However, there is no intellectual property division and therefore a judge of the Federal High Court will usually be assigned cases connected to other subject matters as listed above, including IP matters.

In complex intellectual property disputes, litigants may employ the services of experts to give evidence on their behalf and assist the court in reaching a determination. The Rules of Court allow for the use of court-appointed experts (assessors) whose advice is limited to issues that require their expertise and for which they are appointed to act as experts. The judge is not bound to accept or act on the opinion or advice of an assessor.

iv Structure of the trial

Jury trial is not recognised under Nigerian law as trials are usually conducted before a single judge. It involves the calling of fact-based witnesses, and in some cases, expert witnesses. The evidence of a witness is obtained by written statements taken on oath, adopted in open court as his or her principal evidence, and by oral examination. Documents are admitted in evidence through the witness. The length of trial is dependent upon a number of factors, such as the number of witnesses, their availability and how heavy the caseload of the court is. A typical trial will usually be concluded within six to 18 months.

Generally only relevant facts are admitted in evidence. Facts not relevant to the issue in contest are inadmissible. The legal burden is always on the party alleging trademark or IP infringement to establish their case on a balance of probabilities and to show that the infringing mark is identical or confusingly similar to their registered trademark or intellectual property. In the course of the trial, the evidential burden of proof may shift between parties as a defendant would be required to establish the defence pleaded. Upon production of a certificate issued by the Registrar as evidence of a fact, the court is bound to presume such
fact as having been established in the absence of any evidence to the contrary. The court therefore will presume the existence of a registered trademark upon the production of a certificate of registration by a registered proprietor or authorised user.

v  Defences
There are a number of defences available in a trademark infringement action. These defences include absence of confusion, right of a prior user, bona fide use of a name, generic word, honest concurrent use and equitable defences such as lashes, estoppel and inequitable conduct. A defendant’s defence is contained in a statement of defence. The court will not permit a defendant to lead evidence in respect of a defence not pleaded.

vi  Time to first-level decision
The length of the proceedings before a High Court will usually last between 12 and 36 months.

vii  Remedies
A court is empowered to grant pretrial relief in the form of interim injunctions and Anton Piller orders. Pretrial relief is usually granted when a defendant is involved in a continuing violation or infringement of a trademark or other intellectual property. An Anton Piller order is usually deployed when the defendant has incriminating material and there is a real possibility that the defendant may destroy such material before a discovery process may be activated in the normal course of a case. The order allows an appointed court official to enter into the defendant’s premises or place of business in order to search and seize incriminating material for use in evidence before the court.

A factor that limits the grant of pretrial relief is the applicant’s ability to establish its right to the remedy sought, for instance, adducing evidence of proprietorship of a trademark – an applicant’s inability to establish its proprietary right is conclusive of the fact that no prima facie case has been disclosed to warrant the grant of a pretrial remedy. An injunction would also not be granted where the act sought to be restrained is a completed one. The court may also require that the applicant gives an undertaking as to damages before such relief is granted.

The nature of damages recoverable is both special and general. Special damages must be pleaded and proved by evidence. Attorneys’ fees must be claimed as special damages in order to be recoverable. Enforcement of intellectual property rights is essentially territorial.

viii  Appellate review
An appellate review will involve a review of the factual findings and legal conclusions of the decision appealed against. An appellate court will ordinarily not permit the introduction of fresh evidence except in exceptional circumstances. The court of appeal is usually composed of three justices while the Supreme Court is composed of five justices. Parties are to file their brief and make oral arguments emphasising the arguments contained in their brief. An appeal before the court of appeal will usually take between two and three years, while an appeal at the Supreme Court will take eight to 10 years.

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15 Section 59 of the Trade Marks Act.
ix Alternatives to litigation

Arbitration is an alternative mode of resolving intellectual property rights. It is typical for a proprietor of a registered trademark to include in a licensing or franchise agreement an arbitration clause requiring parties to resort to arbitration in the event of a dispute.

In addition, parties may resort to regulatory enforcement of intellectual property rights. For instance, NAFDAC is the regulatory body empowered to regulate and control the import, export, manufacture, advert, distribution, sale and use of foods, drugs, cosmetics, medical devices, bottled water and chemicals. The Drugs and Related Products Act\(^1\) requires all regulated products to be registered with NAFDAC and prohibits the import, export, manufacture, advert or distribution of regulated products that are not registered with NAFDAC. As part of its requirement for product registration, NAFDAC requires evidence of registration in Nigeria of the product trademark to establish its legitimate proprietor, a power of attorney issued by the trademark proprietor to its local agent and a certificate of manufacture and free sale as evidence that the trademark proprietor is licensed to manufacture the product for sale in the country of origin and that the sale does not contravene the laws of that country. NAFDAC’s enforcement unit has wide powers of entry and examination, and can seize any suspected or offending articles in any person’s possession that were intended for sale.\(^1\)

Further, SON is another regulatory agency set up to standardise methods and products in Nigerian industries. It ensures that substandard products are not imported or manufactured within Nigeria. Unlike NAFDAC, SON is empowered to monitor non-edible products. A brand owner who suspects their product is being counterfeited may approach NAFDAC or SON to investigate and seize the offending product. In preventing the proliferation of substandard and counterfeited regulatory products from flooding the market, NAFDAC and SON ensure that counterfeited products bearing forged or infringing trademarks are seized and the offenders prosecuted.

V TRENDS AND OUTLOOK

A major development for the future is the Industrial Property Commission of Nigeria bill that is being contemplated. The bill proposes a comprehensive overhaul of the current IP regime and makes provision for the registration and protection of trademarks, patents and designs, plant varieties, animal breeders’ and farmers’ rights. It seeks to consolidate all intellectual property agencies including the Nigerian Copyright Commission into a single agency to be known as the Industrial Property Commission. The bill introduces the concept of ‘well-known’ marks and protects such marks against any unauthorised usage. The bill also seeks to restrict the importation of goods with infringing trademarks by requiring that notice of such goods be made available to the Nigeria Customs Service.

It also seeks to give patentability to computer programs, provided that such programs are not of a scientific or mathematical nature and do not contravene the provisions of the

\(^{1}\) Drugs and Related Products (Registration etc) Act No. 19 of 1993 as amended by Act No. 20 of 1999.

\(^{17}\) Section 24 of the Drugs and Related Products Act.
The bill also seeks to introduce new forms of intellectual property rights to be known as plant varieties, animal breeders’ and farmers’ rights, which shall be registrable and accorded protection under the law.
Chapter 19

NORWAY

Are Stenvik1

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The Kingdom of Norway introduced modern intellectual property legislation in the late 19th century. The present Norwegian Industrial Property Office (NIPO) was established in 1911.

Norway is a party to the Agreement establishing the European Economic Area (the EEA Agreement) and is thus bound by substantive provisions mirroring the Treaty on the Functioning of the European Union and secondary EU legislation in the area of intellectual property rights, with some exceptions (most notably the Trademark Regulation 207/2009, the Design Regulation 6/2002 and the Enforcement Directive 2004/48). Questions regarding EEA law may be referred to the Court of Justice of the European Free Trade Association States (the EFTA Court). Both the EFTA Court and Norwegian courts adhere to the case law of the European Court of Justice (ECJ). Even though the judgments of the ECJ are not formally binding upon the EFTA Court or on Norwegian courts, there have been no examples of these courts consciously departing from the case law of the ECJ. Thus, for practical purposes, Norwegian law in the area of intellectual property rights is identical to the law in the European Union to the extent the law is harmonised through EU legislation or case law from the ECJ.

Norway is, furthermore, a party to most important international conventions in the area of intellectual property rights, including the TRIPS Agreement, the Paris Convention, the Berne Convention, the Patent Cooperation Treaty and the European Patent Convention (EPC).

The Norwegian Patent Act was adopted on 15 December 1967. The Act has been amended several times and is harmonised with the provisions of Directive 98/44/EC on the legal protection of biotechnological inventions. It incorporates Regulations 1768/92 and

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1610/96 introducing supplementary protection certificates (SPCs) for medicinal and plant pharmaceutical products. Provisions on European patents were introduced in 2007 as a consequence of Norway ratifying the EPC with effect from 1 January 2008.

A new Trademark Act was adopted on 26 March 2010. The substantive provisions remained mostly unchanged, but the wording was brought closer to the text of the Trademark Directive (2008/95). Trademark protection may be obtained by registration or use. Eligible for registration are signs capable of being represented graphically, provided they are sufficiently distinctive.

The Copyright Act of 12 May 1961 provides protection for literary and artistic works and for certain related creations, including databases and computer programs. In Rt. 2007 p. 1329 the Supreme Court stated that to qualify for copyright protection a creation must be ‘the result of a creative effort that is characterised by the creator’s personality and the creative activity must have resulted in something that appears to be original’. In that case the director of a two-minute performance based on themes and figures from common Norwegian cultural heritage was not awarded copyright protection. On the other hand, in Rt. 2012 p. 1062, a children’s chair was recognised as a piece of applied art, which was entitled to copyright protection, and in Rt. 2013 p. 822 the same conclusion was reached with respect to architectural drawings.

Furthermore, Norwegian law provides protection for geographical indications, trade names, designs and layout-designs, but not for utility models. Of great practical importance is the Marketing Control Act of 9 January 2009, which contains in Section 25 a general prohibition of acts that conflict with good business practice as well as specific provisions for the protection of trade secrets and technical information (Sections 28 and 29). The act also prohibits the copying of (non-registered) distinguishing marks, products, catalogues and advertising materials in such a manner and under such circumstances that the copying must be considered to be unreasonable and create a risk of confusion (Section 30).

II RECENT DEVELOPMENTS

In 2013 the enforcement provisions in the area of industrial property rights were modernised and harmonised with the EU Enforcement Directive (2004/48). Amendments include increased criminal penalties, a provision entitling the right holder to compensation equivalent to a double licence fee in cases of infringement that is intentional or owing to gross negligence, provisions providing for removal and destruction of infringing goods and a right to publish information about judgments at the infringer’s cost. Further, most infringement cases will be subject to the jurisdiction of the Oslo District Court, as invalidity cases have been for many years.

On 1 January 2015, the provisions of the London Agreement were implemented, allowing for the grant of patents in the English language in order to reduce translation costs. The patent claims must still be translated into Norwegian. Further, new provisions on mortgage in patents and patent applications were enacted in January 2015 and entered into force on 1 July 2015. Previously, patents could only be mortgaged as part of the debtor’s assets as a whole. According to the new rules, a mortgage can be taken out on patents and patent applications individually.

On 10 March 2016, the Supreme Court rendered a long-awaited judgment (Norwaco v. Get, HR-2016-562-A) clarifying the concept of ‘cable retransmission’ of programme content (see Directive 93/83/EEC). Cable transmission was not regarded as retransmission
in a case where the cable network company received the programme content directly from the broadcasting company by means of transmission that was not available to the public, even if the same programme content simultaneously was made available to the public by other means of transmission. This means that the copyrights in the programme content can and must be authorised according to the general rules of copyright law and not according to the special provisions regarding secondary use. The Norwegian judgment corresponds with the interpretation reached by the Dutch Supreme Court on 28 March 2014 in *Norma v. NLKabel*.

**III OBTAINING PROTECTION**

According to the Patent Act, 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. Mere abstract creations, including discoveries, business methods and computer programs, are not patentable. Patents may neither be granted for plant or animal varieties, essentially biological processes, nor for surgical, therapeutic or diagnostic methods.

The former restrictive practice in Norway concerning the patentability of biological inventions was abandoned as a result of Norway’s obligations according to the EEA Agreement and the EPC.

In Rt. 2008 p. 1555 the Supreme Court stated that it is important that European patent law is harmonised. Decisions from the European Patent Office are to be taken into account by Norwegian courts. The weight to be accorded to such decisions depends on a comprehensive assessment and in particular on whether it is a first instance decision or an appeal decision.

As in most other countries, patent protection in Norway may be upheld for 20 years from the filing date of the application. For medicinal and plant pharmaceutical products patent protection may be extended by the grant of an SPC for a maximum of five additional years. The paediatric extension, providing for an additional six months’ protection for medicines that have been made subject to a paediatric research programme, is expected to be implemented in Norway in 2016 or later.

For certain types of inventions the Norwegian Act contains special requirements that are unusual in the field of patent law. If an invention concerns or uses biological material or traditional knowledge, the patent application shall include information about the country from which the inventor collected or received the material or the knowledge (the providing country). If it follows from the national law in the providing country that access to biological material or use of traditional knowledge shall be subject to prior consent, the application shall state whether such consent has been obtained. If the country of origin is different from the providing country, the country of origin shall be disclosed as well. Moreover, if an invention concerns or uses biological material from the human body, the patent application shall include information on whether the person from whom the material has been derived has consented to the use of the material. Breach of these disclosure requirements may result in criminal liability but is without prejudice to the processing of patent applications and the validity of granted patents.

Another peculiarity of Norwegian patent law is the establishment of an advisory ethics committee. If the NIPO is in doubt as to whether commercial exploitation of the
invention would be contrary to public policy or morality, it may request the advice of the ethics committee. Advice may also be requested by the courts in the context of invalidity litigation. In practice, however, the ethics committee is rarely called on for such advice.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

Norway has a unified and independent civil court system, consisting of the courts of first instance (district courts), appeal courts and the Supreme Court. Patent cases are heard in the district court of Oslo, where some of the judges specialise in intellectual property law.

Requests for interlocutory injunctions and other interim measures are handled by the ordinary court system, with one exception: if the venue is Oslo and an infringement case is not yet pending, the patentee may file the request with the Court of Enforcement. The Court of Enforcement is known for speedy and competent handling of patent matters, and is preferred by most patentees.

Administrative procedures are available for the following specific purposes:

a The patentee may request post-grant amendment for the purpose of limiting the patent claims. Claim amendment may be requested by the patentee even if invalidity proceedings are pending in the civil courts.

b A third party may file a request for post-grant opposition within nine months from the date of grant of the patent. A request for opposition may be based on the invention not being eligible for patent protection (e.g., that it was not new or that it was obvious to a skilled person), that the invention has not been disclosed in a manner sufficiently clear and precise, or that the subject matter of the patent extends beyond the content of the application as filed.

c A third party may at any time request that the patent shall be declared invalid (administrative review). A request for administrative review may be based on the grounds that the invention is not patentable, but not on the grounds that the patent has been granted to the wrong person, nor that the invention has been described in an insufficiently clear and precise manner, or that the patent contains subject matter extending beyond the scope of the application as filed.

Decisions in administrative proceedings are taken by the NIPO and appeals may be heard by the Board of Appeal for Industrial Property Rights. If the Board of Appeal rejects an application or revokes a patent, the applicant or patentee may request judicial review by the ordinary civil courts, with Oslo District Court as the venue.

ii Requirements for jurisdiction and venue

The general venue for patent cases is the District Court of Oslo, the appellate courts being the Borgarting Court of Appeal and the Supreme Court of Norway. In international disputes the Lugano Convention of 30 October 2007, which parallels the Brussels Regulation (Council Regulation (EU) No. 1215/2012), applies (provided the parties are domiciled in a Lugano member state). According to Article 2 of the Lugano Convention, the general rule is that proceedings are to be initiated where the defendant is domiciled. Alternatively, proceedings may be initiated where damage occurred (Article 5(3)). In infringement cases, the damage is considered to have occurred where the goods were put into circulation, marketed or imported. In the case of multiple defendants, if a claim may be brought against one defendant in a
Norwegian court, further defendants may be included in the same proceedings according to Article 6(1), provided that the actions brought against the defendants are related. Proceedings concerning the validity of a patent may, however, only be initiated in the country where the patent was granted (Article 22(4)). Entitlement claims relating to foreign intellectual property rights are not exempted from the jurisdiction of Norwegian court, according to a judgment from the Borgarting Court of Appeal (LB-2015-2967). In proceedings concerning preliminary measures, Norwegian courts have jurisdiction according to general rules in national law even if the main claim is subject to the jurisdiction of foreign courts (Article 31). In general, Norwegian courts have jurisdiction in preliminary injunction proceedings if the defendant is domiciled in Norway, if the infringing goods are present in Norway or if the goods are expected to arrive at a destination within Norway in the immediate future.

There are three main types of patent proceedings:

a. infringement proceedings;
b. declaratory non-infringement proceedings; and
c. invalidity proceedings.

An infringement action may be started if infringement has occurred or if a threat of infringement exists. A threat of infringement exists if the patentee has reasonable grounds for suspecting that an act of infringement may occur in the near future. In practice, most infringement cases start with the patentee sending a warning letter to a possible infringer. If the possible infringer does not respond, or responds inadequately, for instance by stating in general terms that it has a ‘policy of not infringing valid intellectual property rights’, a threat of infringement will often be considered to be present.

A declaratory non-infringement suit may be initiated if a third party has a reasonable need for a clarification of the infringement issue. A declaratory non-infringement suit is normally initiated by the plaintiff sending the patentee a request to state whether or not the patent will be invoked against the plaintiff. Provided the patentee invokes the patent or reserves its right to invoke the patent, and provided, furthermore, that the plaintiff intends to exploit the potentially infringing product or process in Norway, a declaratory non-infringement suit may be filed.

An invalidity action may be initiated by anyone, with no need to provide concrete reasons for the action.

iii Obtaining relevant evidence of infringement and discovery

Patent proceedings normally start with the patentee obtaining informal indications that the patent may have been infringed, for instance information to the effect that an application for a marketing authorisation has been filed or that an offer to sell potentially infringing products has been made. Having obtained such information, the patentee normally sends a warning letter to the possible infringer, requesting relevant information, such as process documentation and product samples.

It is possible to request court-ordered pretrial discovery for the purpose of securing evidence, provided it is reasonable to assume that the evidence to be secured will be important in a subsequent court case and that there is a clear risk that the evidence will be lost or impaired unless so secured. In practice, however, such requests are rare.

When a lawsuit has been initiated, either party may request the production of evidence in the possession of another party or a third party, which may be significant for the case and is reasonably required. A party may refuse to provide evidence in its possession if it contains
business secrets. The court may, however, order the evidence to be presented to the court and may impose on all parties in the proceedings an obligation of confidentiality. If a party refuses to present relevant evidence, the court may take the refusal into account when assessing the evidence and the court may on that basis decide against that party.

iv Trial decision-maker
Norway has a unitary (i.e., non-specialised) court system. There is, however, an element of specialisation at first instance in that a limited number of the judges at the District Court of Oslo are assigned intellectual property matters. There is no specialisation at appeal level.

At first level the court normally sits with one professional judge and two court-appointed technical expert judges; the technical expert judges are normally selected on a case-by-case basis, depending on the expertise required. The parties normally propose candidates (either a common proposal of two expert judges or one proposal from each side) to be appointed. Expert judges are required to be impartial and unconnected to the parties. The professional judge and the technical expert judges each have one vote. In the event of dissenting opinions the decision is taken by the majority.

In preliminary injunction proceedings, the decision is taken by one professional judge alone, but normally one or two experts will be appointed to assist the judge. Court-appointed experts do not take part in the decision but will normally provide a written opinion to the court. The parties are normally allowed to cross-examine the experts.

In the court of appeal, cases are normally heard by three professional judges and two technical expert judges. The procedure for appointing technical expert judges is the same as at first instance.

In the Supreme Court, cases are normally heard by five Supreme Court justices, but, in particularly important cases, the court may also sit in Grand Chamber with 11 justices or in Plenary Session with all 20 justices. There are no technical expert judges in the Supreme Court, but the Supreme Court may appoint technical experts and may also allow expert testimonies.

v Structure of the trial
Patent cases are normally decided on the basis of a consolidated main hearing. Documentary evidence must be filed in advance, within a deadline set by the court. Pre-hearing decisions are rarely rendered and only in respect of procedural issues, for instance concerning the duty to present evidence or concerning the jurisdiction of the court. Only evidence and arguments presented to the court during the main hearing are to be taken into account when deciding the case on its merit.

The main hearing, which typically lasts about one to two weeks, starts with the plaintiff’s opening arguments, in which the counsel presents all the documentary evidence that the plaintiff will rely on and sets out the arguments. Thereafter, the defendant’s counsel presents supplementary evidence and sets out the defence arguments.

After the opening arguments, each party’s representatives and witnesses give their testimonies. Witnesses are first examined by the counsel who has called them, thereafter they are cross-examined by the other party's counsel. As a general rule, fact witnesses are not allowed to be present in the courtroom prior to giving testimony. Representatives and expert witnesses are, on the other hand, allowed to be present at any time during the hearing.

In general, the burden of proof lies with the party who invokes a right (i.e., the patentee in infringement cases and the plaintiff in invalidity cases). The burden of proof
requires that the party must present evidence demonstrating it is more likely than not that the claim exists. In specific circumstances the burden of proof may shift to the other party. For example, a party will normally be required to present evidence in its possession and in the case of process patents the potential infringer is normally required to prove which process is being used.

Cases are normally decided on the balance of probabilities and this principle also applies to invalidity cases. However, in Rt. 2008 p. 1555 the Supreme Court stated that the courts should exercise restraint in setting aside the assessment of the NIPO. The case for restraint is strongest if the factual basis for the decision is substantially the same as the basis on which the patent was granted or upheld by the NIPO, and is weakened if new evidence is being invoked by the plaintiff.

vi Infringement
The patentee is protected against:

a. direct infringement of the patent (i.e., sale, offering for sale, manufacturing, use, importation and possession of patented products or patented processes); and

b. indirect infringement of the patent (i.e., products directly obtained by a patented process).

The patentee is also entitled to prevent others from supplying essential means for the exploitation of the invention. In Rt. 2009 p. 1665 the Supreme Court held that computer software could constitute ‘means’ that were capable of infringing the patent. A research institute had developed computer software for a specific apparatus that had been held to infringe the patent. The research institute unsuccessfully invoked the research exemption. The research exemption does not allow commercial exploitation of the research results, in this case the delivery of the computer program to the customer.

The scope of protection of a patent is governed by Section 39 of the Patent Act, which corresponds to Article 69 EPC: the extent of protection is determined by the claims. The description and drawings are used to interpret the claims. The scope of protection is not limited to the literal wording of the claims. In Rt. 2009 p. 1055 the Supreme Court expressly recognised the doctrine of equivalents.

The scope of protection is determined according to a two-step test. First, the patent claim is construed to determine its actual meaning. Claim language is normally assigned the meaning it has to a skilled person. Claims must be read in light of the specification. Furthermore, the prosecution history and other extrinsic evidence may be taken into account. Second, the meaning of the claim is compared to the alleged infringing product or process. If the claims read on the attacked embodiment, there will be literal infringement. If the attacked embodiment differs from the meaning of the claims in one or more features, an assessment must be made under the doctrine of equivalents. A modified embodiment is considered to be equivalent if: it produces the same effect as the patented invention; the modification was obvious to a person skilled in the art; and the attacked embodiment did not belong to the prior art or was an obvious modification of the prior art.

vii Defences
The most common defences are that the attacked embodiment does not infringe or that the patent is invalid. It is normally advisable for the defendant to initiate invalidity proceedings
as soon as possible if the intention is to rely on an invalidity defence. The defendant may request administrative review, or file a request of opposition if the time limit for oppositions has not expired, but defendants often prefer to raise invalidity claims before the court.

Other possible defences include: the defendant having obtained a contractual licence; that importation and marketing is allowed under the principle of exhaustion of rights (i.e., that the goods have been marketed by the patentee or with his or her consent in a member state of the EEA); that the defendant has a right of prior use and is entitled to continue the exploitation, while retaining its general character; and that the defendant is entitled to claim a compulsory licence from the patentee.

viii Time to first-level decision
Immediately after the reply in defence has been filed by the defendant, the court prepares a plan for the preparatory proceedings and sets the date for the main hearing. The trial is supposed to be held no more than six months after the date of submission of the writ of summons. Patent proceedings are, however, usually complex and therefore almost always take longer. In most cases the trial is held about one year after the submission of the writ of summons.

The court’s ruling is to be handed down within four weeks of the close of the main hearing. If the case is so demanding that it is not possible to meet this deadline, the ruling may be pronounced later.

ix Remedies
Anyone who intentionally infringes a patent, or who is an accessory thereto, may be penalised by fines or by imprisonment for a term not exceeding one year. Criminal charges are, however, extremely rare in Norway.

In civil proceedings, the infringer is liable to pay compensation for the unlawful exploitation of the invention. The patentee is entitled to a reasonable royalty as a minimum but may also claim compensation for further damages that have been caused by the infringement. If the infringer has acted wilfully or in gross negligence, the patentee is entitled to twice the reasonable royalty. If the infringer acted with care and in good faith (i.e., without being negligent), the court may, to the extent found reasonable, order the infringer to pay a reasonable royalty or account of profits.

To prevent further infringement, the court may also decide that infringing products shall be altered, destroyed, confiscated or be surrendered to the patentee against compensation.

Preliminary measures are available if infringement has occurred or is likely to occur in the immediate future. A request for preliminary measures, most often a preliminary injunction, will normally be processed within two to three months. In most cases there will be an oral hearing with presentation of evidence and statements from expert witnesses. In exceptional cases, where the threat of infringement is imminent, an injunction may be granted ex parte.

The requirements for granting preliminary injunctions are that infringement will occur on the balance of probabilities and that the patentee will suffer serious or irreparable damage unless an injunction is granted. If infringement is found, an injunction will normally be granted unless the defendant provides substantial and persuasive evidence of validity or demonstrates that the loss or inconvenience to the defendant is clearly disproportionate to the interest of the petitioner in the interim measure being granted. Should delay pose a significant risk, the court may grant an interim injunction even if the petitioner’s claim is not
proven. If the court in the main hearing decides that the petitioner’s claim was unjustified, the petitioner shall compensate any loss that the defendant has sustained as a result of the interim injunction.

x Appellate review

 Appeals against judgments from the district court may be addressed to the courts of appeal. With the exception of cases concerning values of less than 125,000 kroner, leave for appeal is not required.

 The court of appeal reviews the case in full, both factual and legal issues, and the parties may introduce new evidence at the appeal stage. The appeal hearing is conducted in substantially the same way as the first instance hearing. Since most cases are decided by the District Court of Oslo at first instance, most appeals are heard by the Borgarting Court of Appeal, which sits in Oslo. The appeal trial is usually held between 12 and 18 months from the date of filing the declaration of appeal.

 Further appeal to the Supreme Court is subject to the Supreme Court’s appellate board granting leave to appeal. The application for leave to appeal will normally be decided within two to three months. Leave to appeal is granted in very few cases. If leave is granted, the case will normally be heard within a year after the case was admitted to the Supreme Court.

xi Alternatives to litigation

 Infringement issues are almost exclusively decided by the ordinary civil courts. For invalidity challenges the third party may opt for administrative proceedings by filing a notice of opposition or by requesting administrative review of validity. If, however, infringement proceedings are pending or are likely to be initiated, defendants generally prefer to invoke invalidity as part of court proceedings.

 If the validity of the patent is challenged, the patentee may want to amend the claims to strengthen the validity of the patent. This can be done either by filing amended claims in the court proceedings or by requesting the NIPO to amend the patent. In practice, patentees usually prefer the administrative route. Normally, a decision to amend the patent may be obtained within two to three months, without having to stay court proceedings. Amendments have retroactive effect and form the basis for the court’s subsequent decision in the invalidity suit.

 Intellectual property cases may, alternatively, be decided by arbitration, provided that the parties agree to this. An arbitral decision will have effect only for the parties to the arbitration. An arbitral court does not have the competence to declare a patent invalid. Arbitration is rarely the preferred route for intellectual property disputes in Norway.

V TRENDS AND OUTLOOK

 The Ministry of Culture recently presented a proposal for a new Copyright Act. The main purpose of the proposal is to modernise and simplify the Act. There are, however, also a number of proposals for reform. First, the proposed Act attempts to strengthen the position of authors by introducing a number of mandatory rules on assignment of rights and by introducing a right of reasonable compensation to authors. It is also proposed that authors are entitled to terminate contracts of assignment or licences if the copyright is not exploited by the assignee or licensee within three years. Second, rules concerning collective authorisation
of programme content with respect to broadcasting is proposed to be modernised and made technology neutral. Third, a new provision is proposed with respect to streaming of illegal content by consumers: streaming in a private context constitutes infringement if the source of the content is clearly illegal. Fourth, the rules on enforcement and compensation are revised and harmonised with the EU Enforcement Directive (2004/48).

Since Norway is not a member of the European Union, and because of constitutional issues, the Unitary Patent regime will not apply to Norway.
Chapter 20

PHILIPPINES

Editha R Hechanova

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:2

- copyright and related rights;
- trademarks and service marks;
- geographical indications;
- industrial designs;
- patents;
- layout-designs (topographies) of integrated circuits; and
- protection of undisclosed information.

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.\(^\text{4}\) The filing of a declaration of actual use (DAU) is required within three years from 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 for 10 years, renewable for periods of 10 years at its expiration provided that a DAU is filed within one year from 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.\(^\text{5}\)

iv Industrial designs

The law on industrial designs and layout-designs (topographies) of integrated circuits is included in the law on patents.\(^\text{6}\) 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.\(^\text{7}\) 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.\(^\text{8}\) 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 60 days from publication of the application in the e-Gazette. This applies to applications for utility models and industrial designs covered

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4 Section 122, IP Code.
5 Section 123(j), IP Code.
6 Sections 112–120.3.
7 Section 21.
8 Section 22.2, 22.3.
by the patent law. Third-party observations are communicated to the applicant by the Intellectual Property Office of the Philippines (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 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. In accordance with Article 15 of the CBD, benefits arising from the utilisation of genetic resources as well as subsequent applications and commercialisation ‘shall be shared in a fair and equitable way with the Party providing such resources that is the country of origin of such resources or a Party that has acquired the genetic resources in accordance with the Convention. Such sharing shall be upon mutually agreed terms.’

ii Patent Prosecution Highway (PPH)
On 9 February 2012, the IPOPHL joined the expanding PPH network to avail itself of the work-sharing arrangement among IP offices. Work products from one IP office can be used as reference by another IP office for substantive examination, thereby increasing efficiency of examination of applications. This agreement with the United States Patent and Trademark Office (USPTO) took effect on 29 January 2013 and would have expired on 28 January 2014, but was extended by the IPOPHL for an indefinite period. The PPH Agreement with the Japan Patent Office expired on 11 March 2015 but was renewed for another three years.

9 Section 76.
10 Section 72.
11 Section 84.
expiring on 10 March 2018, under a new set of guidelines. On 1 May 2015, the IPOPHL and the Korean Intellectual Property Office commenced its PPH pilot programme that will last for two years ending 30 April 2017.

iii ASEAN Patent Examination Cooperation Program (ASPEC)

The ASPEC commenced on 15 June 2009, but it is only in 2014 that the IPOPHL began accepting ASPEC request forms, and after rules implementing the said program have been modified or amended. The nine participating ASEAN Member States (AMS) are: Brunei Darussalam, 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.

A patent application in a participating AMS IP Office where the ASPEC Request Form is filed (second IP Office) is required to be the corresponding patent application in the other participating AMS Office (first IP Office), whose search and examination documents shall be relied upon by the second IP Office. A patent application in the first IP Office is a corresponding application if it is: (1) linked by a Paris Convention priority claim to the patent application in the second IP Office or vice versa, (2) the patent applications in both the first and second IP Offices have the same priority claim from another Paris Convention member, (3) the patent applications in both the first and second IP Offices are national phase entry applications from the same PCT application. The ASPEC request form should be submitted on the same day as the Request for substantive examination is filed.

iv Republic Act No. 10643

On 15 July 2014, the President of the Philippines signed into law the Graphic Health Warnings Law, which took effect on 7 August 2014. The purposes of said law are:

a to have graphic health warnings that effectively warn of the devastating effects of tobacco use and exposure to second-hand smoke;

b to remove misleading or deceptive numbers or descriptors like ‘low tar’, ‘light’, ‘ultra-lights’, or ‘mild’, which convey or tend to convey that a product is healthier or a variant is healthier, less harmful or safer; and

c to further promote the right to health and information of the people.

On 5 November 2014, the Department of Health issued 12 templates (design patterns) of the GHW, and manufacturers have one year to comply with it. This law requires that the GHW be printed on 50 per cent of the principal display surfaces of any tobacco package. Penalties for non-compliance range from a fine of 500,000 Philippine pesos for the first offence to 2 million Philippine pesos and imprisonment of not more than five years at the court’s discretion for the third offence.
v **IPOPHL Regulations**

The IPOPHL issued the Office Order No. 15-067 series of 2015, which took effect on 7 May 2015, allowing parties to have their cases mediated by the World Intellectual Property Organization (WIPO). This option is advantageous for international parties or those desiring to settle their disputes involving multiple jurisdictions, and the mediation meetings can be done in locations other than the Philippines. Referral to mediation is mandatory for IPOPHL cases, such as:

- **a** administrative complaints for violation of intellectual property rights;
- **b** inter partes cases (i.e., oppositions and petitions for cancellation);
- **c** disputes involving technology transfer payments;
- **d** disputes relating to the terms of a licence involving the author’s rights to public performance or other communication of his or her work;
- **e** cases appealed to the Office of the Director General (ODG) from decisions of the Bureau of Legal Affairs (BLA) and the Documentation, Information and Technology Transfer Bureau; and
- **f** all other cases that may be referred to mediation during the settlement period declared by the director general.

The procedures for availing of the WIPO mediation option are as follows. The parties shall be informed of this option during the mediation briefing and be given a copy of the agreement and request for WIPO mediation. The parties shall be given 15 days to complete and sign the agreement, and within five days from signing, the IPOPHL Bureau of Legal Affairs Alternative Dispute Resolution Services (BLA-ADRS) shall issue an order to this effect and notify WIPO. The WIPO Center shall then notify the parties and conduct mediation under the WIPO mediation rules, including the applicable fees. The parties may appoint a mediator from the WIPO Panel of International Mediators, which includes IPOPHL accredited mediators. The failure of the party who initiated the case to attend mediation meetings is a ground for dismissal of the case. On the part of the respondent, his or her failure to attend would lead to being declared in default. The WIPO Center shall notify the BLA-ADRS of the results of the mediation proceedings. If mediation fails, the records of the case shall be returned to the IPOPHL for the resumption of the adjudication proceedings.

vi **Cybercrime Prevention Act of 2012 (Republic Act No. 10175)**

On 12 September 2012, Philippine President Benigno S Aquino signed into law the Cybercrime Prevention Act of 2012 (Republic Act No. 10175). However, on 9 October 2012, the Supreme Court issued a temporary restraining order suspending its implementation. On 18 February 2014, the Supreme Court declared most of the provisions as constitutional including the controversial online libel provision. The offences covered by this Act are divided into: (1) offences against the confidentiality, integrity and availability of computer data and systems, which include cybersquatting; (2) computer-related offences such as computer-related forgery, fraud and identity theft; (3) content-related offences such as cybersex, child pornography, unsolicited commercial communications and libel; and (4) other offences such as aiding and abetting in the commission of the cybercrime, and attempts to commit cybercrime.
**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 have been drafted and public consultations are ongoing.

**Supreme Court decisions on intellectual property law**

The Supreme Court of the Philippines issued two significant decisions in 2015 relating to intellectual property law.

*Taiwan Kolin Corporation, Ltd v. Kolin Electronics Co, Inc, G.R. No. 209843 (25 March 2015)*

This case is significant because the Supreme Court held that identical trademarks can be used on different goods within the same class. Taiwan Kolin’s application covered goods in Class 9 particularly, television sets, cassette recorders, VCD amplifiers, camcorders and other audio and video electronic equipment, flat iron, vacuum cleaners, cordless handsets, videophones, facsimile machines, teleprinters, cellular phones and automatic goods vending machines. On 13 July 2006, Kolin Electronics opposed Taiwan Kolin’s revived application because Taiwan Kolin’s mark is identical, if not confusingly similar, with its ‘Kolin’ mark registered on 23 November 2003, covering the following products under Class 9 of the NCL: automatic voltage regulator, converter, recharger, stereo booster, AC-DC regulated power supply, step-down transformer and PA amplified AC-DC. In a decision dated 16 August 2007, the BLA-IPOPHL denied Taiwan Kolin’s application for being identical to Kolin Electronics’ mark. However, on appeal, the IPO director general reversed the BLA-IPO and granted Taiwan Kolin’s application, but restricted the goods to ‘television and DVD players’. The IPO director general ratiocinated that product classification alone cannot serve as the decisive factor in the resolution of whether the goods are related and that emphasis should be on the similarity of the products involved, and not on the arbitrary classification or general description of their properties or characteristics. This decision of the IPOPHL was affirmed by the Supreme Court.

*International Service for the Acquisition of Agri-Biotech Applications Inc and other petitioners v. Greenpeace and other respondents*

On 8 December 2015, the Supreme Court, in a decision in four consolidated cases (G.R. Nos. 209271, 209276, 209301 and 209430) permanently enjoined the field testing for Bt talong (genetically modified eggplant), declared Department of Agriculture Administrative Order No. 08, series of 2002 (DAO 08) as null and void, and temporarily enjoined any application for contained use, field testing, propagation, commercialisation and importation of genetically modified organisms until a new administrative order is promulgated in accordance with law. This case arose from a petition filed on 26 April 2012 by Greenpeace Southeast Asia (Philippines), a regional office of Greenpeace International, a non-governmental environmental organisation known for its campaign to preserve the environment and promote peace, and some Filipino scientists, professors and ordinary citizens invoking their constitutional right, and the right of future generations of Filipinos, to health and balanced ecology. The objection was directed to the research and development project partly funded
by the USAID, on eggplants that are resistant to the fruit and shoot borer. As quoted by the Supreme Court from the Field Trial Proposal of the project proponents, the crystal toxin genes from the soil bacterium Bacillus thuringiensis (Bt) were incorporated into the eggplant genome to produce the protein Cry1Ac, which is toxic to the targeted fruit and shoot borer, the most destructive of insect pest of eggplants. Greenpeace claimed that the required environmental compliance certificate was not obtained prior to project implementation; no independent peer-reviewed study on the safety of Bt talong for human consumption and the environment was conducted; and no public consultation was made on the areas chosen for field testing, hence, the precautionary principle must be applied. The petitioners argued that the precautionary principle did not apply because the field testing is only part of a continuing study being done to ensure that the field trials have no significant and negative impact on the environment, and that the issues raised by Greenpeace involved technical matters pertaining to the special competence of the Bureau of Plant Industry whose determination is entitled to great respect, and charged with the implementation of DAO 08, which covers the importation or release into the environment of any plant that has been altered or produced through the use of modern biotechnology, etc., and EO 514 on the National Biosafety Framework (NBF).

In its decision, the Supreme Court found that the petitioners-government agencies clearly failed to fulfil their duties in the implementation of the NBF, and held that the precautionary rule finds direct application in the evaluation of evidence presented in the instant case, considering that the Philippines is signatory to the CBD and the Cartagena Protocol, a supplementary agreement to the CBD, and ratified by the Philippine Congress. The Supreme Court further stated that the precautionary principle should be treated as a principle of last resort where the application of the regular Rules of Evidence would cause an inequitable result for the environmental plaintiff, and when the features of uncertainty, the possibility of irreversible harm and the possibility of serious harm coincide, the case for the precautionary principle is strongest.

III OBTAINING PROTECTION

i Genetic material

Genetic material may be protected by patent. The IP Code in Section 22.4 states exclusion from patent protection does not apply to ‘microorganisms and non-biological and microbiological processes’. Such protection is also implied in Section 35.1, which states:

\[
\text{The application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art. Where the application concerns a microbiological process or the product thereof and involves the use of a microorganism that cannot be sufficiently disclosed in the application in such a way as to enable the invention to be carried out by a person skilled in the art, and such material is not available to the public, the application shall be supplemented by a deposit of such material with an international depository institution.}
\]

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:

- production or reproduction;
- conditioning for the purpose of propagation;
- offering for sale;
- selling or other marketing;
- exporting;
- importing; and
- 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, supra).

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.

vi 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

i Patent 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.\textsuperscript{12} If the damages are inadequate or cannot be readily ascertained with reasonable certainty, the court may award a sum equivalent to reasonable royalty.\textsuperscript{13} The court may, according to the circumstances of the case, award 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.\textsuperscript{14} 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.\textsuperscript{15} 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.

ii 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.\textsuperscript{16} On application by the complainant, the court may impound sales invoices and other documents evidencing sales during the pendency of the action.\textsuperscript{17} Where

\textsuperscript{12} Section 76.2.
\textsuperscript{13} Section 76.3.
\textsuperscript{14} Section 76.5.
\textsuperscript{15} Section 79.
\textsuperscript{16} Section 156.1.
\textsuperscript{17} Section 156.2.
there is actual intent to mislead the public or defraud the complainant, at the discretion of the court, the damages may be doubled.\textsuperscript{18} The complainant, also, upon proper showing may be granted injunction.\textsuperscript{19} The court may also order the destruction of the infringing materials.\textsuperscript{20}

iii Possible venues for enforcement

\textbf{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 \textit{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).

\textbf{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, \textit{supra}) 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.\textsuperscript{21}

\textbf{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. 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.

\begin{itemize}
\item \textsuperscript{18} Section 156.3.
\item \textsuperscript{19} Section 156.4.
\item \textsuperscript{20} Section 157.
\item \textsuperscript{21} Section 170.
\end{itemize}
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 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.

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.

22 Section 2, Rule 10, AM 10-3-10-SC.
vi 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.23 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.

vii 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:

a 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.24 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.25 In civil cases, the party having the burden of proof must establish his or her case by a preponderance of evidence.26

b The burden of proof falls on the party presenting evidence on the facts in issue necessary to establish a claim or defence.27 The defendant adduces evidence to support a defence or counterclaim, cross-claim or third-party claim.

c Third-parties and so forth, if any, shall adduce evidence in support of their claim.

d The parties against whom any counterclaim or cross-claim has been pleaded shall adduce evidence in support of their defence.

e The parties adduce rebuttal evidence.

f The case is submitted for decision.28

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

23 Section 4, Rule 17, AM 10-3-10-SC.
24 Section 49, Rule 130, Rules of Court.
25 Section 4, Rule 132, Rules of Court.
26 Section 1, Rule 133, Rules of Court.
27 Section 1, Rule 131, Rules of Court.
28 Section 5, Rule 30, Rules of Court.
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.29

**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.30

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**viii Infringement**

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.

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**ix 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.31

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.

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**x 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 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.

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29 Section 2, Rule 133, Rules of Court.
30 Section 5, Rule 133, Rules of Court.
31 Section 73, IP Code.
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.32 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.33 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.34 For civil actions, the special commercial court may issue a writ of seizure of the infringing goods.35

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.

Appellate review

Administrative actions, including inter partes cases decided by the BLA, are appealable to the ODG within 30 days from the date the parties receive the decision. The ODG can refer

32 Rule 4, Rules & Regulations of Administrative Complaints for Violation of Laws Involving IP Rights.
33 Section 79, IP Code.
34 Section 156, IP Code.
35 Section 2, Rule 2, AM 10-3-10-SC.
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, referral to mediation is mandatory. For the IPOPHL, an alternative dispute resolution office has recently been created, giving parties access to any and all alternative modes of dispute resolution, such as mediation and arbitration.

V TRENDS AND OUTLOOK

i Removal from 301 List
The IPOPHL’s efforts for the Philippines to be finally removed from the United States Trade Representative ‘Special 301’ Report, which have received support from the international community, finally bore fruit. On 28 April 2014, it was removed from the 301 List. The Philippines remains out of the watch list for 2015.

ii IP rights and traditional knowledge
On 23 March 2015, the IPOPHL issued a notice for public consultation for its proposed draft of the Joint Administrative Order with the National Commission on Indigenous People (NCIP), which aims to provide a harmonised set of rules and regulations to protect the intellectual property creations including the indigenous knowledge systems and practices (IKSP) of the indigenous people and indigenous cultural communities. The joint order seeks to establish an institutional arrangement between the IPOPHL and NCIP to prevent the misappropriation of the IKSP of the indigenous peoples and indigenous cultural communities and encourage tradition-based creations and innovations.

iii Proposed amendments to inter partes rules of procedure
On 5 April 2016, the IPOPHL posted its proposed amendments to the implementing rules and regulations on *inter partes* proceedings and invited comments from the public. The proposed amendments are intended to simplify and speed up the resolution of cases before the BLA, the adjudicating bureau of the IPOPHL. Under Rule 2, *inter partes* cases refer to: (1) oppositions to applications for trademark and service mark registrations; (2) petitions to cancel trademark and service mark registrations, patents, utility models and design registrations; and (3) petitions for compulsory licensing.

The following are the major proposed amendments:

- The hearing and adjudication officers are given the authority to issue and sign decisions and final orders, and to issue orders of defaults and entry of judgment.
- The submission of consularised documents will be allowed, after the filing of the case but before the order of default or conduct of the preliminary conference, provided that said documents are executed prior to the filing of the opposition.
- The hearing and adjudication officers are given 60 days from the date the cases are submitted for resolution, their decisions and final orders.
The procedure for the filing of a motion for reconsideration from a decision or final order is expressly provided, giving the party 15 days to file said motion for reconsideration, and for the adverse party to file its comment from receipt of the order to file the same, and the decision of the director is appealable to the director general of the IPOPHL within 30 days from receipt of the decision on the motion for reconsideration.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The main Portuguese legal framework for industrial property rights is found in the Industrial Property Code (CPI), as approved by Decree-Law No. 36/2003, of 5 March and amended by Law No. 16/2008 of 1 April 2008, which implemented Directive 2004/48/EC of the European Parliament and of the European Council of 29 April 2004 on the enforcement of intellectual property rights (the Enforcement Directive), and Decree-Law No. 143/2008 of 25 July 2008. The CPI includes the main legal provisions regarding invention patents, utility models, registered designs and trademarks. There are also provisions for registering supplementary protection certificates, semiconductor layouts, logotypes, designations of origin or geographic indications, trade names or insignias.

The CPI makes no reference to trade secrets. A trade secret could, therefore, be considered to encompass any kind of know-how, expertise or business and technical information provided it is valuable and secret.

Trade secrets are not covered by any particular rights under Portuguese law, nor are they subject to any kind of requirement.

Notwithstanding the above, using competitor’s business information without consent may result in unfair competition under the CPI.2


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1 Francisco Brito e Abreu is a partner and Joana Mota is a senior associate at Uría Menéndez – Proença de Carvalho.
2 Article 318, CPI.
Portugal


In addition to CPI regulations regarding patents, conventions, treaties and international agreements that have been duly ratified by Portugal, the Paris Convention, the European Convention (EPC), the Patent Cooperation Treaty, the Budapest Treaty and the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement are also applicable in Portugal. Accordingly, both process and product inventions may currently enjoy patent protection in Portugal, which is valid for a 20-year term.

II RECENT DEVELOPMENTS

Recent reforms have been passed in Portugal to simplify procedures and improve access to the industrial property system by foreign citizens and companies, as well as to eliminate formalities and to shorten the legal time frame applicable to certain actions. Such reforms, which have been carried out by the Portuguese government in recent years, are part of the programme to eliminate bureaucracy. As a consequence of this programme, from 2012 onwards the majority of applications for the registration of industrial property rights in Portugal have been filed online.

In addition to this, the enactment of Law No. 62/2011 of 12 December, established a compulsory arbitration regime for disputes emerging from industrial property rights concerning reference and generic drugs, including precautionary proceedings. This law is applicable regardless of whether the cause for action refers to process, product or utilisation patents, or complementary protection certificates.

Finally, as of March 2012, a new specialist Intellectual Property Court, located in Lisbon, with national competence, has begun hearing appeals of the Portuguese Patent and Trademark Office (INPI) regarding its decisions and industrial property right enforcement actions (see Section IV.iv, infra). This represented a welcome change as the commercial courts had been inundated (particularly with insolvency proceedings) over the past few years.

III OBTAINING PROTECTION

According to the CPI, any inventions may be the subject matter of patent protection provided that they are new, inventive and have industrial application. This provision expressly includes biotechnological inventions among patentable inventions, defined by the CPI in accordance with the Biotech Directive, as ‘a composed product consisting of biological material or a process by means of which biological material is produced, processed or used’.

It is further established that, if the above requirements are met, patent protection may be granted either for a process or a product, in any field of technology. Also, the CPI defines any new process for obtaining known products, substances and compounds as patentable.

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4 Article 51, CPI.
Although the CPI usually protects inventions, simultaneously or sequentially, by means of patent or utility model rights or both, it excludes any inventions or biological material and chemical or pharmaceutical processes or substances from the scope of protection of utility models.\(^5\)

The CPI expressly excludes from patent protection, among other matters, simple discoveries, scientific theories and mathematical methods, natural materials and substances, and methods for treatment of human or animal body by surgery or therapy and diagnosis methods applied to the human or animal body.

These limitations, however, do not apply to: products, substances or compounds used in surgery, therapy and diagnosis methods; or a substance or a compound used by any of the above methods that is part of the state of the art, provided, however, that its use in connection with those methods is not included in the state of the art.

The protection of a ‘new use’ invention therefore prevails as provided in the EPC, regardless of whether the CPI fails to provide any specific guidelines regarding a second use definition.

In line with the Biotech Directive, the CPI provides that illegal inventions and inventions the commercial exploitation of which is contrary to public policy, morality and public health are unpatentable. This includes processes to clone human beings, to modify the germ line genetic identity of human beings, the use of human embryos for industrial or commercial purposes, processes to modify the genetic identity of animals that are likely to cause them suffering without any substantial medical benefit to humans or animals, and any animals resulting from such processes.

The CPI further determines as non-patentable inventions, in accordance with the Biotech Directive, the human body, at the various stages of its formation and development, and also the simple discovery of one of its elements, including a sequence or partial sequence of a gene. This material cannot be the subject matter of patentable inventions, nor can plant varieties and animal species,\(^6\) or primarily biological processes for the production of plants or animals.

The limitations regarding the human body will, however, not apply to new inventions entailing inventiveness and industrial applicability, regarding isolated elements from the human body or otherwise produced through a technical process, including the sequence or partial sequence of a gene, even if the structure of that element is identical to that of a natural element, provided that the industrial application of such sequence or partial sequence of a gene is expressly observed and specifically indicated in the patent application. Technical processes used for the identification, characterisation, isolation, purification and reproduction of the gene, seeking a technical application, are also patentable.

The above limitations will likewise not apply to inventions regarding plants or animals, provided that their technical feasibility is not confined to a plant variety or animal species; to inventions concerning a microbiological process or other technical processes, or a

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\(^5\) Article 119, CPI.

\(^6\) Plant variety protection can be obtained through the procedure set out in Decree 20/95 of 8 July according to which Portugal joined the International Union for the Protection of New Varieties of Plants, or under a ‘Community plant variety right’, in accordance with Council Regulation (EC) No. 2100/94 of 27 July 1994 on Community plant variety rights.
product obtained by means of such processes; or to biologic material isolated from its natural environment or produced by means of a technical process even if it previously occurred in nature.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

An action for patent infringement may be initiated based on civil or criminal law and, in certain cases, situations of patent infringement may also give rise to administrative proceedings leading to the application of a fine to the offender by an administrative authority. According to the CPI, in such administrative proceedings, the investigation phase is conducted by an administrative authority (Food and Economic Safety Authority). The final decision regarding the application of a fine and additional penalties provided for in the CPI shall be taken by the INPI.

In the case of civil actions, specialised courts (ruling at first instance) have exclusive jurisdiction over such claims. Any civil action (claim for damages) based on patent infringement shall be brought before the Intellectual Property Court as of March 2012. Notwithstanding, all civil actions brought before this date have continued their proceedings in the commercial courts, which, before the establishment of the Intellectual Property Court, had exclusive jurisdiction over such claims.

All criminal litigation will be brought before the criminal courts of first instance. The initiation of a criminal procedure (i.e., the commencement of an investigation phase) depends on a prior complaint submitted to the Public Prosecution Service. The local court with jurisdiction is the court of the area where the breach was or is being committed.

ii Requirements for jurisdiction and venue

The infringement of a patent right may entail the initiation of three types of proceedings, outlined below.

Civil action (claim for damages)

These are judicial proceedings of a civil nature through which any party who has suffered damages resulting from an unlawful act may claim against the infringer in order to obtain fair compensation for damages. In order for this action to be successful the following must apply: there must be an unlawful act (the infringement); the conduct of the infringer must either be wilful or negligent; there must be damages; and the conduct must have produced the damages.

Should these requirements be met, the patent holder will be entitled to claim for damages and loss of profits caused directly or indirectly by the conduct of the infringer. In order to calculate such indemnification the court should also take into account: (1) the actual damages and the loss of profit (including the royalties that the infringer would have paid to the patent owner for the legitimate use of the patent); (2) the profits obtained by the infringer; (3) the costs incurred by the right holder for the protection of its rights, comprising the investigations and the efforts to cease the infringing acts; and (4) non-pecuniary damages. The criteria for loss of profits are established in the Portuguese Civil Code, namely, the profits that the claimant would have obtained if the infringement had not taken place. If it is not possible to determine the amount of the compensation according to the above criteria, the court will determine a fair amount that must cover at least the remuneration that the patent holder would have been entitled to receive under the terms of the patent agreement.
holder would have obtained if the infringing party had requested a licence and the costs incurred by the patent holder for the protection of its rights, comprising the investigations and the efforts to cease the infringing acts.

**Criminal proceedings**

According to the CPI, certain patent infringements are considered criminal offences:

- **a** violation of an exclusive right granted by a patent. Those who, without the consent of the patent owner: produce goods that are the subject matter of the patent; use or apply means or processes protected by the patent; or import or distribute goods that have been obtained using products or processes protected by the patent right, may be punished with a prison sentence of three years or a fine of up to €180,000;
- **b** selling, moving and concealing products protected by a patent, with knowledge of this fact, may be punished with a prison sentence of one year or a fine of up to €60,000;
- **c** holding a patent right in bad faith, without being lawfully entitled to it, may be punished with a prison sentence of one year or a fine of up to €60,000. In these cases, the court will also issue a decision annulling the patent registration, or, upon the request of the interested party, assign the registration in favour of the inventor; and
- **d** performance of a legally non-existent act or an act with concealment of the truth, will be punished with a prison sentence of three years or a fine of up to €180,000.

Criminal proceedings will be initiated by the Attorney General’s Office only if a complaint is submitted by the patentee or licensee within six months from the infringement. If the Attorney General’s Office finds sufficient evidence to substantiate the complaint, formal prosecution may follow and proceedings will commence. As a general rule, the wilful misconduct of the defendant must be proven for the defendant to be found guilty in criminal proceedings, unless negligence is expressly considered to be prohibited. With regard to patents, and on the basis of the criminal offences, the infringing act must be carried out intentionally.

**Administrative infraction proceedings**

These proceedings deal with infractions which, from a Portuguese law perspective, are less serious than criminal offences, and therefore only punished with fines.

**iii Obtaining relevant evidence of infringement and discovery**

The CPI contains specific provisions regarding the possibility of the claimant to obtain evidence of infringement. In judicial proceedings it is possible to request that the infringer presents the evidence in its possession, as long as the claimant is able to demonstrate sufficient indication of a violation of its industrial property rights. Moreover, it is also possible to ask the court for protective measures in order to preserve evidence of the alleged violation. These evidence preservation measures may include a ‘detailed description, with or without samples, or the effective seizure of the goods suspected of violating industrial property rights, as well as, whenever considered appropriate, of the materials and instruments used in producing and distributing said goods, as well as documentation pertaining to them’.

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7 Article 338º-C, CPI.  
8 Article 338º-D, CPI.
iv Trial decision-maker

Portugal’s bailout in 2011 and recourse to European Union mechanisms to avoid defaulting on its debts resulted in the execution of a memorandum of understanding (MoU) with the ‘troika’ of the European Commission, the International Monetary Fund and the European Central Bank. One of the undertakings assumed by Portugal in the MoU related to the improvement of the Portuguese judicial system, which is essential for the proper and fair functioning of the economy. In this regard, the MoU required that, among other changes, a specialised court on intellectual property rights should be made fully operational.

As a result of this, Decree-Law No. 67/2012 of 20 March 2012, introduced an Intellectual Property Court to deal with matters related to intellectual property, which came into operation on 30 March 2012. It is a single-panel court with specialised competence and a national scope, currently with two judges who have been transferred from the commercial courts, which were until that time the competent courts to decide on intellectual property matters. The judges can nominate experts to assist them on complex technical matters.

v Structure of the trial

Both civil and criminal proceedings include different stages. Generally, proceedings are initiated by the parties submitting pleadings, followed by a stage in which evidence is provided. Subsequently, the trial takes place and the court issues its decision. Finally, the parties can appeal said judgment, provided that certain conditions are met. As a general rule, witnesses should be proposed at the time of the submission of the complaint.

Contrary to the general principle applicable in Portuguese civil law, where the burden of proof generally lies with the party claiming a certain right, in certain patent process infringement scenarios the burden of proof lies with the defendant. In this regard, the CPI establishes: ‘If the subject matter of the patent is a process for the manufacture of a new product, this product manufactured by a third party shall be presumed to have been manufactured through the patented process, unless the third party provides proof that the process used is different.’9 This, however, will only apply in civil actions, as in criminal actions or administrative infraction proceedings, the general principle of law in dubio pro reo (presumption of innocence), will apply and the proof will be freely assessed by the court.

vi Infringement

The CPI does not contain any reference to the doctrine of equivalents. Nevertheless, it sets out that the scope of protection conferred by the patent has to be determined by the content of the claims, and that the description and drawings will serve for its interpretation.10

The doctrine of equivalents has apparently only been referred to by a Portuguese court in a decision issued more than three decades ago by the Lisbon Court of Appeal under the former Portuguese Industrial Property Code of 1940 (decision of 26 June 1974). The court then decided that despite the substitution of some of the means described in the appropriate patent, patent infringement can be determined where the following three conditions (the ‘triple identity’ test) are met: (1) the substitutive means derive from the same inventive idea

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9 Article 98, CPI.
10 Article 97, CPI.
that is the subject matter of the patent; (2) such means have the same function as the means
described in the patent; and (3) such means are aimed at the same results as the means
described in the patent.

In any event, it is generally accepted that the doctrine of equivalents is applicable in
Portugal.

vii Defences
The validity of the title invoked by the patent holder may be challenged on the basis of
several facts. The title will be considered null at any time if the subject matter of the industrial
property right cannot be protected; some formalities considered necessary for the correct
allocation of rights have been ignored; or public rules have been breached.11

In relation to patents specifically, the CPI establishes further causes of nullity:

a when the patent does not comply with the novelty, inventiveness and industrial
application requirements;

b when the subject matter of the patent concerned cannot be protected;

c when it is acknowledged that the title given to the patent comprises a different subject
matter; and

d when the subject matter has not been described in such a way that it allows its
execution by a specialist in that field.12

Further to this, the declaration of nullity may apply only to some claims, but it will not be
possible to declare the partial nullity of a claim. In court proceedings, the patent holder may
limit the scope of protection by requesting the amendment of the claim. Furthermore, the
patent will remain in force, provided that the remaining claims constitute an autonomous
patent. The nullity may be invoked at any time and by any party that proves to have an
interest in ensuring that the invalidity is recognised, including by the public prosecutor.

Furthermore, the CPI also sets out that a title can be declared annulled in the
following cases:

a the patent rights do not belong to the title holder; or

b the patent rights have been granted in breach of either of the following rules:

• the patent must be granted to its inventor or inventors; or

• if the invention was created within the scope of an employment contract, the
patent holder will be the employer. The employer will be awarded compensation in
accordance with the importance of the invention, if the invention is not comprised
within the employment contract.13

In these cases, instead of the title being annulled, the interested party can request the reversion
of title in its favour.

The alleged infringer may also argue that the rights granted by the patent holder
have been exhausted. However, arguments on this specific topic are not frequent in patent
litigation in Portugal.

11 Article 33, CPI.
12 Article 113, CPI.
13 Article 34, CPI.
viii  Time to first-level decision

There are no legal deadlines for first instance courts to deliver a decision. Despite this, the
general practice is that it may take from one to three years in main actions and one to two
years in preliminary proceedings.

With regard to a decision in arbitration proceedings, the law sets forth a 12-month
period for a decision to be rendered. This period may be extended if the parties so agree.

ix  Remedies

Before the implementation of the Enforcement Directive in Portugal, there were no specific
preliminary injunction proceedings for industrial property rights (other than an injunction
for the apprehension of infringing goods) and general preliminary injunction procedure rules
were applicable. Upon the transposition of the Enforcement Directive by Law No. 16/2008,
published on 1 April 2008, which amended the Copyrights and Related Rights Code and
the Industrial Property Code, the following procedures are now set forth in the Portuguese
Industrial Property Code:

\[ a \]  A specific preliminary injunction, which has the aim of preventing an imminent
infringement or to suspend the infringement in course, and can be directed at an
intermediary of the infringer. The court may order the alleged infringer to pay a
penalty for the possible delay in complying with the injunction.

\[ b \]  Measures to collect and protect evidence and duty to provide information, under
which an interested party can request the infringing party to be ordered to provide
detailed information on the origin and the distribution chain of the services and
goods potentially infringing the interested party’s industrial property rights.

Portuguese law does not specify how imminent the acts of infringement must be for the
court to hand down a decision ordering a preliminary injunction. The petitioner must
provide preliminary proof to justify the fear that someone is infringing, or about to infringe,
its rights. The requirement of \textit{periculum in mora} (i.e., the risk of a negative change in the
current situation before a decision on the merits is issued) is mandatory for interim relief
to be granted. The other general requirement is that the petitioner must provide summary
proof that they are the holder of the right which is intended to be protected through the
preliminary injunction (\textit{fumus bonus iuri}).

Although the preliminary injunction depends on the action on the merits, it can,
however, be filed during or before those proceedings. Therefore a preliminary injunction
can be filed and decided before the filing of the action on the merits. In this case, the
petitioner has a 30-day period following notification from the court of the final decision
to file the action on the merits. As preparatory actions may be also prosecuted under the
CPI, and may be sufficient evidence to file injunction proceedings, the petitioner can either
wait until the product is launched or act once it has sufficient evidence of the preparatory
actions. Nevertheless, the preliminary injunction should be filed as soon as the petitioner
has obtained the necessary evidence of the preparatory actions or, as the case may be, of
the infringing behaviour. If an injunction is requested in order to prevent the occurrence
of an infringing action (i.e., before the infringement is committed) and the court adopts
the necessary measures to stop the preparatory actions of the potential infringer and the
infringer complies with the court decision, then the action on the merits will be based upon
a formal request for the court to definitively confirm the prohibition of the preparatory actions. Should this situation occur, and unless the petitioner has suffered no damages as a consequence of these preparatory acts, there will be no infringement claim.

x Appellate review
Any party is entitled to file an appeal from a first instance court decision based on both facts and points of law.

From the Intellectual Property Court, it is possible to file an appeal with the Lisbon Court of Appeal. However, following this decision it would not be possible to file an appeal with the Supreme Court of Justice.

Further, an appeal against a judicial decision, if permitted by law (that is, if the damages claimed exceed €5,000), will be assessed by the Court of Appeal. After a decision has been issued by the Court of Appeal, and if the damages claimed exceed €30,000, a second appeal may be submitted to the Supreme Court of Justice.

From decisions rendered by an arbitral tribunal, it is possible to file an appeal with the Court of Appeal, however this pending appeal does not stay the arbitral proceedings, meaning it does not suspend the effects of the decision of the arbitral tribunal.

The courts of appeal are composed of a panel of three judges, as opposed to a first instance court where decisions are taken by one single judge, and they generally take approximately six months to issue a decision.

xi Alternatives to litigation
The main alternative to litigation is arbitration. Under the Law on Arbitration, an institutionalised arbitration centre with specialised and national scope was created in 2009 and constituted as a non-profit private association, supported by the Arbitration Centre for Industrial Property, Domain Names, Trade Names and Corporate Names.14

This centre is competent to settle disputes in the areas of industrial property, .PT domain names, trade names and corporate names, by providing services such as information, mediation, conciliation or arbitration subject to its regulation, and that by special law are not subject to the exclusive jurisdiction of a judicial court or to compulsory arbitration. It is also competent to provide technical advice, mediation and arbitration services or the management of those services to other institutionalised arbitration centres.

V TRENDS AND OUTLOOK
Portugal ratified the Unified Patent Court Agreement in August 2015,15 becoming the eighth EU Member State to have done so, but it is not yet clear how this will affect the arbitration practice for industrial property disputes currently in place. Nevertheless, the Agreement establishes the creation of a patent mediation and arbitration centre with seats in Ljubljana.

14 www.arbitrare.pt.
15 Resolution of the Assembly of the Republic No. 108/2015 of 6 August 2015.
and Lisbon. This means that the use of arbitration in Portugal to settle some disputes related to industrial property rights – at least related to European patents and European patents with unitary effect – will remain a reality for the forthcoming years.

In addition to this, the approval of the EU trademark reform package in the first half of 2016 will require that Member States adapt their existing trademark systems to a more reliable, predictable, cost-effective and faster legal framework.

Furthermore, the implementation of a new legal framework for the protection of undisclosed know-how and business information (trade secrets) against unlawful acquisition, use and disclosure, is being discussed at a European level and it will certainly contribute to a greater awareness of the importance of intellectual property rights, thus making enforcement of these rights even more effective. This will most likely require an increasing degree of complexity in the judicial decisions handed down by the Intellectual Property Court.

16 Article 35 of the Unified Patent Court Agreement.
Chapter 22

ROMANIA

Ciprian Dragomir, Bogdan Halcu and Dana Blaer

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Romania has not codified the legal resources in this field; therefore, intellectual property rights are protected in this jurisdiction by various legal enactments applying specifically to each category of IP rights:

a. inventions – governed by Law No. 64/1991 on patents for inventions (the Patent Law);

b. utility models – governed by Law No. 350/2007 on utility models (Law No. 350/2007);

c. trademarks and geographical indications – governed by Law No. 84/1998 on trademarks and geographical indications (the Trademark Law);

d. industrial designs – governed by Law No. 129/1992 on protection of designs and models (the Industrial Design Law);

e. topographies of semiconductor products – governed by Law No. 16/1995 on protection of topography of semiconductor products; and

f. copyright – governed by Law No. 8/1996 on protection of copyright (the Copyright Law).

The Romanian legal framework on IP rights has been gradually harmonised with the corresponding European legislation (relevant EU Directives and EU Regulations) and, generally, with the principles provided in international treaties and conventions.

The most important EU Regulations that are directly applicable in Romania are the following:

a. Council Regulation (EC) No. 207/2009 on the European Union trade mark (CTMR) (EU trademark); and


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Romania is a party to the main international treaties and conventions on intellectual property. Various acts of unfair competition are regulated under Law No. 11/1991 on fighting unfair competition; this piece of legislation incorporates clauses on unfair use of trade names, trade secrets, packaging materials and other proprietary assets.

II RECENT DEVELOPMENTS

An interesting decision of the European Court of Justice (ECJ) from February 2013 (case No. C – 561/11) raised scholarly discussions as to the admissibility by Romanian courts of counterfeit claims filed by the owner of a trademark against the owner of a confusingly similar later trademark, as long as this later trademark is not annulled. It should be noted that the provisions of the Romanian Trademark Law are similar to those of the CTMR – registration of a trademark confers its owner an exclusive right over that trademark.

The European Court of Justice stated that counterfeit claims may be brought without a prior decision for invalidation of the later trademark being required.

In disputes involving national trademarks, the Romanian courts, however, usually dismiss counterfeit claims filed by the owner of a trademark against the owner of a confusingly similar later trademark, as long as this later trademark is not annulled. Consequently, according to national practice, registration of a trademark not only gives a right to use that trademark, but such right is protected until there is a court decision invalidating that trademark.

The decision of the ECJ may generate a reorientation of Romanian jurisprudence, although there are some scholars’ opinions that the Romanian practice related to disputes involving national trademarks should not change, since the defendant may file simultaneously and at the same court of law both a claim for invalidity and a claim for counterfeit.

III OBTAINING PROTECTION

i General information

The Romanian public authorities invested with competence in the protection of intellectual property rights are:

a the State Office for Inventions and Trademarks (OSIM), in relation to industrial property (i.e., inventions, trademarks, geographic indications, industrial designs, integrated circuits); and

b the Romanian Office for Copyright, relevant for copyright-protected works.

Patents for inventions

The right to patent belongs to the inventor or to his or her rightful successor. For inventor-employees, the right to patent belongs to the employer whenever the relevant inventions are made by the employee under a labour agreement that expressly provides that inventions are within the employee’s specific duties. For inventions made with the use of the employer’s experience, information or resources, the right to obtain the patent is vested in the employee, but the employer has the possibility to claim the rights over those inventions in return for fair compensation paid to the inventor-employee.

In order to obtain protection at national level, applications for patents are submitted to the OSIM. The invention shall be disclosed in the description, drawings and claims in a manner that is clear and complete as well as scientifically and technically correct.
The applicant may invoke priority rights. Published patent applications benefit from provisional protection until the patent is issued.

Patentability conditions are harmonised with international regulations. An invention (for a product or a procedure in any technological field) is patentable in Romania if it is new worldwide, involves an inventive step (i.e., it does not follow evidently for a trained individual from the knowledge incorporated in the existing technical development stage) and is susceptible to industrial application.

Biotechnology inventions are patentable only under certain conditions (e.g., if they refer to a biological material that is separated from the natural environment or produced by any technical procedure, to a microbiological procedure or another technical procedure or a product, other than a species of plants or animals, obtained by this procedure, to an element of the human body that is separated or otherwise produced by a technical procedure).

The following are not considered inventions: discoveries, scientific theories and mathematical methods; aesthetic works; plans, principles and methods to exercise mental activities, in games or economic activities, and software; and presentations of information. Such provisions exclude the patentability only when the patent application or the patent itself refers to the objects and activities per se. For instance, the software may be patentable should it be integrated into a patentable object.

Furthermore, no patent is granted for:

a the inventions the commercial exploitation of which is contrary to public policy or good morals;
b species of plants and animals, and procedures that are essentially biological for obtaining plants or animals; the provision does not apply to microbiological procedures and the products obtained by these procedures;
c inventions concerning the human body at various stages of forming and development, and the mere discovery of one of its elements; and
d methods for the treatment of the human or animal body, by surgery or therapy, and methods of diagnosis on the human or animal body; such provision is not applicable to products, especially substances or compounds to be used in any of these methods.

The patent enjoying protection on the territory of Romania is valid for 20 years from the date the regular national application is filed and is subject to annual fees for maintenance.

Any product protected by a patent in the territory of a Member State and subject, prior to being placed on the market as a medicinal or plant protection product, to an administrative authorisation procedure, may, under the terms and conditions provided for in EEC Regulation No. 1768/92 concerning the creation of a supplementary protection certificate for medicinal products and Regulation (EC) No. 1610/96 concerning the creation of a supplementary protection certificate for plant protection products, be the subject of a supplementary protection certificate. The duration of the certificate may not exceed five years from the date on which it takes effect.

Protection for inventions may also be obtained at European level, in which case the applications for patent may be submitted either directly to the European Patent Office or via OSIM, and at international level, in which case an international application may be filed with a national office (OSIM), regional patent office (the European Patent Office) or WIPO, complying with the Patent Cooperation Treaty formality requirements.
Utility models
The protection of utility models is mainly regulated in Romania by Law No. 350/2007, concerned with such technical inventions that cannot be protected by patent according to the Patent Law as they do not involve inventive activity.

Utility models refer to any technical inventions provided that they are new (they are not already included in the current development stage of the technique), that they exceed the level of mere professional skill, and that they are applicable in the industrial field.

The items that may not be regarded as inventions so as to obtain protection as utility models are the same with those regulated under the Patent Law.

Further, the following may not be protected as utility models:

a the inventions the commercial exploitation of which is contrary to public policy or good morals;
b species of plants and animals;
c inventions concerning biological material;
d inventions concerning a product consisting in a chemical or pharmaceutical substance; and
e inventions concerning a procedure or a method.

The right to the utility model belongs to the inventor or his or her rightful successor.

The duration of the protection of the utility model is six years, available for extension by successive two-year periods, and may not, extensions included, exceed the maximum of 10 years.

Utility models acquire protection by registration with the OSIM. For international registration, international applications may be filed with foreign receiving offices and may indicate Romania as a designated country. Failure to open the national phase renders the application ineffective in Romania. The requests for international registration may also be filed with the OSIM, as receiving office.

Applicants at the OSIM may re-qualify their request from patent to utility model and, conversely, from utility model to patent, without thereby causing the examination procedure to be automatically closed. Requalifications are only admitted once and are not available for international requests where the national phase has already commenced.

Trademarks and geographical indications
In order to be registered, a trademark must not be identical or confusingly similar to a previous trademark belonging to a different owner and registered for identical or similar products or services.

Whenever the previous trademarks are notorious (either in Romania or in the European Union), the risk of confusion is analysed even if the new trademark is for products or services that are not identical or similar, if registration risks causing damage to the notorious trademark. The applicant may invoke priority rights.

Further to the amendment to the Trademark Law (in 2010), the concept of Community exhaustion of trademarks was statutorily recognised. According to this concept, the first sale of a trademark-protected product within the European Economic Area by the owner, or with the owner’s consent, exhausts the trademark rights over these given products not only domestically, but also within the whole European Economic Area.
National trademarks are protected for 10 years counting from the date the application for registration has been filed. It may be further extended for additional periods of 10 years without any overall limitation.

The rights granted to a proprietor by a trademark may be revoked anytime owing to non-use of such trademark, in case when, for unjustified reasons, the respective trademark has not been effectively used on the territory of Romania for a period of five successive years (as of the registration of such trademark) or if the use of the trademark has been suspended for a period of five successive years.

The exclusive rights to use a trademark in Romania are granted by registration with OSIM, either directly or by way of an international (WIPO) application based on the Madrid System.

A European Union trademark offers protection for all EU Member States in one single registration, made with OHIM. This mechanism operates ipso jure, without the need for the holder to fulfil any formalities or procedures with OSIM. A potential conflict with a domestic trademark shall be solved based on the priority rules.

The holder of a national trademark previously registered in good faith is allowed to oppose the use of the EU trademark only on Romanian territory.

However, since the automatic extension of protection is not reciprocal (i.e., national trademarks do not automatically benefit from protection in the Member States) holders of national trademarks cannot substantiate, at EU level, a motion to annul or to obtain withdrawal of rights for lack of use against the owner of a subsequently registered EU trademark.

Trademark Law also regulates the legal regime of the geographical indications defined as words designating a product originated in a country, region or locality of a state, when a certain quality, reputation or other significant characteristics may be essentially attributed to the geographical origin of that product.

The geographical indications are protected in Romanian through registration with OSIM and may be used only by those producing or commercialising the products for which such indications are registered. Only manufacturers’ associations performing a manufacturing activity in the relevant geographical area may apply for geographical indications (for products included in the respective application).

The geographical indications are also protected in Romania under Regulation (EU) No. 2012/1151 on quality schemes for agricultural products and foodstuffs, Regulation (EC) No. 2008/110 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and Regulation (EC) No. 2007/1234 establishing a common organisation of agricultural markets and on specific provisions for certain agricultural products, all such regulations being directly applicable in Romania.

The protection of a geographical indication is unlimited as of the date the application for registration has been filed with OSIM. The right to use a geographical indication is granted to the applicant for a 10-year period, and it may be further extended without any overall limitation should the conditions under which such right was granted remain unchanged.

**Industrial designs**

Based on the provisions of the Industrial Design Law, the new external appearance of a product in two or three dimensions having a practical function may be registered as industrial design.
Novelty and distinctive character are the registration conditions for an industrial design. A form is novel if it is practically unknown in the territory of Romania, and has not been disclosed for the same category of goods in Romania or abroad.

The industrial design the appearance of which is determined by a technical function may not be registered.

Several industrial designs may be submitted for registration in the same application, in a multiple deposit comprising industrial designs intended to be incorporated in articles of the same category of goods as per the Locarno Agreement classification.

The industrial design is valid for 10 years from constituting the national deposit and may be renewed for three successive five-year periods upon payment of the legal fees.

Protection for industrial design may be obtained at national level, in which case the application is filed with the OSIM, at European level, in which case the application is filed with the OHIM, and at international level, in which case an international application is filed with WIPO, complying with the requirements of the Hague System for the International Registration of Industrial Designs.

According to the rules applicable following accession, EU designs automatically enjoy protection on the Romanian territory. This mechanism operates ipso jure, without the need for the holder to fulfil any formalities or procedures with the OSIM.

**Topographies of semiconductor products**

By topography of a semiconductor product it is understood a series of interconnected images, no matter how they are fixed or encrypted, representing the three-dimensional configuration of the layers of which a semiconductor product consists and where each image reproduces the design or a part of the design of a surface of the semiconductor product, at any stage of its production.

Only original topographies are protected.

The owner of a registered topography has, throughout the entire term of protection, the exclusive right to exploit the topography and the exclusive right to authorise or prohibit the following acts:

\( a \) reproduction of such topography, to the extent that it is protected as per the aforementioned requirements; and

\( b \) commercial exploitation or import to this effect of a topography or semiconductor product manufactured by using such topography.

Exclusive rights expire 10 years after the first commercial exploitation anywhere in the world or 10 years after the registration was filed with the competent authority, whichever occurs first.

If a topography was not commercially exploited for 15 years as of the date when it was created or encrypted for the first time, the protection right will cease after expiry of this term.

The topographies of semiconductor products are protected in Romania through the registration with OSIM.

**Copyright**

All literary, artistic or scientific works, as well as other intellectual creation works, (such as architectural works located on the Romanian territory, artists’ interpretations or performances taking place on the Romanian territory, artists’ interpretations or performances that are fixed in sound recordings protected by the Copyright Law, or, if not fixed in sound recordings,
are transmitted by television or radio broadcasts protected under the Copyright Law, sound or video recordings produced by natural or legal persons residing in Romania, radio or television programmes broadcast or transmitted by entities headquartered in Romania) benefit from protection under the Copyright Law (without registration or any other formality being required), provided that they are original, take a concrete form of expression, and are susceptible of being made known to the public.

Non-residents, individuals or legal entities, benefit from copyright protection as per the terms of the international treaties Romania is a party to or, absent such treaties, under the same terms as Romanian residents, on a reciprocity basis.

The Romanian copyrights last for the lifetime of the author plus another 70 years after their death, being transmitted to lawful successors, irrespective of the date when the work was brought to public knowledge. The same applies to software works.

As a general rule, protection for artists’ interpretations or performances is valid 50 years from the date of such interpretation or performance.

The concept of ‘orphan work’, which applies to all types of intellectual creations in the literary, artistic or scientific field, was recently introduced by the Copyright Law. Orphan work refers to intellectual creative work in relation to which the rightholder has not been identified or located, although a diligent search has been carried out and the entity conducting the search maintained records of said diligent searches. The orphan work status does not apply to anonymous works or to works created under a pseudonym. Orphan works that have been considered as such in another Member State shall be considered as having the same status in the territory of Romania.

The publicly accessible libraries, educational establishments, museums, archives, film or audio heritage institutions and public-service broadcasting organisations are entitled, under the law, to use the orphan works, provided that such use is exclusively intended for the purpose of achieving aims related to their public-interest mission.

Copyright is classified in moral rights and economic or patrimonial rights. While moral rights (e.g., the right to decide whether and how the work is going to be published; the right to decide the name under which the work shall be published, etc.) may not be transferred by the author, economic rights may be assigned to third parties by way of copyright licensing.

For agreements for creation of future works, in the absence of a clause to the contrary, the economic rights belong to the author. In the absence of a contractual clause to the contrary, for the works created by employees while fulfilling their professional duties under an individual labour agreement, the patrimonial rights belong to the author (except for the case of software when the patrimonial rights over such programmes belong to the employer).

Conversely, contractual clauses may provide that, for works created for the fulfilment of professional duties stipulated in the individual labour agreement, the patrimonial rights do not belong to the author of the work.

The holders of copyrights and related rights may exercise their legal rights individually or, based on a mandate, through collective management bodies.

Collective management is mandatory for certain rights (i.e., the right to compensatory remuneration for the private copy; the right to a fair remuneration for public loan in certain cases; the right of resale (droit de suite); the right of broadcasting for musical works; the right of public release of musical works, except for the public screening of cinematographic works; the right to fair remuneration acknowledged to performing artists and producers of phonograms for public communication and broadcasting of trade phonograms or the reproduction thereof; the right to cable retransmission), for which the collective management
bodies also represent holders of rights that did not grant them a mandate, and is optional for other rights (i.e., the right to reproduce musical works on phonograms or videograms; the right to publicly communicate works, except for musical works and artistic performances in the audiovisual sector; the right of loan, except for certain cases provided by law; the right to radio broadcast the works and artistic performances in the audiovisual sector; the right to fair remuneration resulting from the assignment of lease rights; the right to fair remuneration acknowledged to performing artists and producers of phonograms for public communication and radio broadcasting of phonograms published for commercial purposes or the reproduction thereof).

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

As a matter of principle, enforcement of IP rights may be sought at three different levels: administrative, civil and criminal.

Administrative proceedings are brought with the OSIM, which is competent to solve oppositions and observations filed by third parties against filings made by applicants seeking registration of their IP rights. Apart from that, holders of IP rights may file an application for intervention of customs authorities, in which case customs will seize any goods that are suspected of infringing IP rights.

In addition to regular litigations involving contracts relating to the exploitation of IP rights, civil courts may be called to issue decisions on challenges filed against decisions of the OSIM, as well as on invalidity claims or, as the case may be, on counterfeit or unlawful competition cases.

The national legislation in intellectual property incriminates a series of counterfeit and piracy acts infringing industrial property rights or copyright.

In principle, there are really no statutory limitations in selecting a specific procedural way to seek enforcement of IP rights, so a decision on whether a criminal claim should be filed or on whether a civil or administrative claim would be enough has to be made on a case-by-case basis. However, it must be taken into account that in practice owing to specialisation of magistrates, sometimes criminal courts find it more difficult to overcome the specific barriers in the field of assessment of damages, while civil courts are more familiar with the specifics of the legislation, especially with the provisions of the Enforcement Directive 2004/48/EC.

ii Requirements for jurisdiction and venue

In administrative proceedings before OSIM, any person may oppose a filing made for registration of IP rights. A conceptual differentiation is made, however, in the field of trademarks. While any person may file observations seeking rejection of the registration filing for public reasons, opposition is reserved to individuals or companies who can actually prove an earlier right that is infringed by the opposed application.

Civil claims brought in court usually follow the normal course of any civil trial. As a matter of principle, lawsuits in civil proceedings must be filed before the court of domicile or seat of the defendant, but there are exceptions that may allow the defendant to file the claim elsewhere (e.g., a claim for invalidity of a patent or of a trademark must be filed before the Tribunal of Bucharest).
Criminal proceedings are in most of the cases initiated by the criminal investigation bodies (prosecutor’s office or police), further to a claim made by the holder of an IP right, a claim filed by the customs office or even *ex officio*, as may be the case when the border police discovers shipments of counterfeit or pirated products.

Declaratory judgments are recognised in Romania; however, a motion for a declaratory judgment, seeking judicial recognition of a specific right will always be dismissed to the extent the claimant has the possibility to file a claim for enforcement of that right.

### iii Obtaining relevant evidence of infringement and discovery

Rules governing the procedural means available to produce evidence in IP-related matters are no different from the general rules. What might be interesting though is that unless they are challenged by the other party, in trademark infringement cases, courts usually accept reports made by the right holder of the relevant trademarks, although they are not endorsed by a judicial expert appointed by the court.

### iv Trial decision-maker

Civil trials are usually handled by specially trained judges. However, judges handling criminal claims on counterfeit or piracy do not have specialisation in IP matters. Whenever considered necessary, both civil and criminal courts, as well as criminal investigation bodies may appoint experts to issue a technical opinion on specific matters raised by the court or by the criminal investigation body.

Usually, both civil and criminals trials are decided by one judge, whereas appeals are decided by a panel of two judges. Where a cassation appeal is available, this is decided by a panel of three judges.

### v Structure of the trial

IP cases are subject to the same procedural rules as other cases. As a matter of principle, in civil cases, the burden of proof lies with the claimant, while in criminal cases the burden of proof lies with the accusation.

Civil cases are opened further to the defendant filing a claim. Having received the claim, the judge has the possibility to ask the defendant to complete the claim with any missing data. The court will send the defendant a copy of the claim, along with relevant documents already filed by the claimant; having received the claim, the defendant must file a statement of defence within the next 25 days following receipt of the claim. The statement of defence will be sent by the court to the claimant, who has the possibility to lodge a reply within the next 10 days following receipt of the statement of defence. Within the next three days following receipt of the defendant’s reply, the judge must issue a resolution scheduling the first hearing, on a date that should not be more than 60 days after the date of the resolution.

Criminal cases are initially handled by the criminal investigation bodies. After the investigation is finished, the prosecutor will send the file to court, where the judge will make a preliminary assessment on the legality of the evidence proposed by the prosecutor. This preliminary procedure must not take more than 60 days. After this check is done, the judge will schedule the first hearing.
There are no limitations as to the evidence to be brought in IP-related court cases. The judge may choose to hear witnesses and experts and to examine documents, photos, wiretapped discussions (in criminal proceedings), or even check specific facts or data outside the premises of the court.

vi Infringement

Infringement in patent cases (including utility models) may be committed through making, using, offering, putting on the market, or importing infringing products for such purposes, or, as the case may be, to using a specific patented process.

In design cases, the holder may prevent use of the product in which the design is incorporated or to which it is applied. In trademark cases, illicit use covers reproduction of a trademark, as well as commercial detention, offering, sale, import, export or transit of goods which bear the counterfeit trademark (or a sign that is confusingly similar to the protected trademark).

vii Defences

There are various defences that may be brought in IP-related cases.

The defendant in an infringing litigation may explore the possibility of challenging the statutory protection claimed by the plaintiff. In patent litigation, the defendant may try to challenge the novelty of the patent, as well as the non-obviousness. While the novelty of the patent may be easier to challenge, if the defendant succeeds in proving an earlier document evidencing that the patent was known before the moment when patent filing was made, obviousness of a patent is more difficult to advocate and in most situations the courts rely on the opinion of a technical expert.

Lack of novelty may be brought as a defence in cases of infringement of utility models and designs as well. For designs, the defendant may try to block the claim alleging that the same is based on functional elements of the design, which may not be subject to protection.

In trademarks cases, as well as in design cases, exhaustion of right is a commonly used defence where the holder of a trademark tries to ban sales of specific products by entities that were not authorised by the right holder. At the same time, acquiescence and fair use of a registered trademark (e.g., to designate the destination of spare parts) are defences that may be brought successfully against a claim for counterfeit.

In copyright cases, the span of available defences is quite broad, depending on the nature of the relevant protected work and on the details of the alleged illicit use. Some of the most commonly used defences may be: mandatory collective management of copyright, private copy (less for software) or fair reproduction (in case of quotations from written works).

viii Time to first-level decision

The time to a first-level decision can vary greatly, depending on the details of the case. In general lines, a civil claim would be judged within one to two years, but the period may be longer if the court orders an expert report.

In criminal files, an overall time limit is difficult to provide, as it depends on the details of the case, but it may be reasonably anticipated that for a case that would not be too complex in terms of persons involved or operations investigated, court proceedings before the first court should be finalised within one to two years as of the start of the criminal investigation.
ix Remedies
In the pretrial phase, the right holder may seek provisional injunction relief, as well as securing of evidence. When granting these remedies, the court will indicate a specific deadline within which the claimant must file the claim on the merits. Should the claimant fail to file this claim, then the provisional remedies ordered in the pretrial proceeding cease to be binding.

Aside from the above, the claimant may ask the court to order final injunction, reparatory material and moral damages, destruction of counterfeit or pirated goods and publication of the court’s decision.

Damages are calculated based on the general principles laid down in the Enforcement Directive 2004/48/EC and the court may order surrender of profits or payment of a fixed fee, which may be calculated by reference to the licence fees usually used in the course of trade. In copyright infringement cases, if the actual amount of damages cannot be calculated, the claimant may ask for damages calculated as three times the licensing fees that the claimant could have requested for the relevant use.

However, while civil courts are more familiar with the criteria in the Enforcement Directive 2004/48/EC, criminal courts are more reluctant in applying these principles.

x Appellate review
The decisions of the OSIM may be challenged in court, in which case the court will make a thorough assessment of the file.

Appeals against decisions of the first court are judged by a panel of two judges. As a matter of principle, there is no limitation as to the reasons one may ground an appeal on; also, new evidence may be brought in appeal. Although this is not always available, in some situations a cassation appeal may be filed against the decision issued in appeal.

In criminal files, decisions of the first court are subject to appeal at the Courts of Appeal. A cassation appeal is available at the High Court of Cassation and Justice, but for very limited situations.

xi Alternatives to litigation
As a matter of principle, arbitration may be used as an alternative to litigation under the Civil Procedure Code. However, the possibility to arbitrate an IP case is somewhat limited, since arbitration may not deal, for instance, with issues related to invalidity of IP rights.

However, WIPO arbitration is extensively used in domain name dispute resolution.

V TRENDS AND OUTLOOK
In Romania, in recent years, there has been significantly more awareness about protection of IP rights and this is reflected in the increasing number of applications for protection. The increase of patent and trademarks filings is expected to generate an increased demand for professional services in the field of IP rights.
Chapter 22

SINGAPORE

Stanley Lai and Amanda Soon

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

The most important forms of intellectual property protection in Singapore are patents, copyright, trademarks and registered designs. Singapore also provides protection for plant varieties, geographical indications, layout-designs of integrated circuits, confidential information, trade secrets and know-how.

i Patents

The law of patents in Singapore is governed by the Patents Act (PA) (Chapter 221). 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 (CA) (Chapter 63). There is no system of registration for copyright protection. Copyright protection arises automatically once an author creates and expresses his or her 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.

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iii Trademarks
Trademarks are protected under the Trade Marks Act (TMA) (Chapter 332), and at common law. It is possible to protect non-conventional trade marks such as sound, 3D 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 (RDA) (Chapter 266). To qualify for registration, a design must be new and must be industrially applied onto an article. 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.

International treaties
Singapore has acceded to various international IP treaties, including the Agreement on Trade-Related Intellectual Property Rights (TRIPS), Paris Convention for the Protection of Industrial Property, 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 had 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;

c Copyright Act:
• extension of the term of copyright protection; and
• more stringent enforcement measures against infringement.

II RECENT DEVELOPMENTS
i Patents

a Singapore became the Association of Southeast Asian Nations’ first International Authority under the Patent Cooperation Treaty (PCT) in September 2015. Singapore is the fifth in Asia and joins a select group of 19 IP offices worldwide that have been appointed as International Authorities.

b The Intellectual Property Office of Singapore (IPOS) and the Ministry of Industry and Handicraft (MIH) of Cambodia have cooperated to allow patent owners in Singapore to re-register their Singapore patents at the MIH and submit an IPOS-issued Search and Examination report to MIH for the grant of a Cambodia
related patent application. A Singapore patent can be re-registered in Cambodia if it is in force at the time of lodgement of re-registration request, it has a filing date on or after 22 January 2003 and it meets the Cambodian requirements for patentability.

At present, applicants who filed their application on or after 14 February 2014 may rely on the positive and final search and examination results of a corresponding patent application from selected patent offices, instead of requesting for substantive examination. However, IPOS will be abolishing the option of the foreign route on 1 January 2017, although this is a working date and may change. For PCT applications and divisional patent applications filed after the abolishment, applicants will either have to request a local search and examination, or rely on a search report issued in a corresponding application, a corresponding PCT application or a related national phase application, and request for local examination.

Ship’s Equipment Centre Bremen GmbH v. Fuji Trading (Singapore) Pte Ltd and others and another Suit [2015] SGHC 159

The plaintiff commenced infringement proceedings against the defendants and the defendants filed counterclaims to invalidate the plaintiff’s patents for lack of novelty. The plaintiff applied to amend the claims of their patents to which the defendants filed statements of opposition. The High Court of Singapore found that of the nine amendments applied for by the plaintiff, three complied with the requirements under the PA: they did not result in the specification disclosing additional matter that extended beyond that disclosed in the granted patent, they did not extend the protection conferred by the patent and they were clear and concise and capable of being supported by the description. However, the Court’s power to allow any proposed amendment is discretionary and the Court did not allow any of the nine amendments for the following reasons:

- there was an undue delay on the plaintiff’s part in seeking the proposed amendment with no reasonable explanation for the delay; and
- the plaintiff sought to obtain an unfair advantage by litigating on the basis of a patent that it knew had a risk of being invalidated in light of the prior art cited against it.

The Court held that the actions of the plaintiff were ‘covetous conduct’ and that the exercise of the Court’s discretion in dismissing the plaintiff’s application may be extended ‘to punish patentees for the unreasonableness of their conduct even when no advantage has in fact been gained’.

ii Copyright

Global Yellow Pages Ltd v. Promedia Directories Pte Ltd [2016] SGHC 09

The plaintiff, a publisher of telephone directories, alleged that the defendant, also a directory publisher, had copied from its directories from 2003 to 2009. The High Court held, *inter alia*, that the plaintiff did not have copyright in some of the works cited and hence there was no infringement of these works. The court took the view that copyright does not subsist in individual listings in the directory (e.g., name, address, telephone number) as the form of expression contained in the listings does not meet the level of originality for copyright protection to be conferred. The selection and arrangement of listings under each classification in the directory was a systematic process, not a creative one. To grant the plaintiff copyright protection over the individual listings would be granting a monopoly over the use of the bare facts themselves and there cannot be copyright in facts. The plaintiff’s claim was dismissed.
iii Trademarks

*Louis Vuitton Malletier v. Cuffz (Singapore) Pte Ltd [2015] SGHCR 15*

The plaintiff was the proprietor of the registered Epi Mark, and the defendant sold wallets bearing a mark similar or identical to the Epi Mark. At the hearing for summary judgment, the High Court found that the defendant had infringed the plaintiff’s Epi Mark, and that the defendant’s use of a sign identical to the Epi Mark in the course of trade was a counterfeit trademark, entitling the plaintiff to claim statutory damages.

The plaintiff sought S$100,000 in statutory damages. However, the Registrar only awarded the plaintiff S$35,000 in statutory damages, one of the reasons being that the plaintiff only adduced evidence of three infringing items. Although statutory damages can be helpful for a plaintiff to claim for losses that are difficult to prove, statutory damages cannot be awarded speculatively. As the plaintiff only had evidence of three infringing articles, it was difficult to persuade the Registrar that the plaintiff’s loss or the defendant’s benefit was far more than the price of three wallets, and the Registrar could not speculate on the number of articles that were actually counterfeited.

*Rovio Entertainment Ltd v. Kimanis Food Industries Sdn Bhd [2015] SGHC 216*

The plaintiff owned registrations for the Angry Birds mark and ‘Angry Birds’ and opposed the defendant’s application for the Angry Bite mark in Class 30. The Registrar dismissed the opposition and permitted the defendant’s application to be registered. The plaintiff appealed to the High Court, which upheld the Registrar’s decision.

The High Court held, *inter alia*, that as the plaintiff’s marks were registered separately, they could not be combined into a single mark for the purposes of comparison with the defendant’s mark. The defendant’s mark was considered not similar to either of the plaintiff’s marks and there was no likelihood of confusion between the parties’ marks. The plaintiff should have registered the composite mark if it wanted protection over the composite mark.

iv Registered designs

The Ministry of Law and IPOS commenced a review of Singapore’s registered designs regime in 2014 and issued their final report on the review in early 2016. The review does not recommend a significant overhaul of Singapore’s registered designs regime, but proposes enhancing the existing registered designs regime to better support Singapore’s economic and design initiatives. The recommended key changes include:

\[a\] the definition of ‘design’ will be amended to provide for a broader scope of design protection;

\[b\] virtual or projected designs will be protected, if:

- they are capable of being represented clearly and without subjectivity; and
- they retain the same (or substantially similar) design features irrespective of the surface or medium they are projected on;

\[c\] colour will be specified as one design feature. The scope of design protection will not extend to colours *per se*;

\[d\] the grace period for design applications will be extended and broadened:

- increase the length of the grace period to 12 months; and
- the requirement that disclosures can only be made at select international exhibitions will be removed;

\[e\] allow multiple designs in the same Locarno Classification to be filed in one application; and
remove the provision that automatically treats the person commissioning the design as the owner of the design.

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 after 18 months from 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:

- all-local approach: an applicant may request to either undergo a search-then-examination process or a combined search-and-examination process;
- all-foreign approach: the applicant furnishes the final search and examination results of a corresponding application or corresponding international application; and
- combination approach: the applicant files an examination request relying on the search results of a corresponding application or corresponding international application

After completion of the search and examination process, the applicant may request for 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 or she 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 the national phase on the 30th day of the 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 the Certificate of Grant.

ii Trademarks

National application
A national application is filed with IPOS. If no objections are raised to the application, the application will be published in the online Trade Marks Journal. Within two months after
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 WIPO Gazette of International Marks. 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-month limit, the international registration
will enjoy protection in Singapore.

**IV ENFORCEMENT OF RIGHTS**

**i Possible venues for enforcement**
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.

ii 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 or she is present in Singapore, or when he or she 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 or she has accepted the court’s jurisdiction; the defendant in this case has submitted to the jurisdiction of the court.

iii 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.

iv 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.

v 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’ (e.g., 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.

vi 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 that 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. 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 (e.g., 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;
g to enter into a commercial rental arrangement in respect of the recording; and
h 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:
a importing, selling, offering for sale and exhibiting in public 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 or her design is registered, which embody the registered design (or one that is substantially the same). Infringement of rights occurs when a person carries out any of the acts listed above 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.

vii Defences

Patents
Common defences to infringement include:
a that it is an act done privately and for non-commercial purposes;
b that it is an act done for experimental purposes relating to the subject matter of the invention; and
c that 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 an act that consists of dealing with such medicine.

A key part to any defence against a claim of patent infringement is the defendant’s right to challenge the validity of the patents 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:
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, or both;
b it is an act that does not amount to infringement. Said acts are:
• use by the defendant of his or her name or name of his or her place of business if such use is in accordance with honest practices;
• use is descriptive of the characteristics or intended purpose of the goods or services;
• 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;
• use of the defendant’s registered mark;
• use constitutes fair use in comparative commercial advertising or promotion; or
• use is in relation to parallel imports.

c revocation: 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); and

d invalidation: the registration of the plaintiff’s trade mark should be declared invalid
  (e.g., the registration was obtained by misrepresentation or fraud).

Copyright
Common defences to infringement include:
a that copyright does not subsist in the work;
b that the plaintiff is not the owner of the copyright;
c that the defendant has not infringed any copyright either because the defendant’s
  work is not sufficiently similar to the plaintiff’s; because he or she has not in fact
  copied the plaintiff’s work; or because he or she 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 acts done for a private non-commercial purpose;
acts done for the purpose of evaluation, analysis, research or teaching; and acts done in
relation to genuine articles, that is, those marketed in and outside of Singapore by the
registered owner or with the owner’s consent (conditional or otherwise).

viii Time to first-level decision
The trial for infringement actions is likely to be concluded within 18 months from the date
the action is commenced (filing of the writ of summons).

ix Remedies
The range of remedies that a 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.
Appellate review

For proceedings before the Registrar, an appeal may be filed to a judge of the High Court. For proceedings before a Registrar of the High Court, an appeal may be filed to a judge of the High Court in chambers. For proceedings begun in or appealed to the High Court, an appeal may be filed to the Court of Appeal.

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 ADR 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.

To encourage parties to take up mediation, with effect from April 2016, IPOS' IP Mediation Promotion Scheme will offer parties who opt for mediation in IP disputes up to S$5,500 per mediation case. A panel of IP adjudicators has also been appointed to give disputing parties the opportunity to have their cases heard by experts in the local IP field.

TRENDS AND OUTLOOK

The government continues to take active steps to establish Singapore as an IP hub both regionally and globally. Outlined below are some of the recent developments within the past year.

Singapore signed the Trans-Pacific Partnership (TPP) on 4 February 2016 and expects the TPP to enter into force within two years. The TPP is a free trade agreement between 12 countries and contains provisions to commit governments to implementing a robust and balanced IP regime in the Asia-Pacific region. This will provide businesses with increased certainty as they invest and trade and make it easier for businesses to search, register and protect their IP in new markets.

There has been increased IP cooperation with Thailand, enabling Thai inventors seeking patent protection under the PCT to use Singapore's search and examination services;

A memorandum of understanding (MoU) was signed between the State Administration for Industry and Commerce of the People's Republic of China and IPOS to enhance exchanges on trademark registration, examination practices, protection and enforcement.

An IPOS Representative Office in China was established to help businesses and investors venturing into and out of China to benefit from greater protection, exploitation and commercialisation of IP.

Finally, an MoU was signed between the UK Intellectual Property Office and IPOS to improve international cooperation between the two IP offices, on issues relating to copyright, patents, trademark and design.
Chapter 24

SPAIN

Montserrat López-Bellosta

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

Intellectual property rights in Spain are divided into categories with a variety of content such as copyright, geographical indications, industrial designs, integrated circuits, patents, regulatory exclusivity, trade secrets, trademarks and utility models. Below is a summary of the main concepts.

i Copyright and related rights

The Copyright Act\(^2\) establishes that copyright protection covers all original literary, artistic or scientific creations, expressed through any means or in any medium, be it tangible or intangible.

The two substantive requirements for a work to enjoy copyright protection are a form of expression and the originality of that work. There are no formal requirements for the protection of copyright works. Therefore, the recording of a work at the Intellectual Property Registry is always declaratory (voluntary) and does not constitute a requirement for protection. The right to use the work lasts for the author’s lifetime and for 70 years following the death (or declaration of death) of the author.

The rights related to copyright (neighbouring rights) cover, *inter alia*, the rights of artists (interpreters or performers), producers of sound recordings, producers of audiovisual recordings and broadcasters. Each gives rise to a production warranting protection, without having to meet the prerequisite of originality or registration.

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1 Montserrat López-Bellosta is of counsel at Clifford Chance.

2 Legislative Royal Decree 1/1996, of 12 April, approving the Codifying Legislation of the Law on Intellectual Property, regularising, clarifying and harmonising the legal provisions in force on the subject.
ii Geographical indications

If there is a link between the characteristics of certain products and their geographical origin, they may qualify for either a protected geographical indication or a protected designation of origin.3

‘Designation of origin’ means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

a originating in that region, specific place or country;
b the quality or characteristics of which are essentially or exclusively the result of a particular geographical environment with its inherent natural and human factors; and
c the production, processing and preparation of which take place in the defined geographical area.

‘Geographical indication’ means the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff:

a originating in that region, specific place or country;
b that possesses a specific quality, reputation or other characteristics attributable to that geographical origin; and
c the production, processing and preparation of which take place in the defined geographical area.

iii Industrial designs

An industrial design protects the appearance or ornamentation of a product that makes it visually different from another, without taking into account any of its technical or functional characteristics. Industrial design covers the appearance of all or part of a product, derived in particular from the characteristics of the lines, outline, colours, shape, texture or materials of the product itself or of its ornamentation.4

An industrial design with territorial protection limited to Spain can be applied for before the Spanish Patent and Trademark Office. Applications for industrial designs valid throughout the European Union must be submitted to the Office for Harmonization in the Internal Market in Alicante, Spain.

As Spain is a party to the Hague Agreement, an application for different countries can be filed simultaneously before the International Office of the World Intellectual Property Organization (WIPO), based in Geneva, Switzerland. International registration has the same effect as an application for registration of a design made in Spain unless the Spanish Patent and Trademark Office (SPTO) refuses to grant protection.

As mentioned, a design can be protected in Spain via the Community route.5 A design is eligible for Community design protection provided it is new and has individual character. A design may be protected as an ‘unregistered Community design’ (UCD) or as a ‘registered Community design’ (RCD).

3 Royal Decree 1335/2011, of 3 October, regulates the procedure for processing applications for the registration of protected designations of origin and protected geographical indications in the Community registry and opposition to the same.

4 Law 20/2003, of 7 July, on Legal Protection of Industrial Designs.

A design shall be considered to be new if no identical design has been made available to the public: (1) in the case of a UCD, before the date on which the design for which protection is claimed was first made available to the public; and (2) in the case of an RCD, before the date of filing of the application for registration of the design for which protection is claimed, or, if priority is claimed, the date of priority.

A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design that has been made available to the public: (1) in the case of a UCD, before the date on which the design for which protection is claimed was first made available to the public; and (2) in the case of an RCD, before the date of filing the application for registration or, if a priority is claimed, the date of priority.

A UCD shall be protected for three years from the date the design was first made available to the public within the Community.

Industrial designs registered before the SPTO and RCDs submitted to the Office of Harmonization for the Internal Market shall be protected for five years from the filing date of the application. The right holder may renew the term of protection for five years at a time, up to a total of 25 years from the filing date.

iv Integrated circuits

The role of semiconductor products in the world is increasing daily, not just in the electronics industry, but also in a wide range of industrial sectors: the automobile, telephony, communications, military equipment manufacture, gambling machines and special programme sectors are increasingly reliant on this technology. The functions of semiconductor products depend largely on their topographies. The structure and layout of its elements, as well as the different layers comprising the integrated circuit, essentially constitute its topography. This topography, a direct result of the design and representing a significant part of the creative effort, involves considerable human, technical and financial resources.

While the design costs of this involved technical process are very high, manufacturing costs are relatively low. Therefore, creating and designing an integrated circuit is expensive and complex, but copying it is relatively easy and costs far less. This has led to exclusive rights being granted, both at Community level and at national level in Spain, to promote technological innovation by enabling topography creators to recover their investment.

A topography of a semiconductor product is protected provided that it is the result of the intellectual endeavour of its creator and not a standard industry product.

The term of exclusive rights over a topography of a semiconductor product is 10 years from whichever is the earlier of the following dates: the end of the year in which the topography was commercially exploited for the first time in any part of the world; or the end of the year in which the application for registration was duly filed.

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v Patents
The Spanish Patents Act\(^8\) (as established in Article 52 of the European Patent Convention) states that inventions, including biological material, may be patentable, provided that they are novel, involve an inventive step and are capable of industrial application.

An invention is considered new when it is not included in the state of the art. The state of the art comprises everything made public in Spain or abroad in the form of a written or oral description, by use or by any other means, prior to the date on which the patent application was filed. An invention is considered to have an inventive step if it is not obvious to a person skilled in the field on the basis of the state of the art.

In general, a patent has a term of 20 years from the date of presentation of the application, effective from the day the grant is published.\(^9\)

To obtain a patent with effect in Spain, the options are: (1) the domestic route (the application is filed at the SPTO); (2) the European route (which makes it possible to obtain a collection of national patents for EU Member States via a single application to the European Patent Office);\(^10\) and (3) the international or Patent Cooperation Treaty (PCT) route (which makes it possible to apply for protection for an invention in each of the signatory states of the PCT with a single application).\(^11\)

vi Regulatory exclusivity
The pharmaceutical regulations provide data exclusivity for eight years for results of pre-clinical and clinical trials that have been submitted to obtain marketing approval for a medicinal product.\(^12\) Companies producing generic medicinal products may file an application for marketing approval without providing results of pre-clinical and clinical trials by referring to the original product’s data if this product has been authorised in a Member State for not less than eight years; however, the legal provision stipulates that a generic medicinal product referring to such data in its application shall not be placed on the market until 10 years have elapsed from the initial authorisation of the reference product.

The 10-year period shall be extended to a maximum of 11 years if, during the first eight of those 10 years, the marketing authorisation holder obtains an authorisation for one or more new therapeutic indications that, during the scientific evaluation prior to their authorisation, are held to bring a significant clinical benefit in comparison with existing therapies.\(^13\)

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\(^8\) Law No. 11/1986, of 20 March 1986 on Patents.
\(^11\) Spain has been a signatory of the PCT since 1989.
\(^13\) These data exclusivity protection periods are usually referred to as ‘8+2+1’.
vii Trade secrets

The Spanish Unfair Competition Act establishes that the disclosure or exploitation of trade secrets, without the owner’s consent, when access has been gained lawfully but under a duty of secrecy, is considered unfair. The unlawful acquisition of trade secrets using espionage, by inducing a breach of contract or using similar methods is also considered unfair. In addition, trade secrets must have been breached to obtain a profit personally or for a third party, or to cause damage to the owner of the secret to be considered unfair.

The term ‘trade secret’ is not legally defined in Spain. However, case law establishes the three following requisites for a trade secret to be entitled to protection.

*Information must be secret*

Information is secret when a third party is interested in, but has no knowledge of, all or part of said information. The fact that few people are privy to this information, when such people are related to the company (thus explaining how they know the secret), and subject to a general undertaking to keep the information confidential or to a contractual obligation of secrecy, does not mean the information should be considered any less secret.

Information comprising an individual’s ability, capacity and professional experience, or knowledge and relations with clients, is not considered secret, even when such ability, capacity and experience have been acquired as a result of performing certain duties.

*Information must entail a competitive edge*

Competitive edge is the advantage that the owner of the information has when using such information compared with companies that are ignorant of it. The status of information as a trade secret does not depend on the high or low financial value of the trade secret *per se* but on the competitor’s knowledge and the possibility of it obtaining a profit by exploiting such information.

*The holder of the information must take steps to keep the information secret*

Whether the information is obtained as a result of a contractual relationship or unlawfully, the use of the same will not be considered unfair competition, unless the owner of the business information has taken the appropriate steps to keep it secret, both externally (preventing third parties from accessing the information) and internally (whereby only employees can access the information they need to know to perform their duties).

viii Trademarks

Trademark protection in the Member States of the European Union coexists with the protection available at EU level through EU trademarks, which are unitary in nature and valid throughout the EU.

In Spain, signs are protected once they have been duly registered at the SPTO14 and unregistered but well-known trademarks are also protected under Article 6 of the Paris Convention for the Protection of Industrial Property.

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14 Pursuant to the provisions of the Spanish Trademark Law No. 17/2001, of 7 December.
An EU trademark shall be obtained by registration before the European Union Intellectual Property Office (EUIPO) located in Alicante, Spain (known prior to 23 March 2016 as the Office for Harmonization in the Internal Market) and shall have a unitary character within the territory of the EU, including Spain.15

Both Spanish and EU trademarks shall be registered for 10 years from the filing date of the application. Registration may be renewed for further periods of 10 years at a time.

The new Trade Marks Directive of 16 December 201516 will help to iron out some of the differences that exist between the practice of EUIPO and the practice of the SPTO. The aim of the new European Trade Marks Directive is to approximate substantive law and procedural rules to enhance trademark protection in the Member States, bringing them in line with the EU trademark system.

In relation to signs to be registered at the SPTO, currently trademark protection is only granted in Spain for signs that can be represented graphically. The Spanish Trade Mark Act allows the following graphic representations to be considered marks, either on their own or in combination: words and combinations of words; images, figures, symbols and drawings (e.g., logos, landscapes, geometric figures, figures of animals); letters, figures and combinations thereof; three-dimensional forms (packages, containers and the shape of the product); and sounds. With regard to sound trademarks, to date, the SPTO only accepts sounds that can be represented graphically, by a pentagram, for example.

The new European Trade Marks Directive introduces a significant change by removing the requirement of graphic representation:

A trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of:

(a) distinguishing the goods or services of one undertaking from those of other undertakings; and
(b) being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

The removal of the graphic representations (establishing an open, permissive system ‘in a manner which enables to determine the clear and precise subject matter of the protection’) will, for example, make it possible to use a video file to represent the trademarks in movement or an audio file to represent a sound trademark, standardising the practice of EUIPO (which accepted them without any concerns) and the practice of the SPTO (which does not accept audio files).

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this amendment by 14 January 2019; as such, the Spanish Trade Mark Act will have to be amended to remove the graphic representation requirement for the registration of trademarks in Spain.

ix Utility models
A utility model protects inventions with a lower inventive content than those protected by patents; a utility model may, for example, give an object a configuration or structure from which some practical use or advantage is derived.17

The device, instrument or tool eligible for protection by a utility model is characterised by its ‘usefulness’ and ‘practicality’ and not, as is the case with an industrial design, by its ‘aesthetics’.

The state of the art by which the novelty and inventive step of utility models should be judged comprises everything disclosed in Spain, by a written or oral description, by use or by any other means, prior to the date of the application for protection. Disclosures made abroad should not be taken into account (whereas with patents domestic and foreign disclosures are analysed, which is the main difference between the two).

The scope of protection of a utility model is similar to that granted by a patent. The term of a utility model is 10 years from when the application is presented (whereas with patents the term is 20 years).

x Protection of plant variety rights
On an EU level, varieties of all botanical genera and species, including, *inter alia*, hybrids between genera or species, may be eligible for protection by Community plant variety rights.18

In Spain, the recognition and protection of a breeder’s rights over a new plant variety are secured by granting plant variety rights.19

Both Community plant variety rights and Spanish plant variety rights are granted for varieties that are: distinct, uniform, stable and new. The term of the Community and the Spanish plant variety rights shall run until the end of the 25th calendar year or, in the case of varieties of vine and tree species, until the end of the 30th calendar year, following the year of grant.

In the event of the grant of Community plant variety protection for a variety that had previously been protected by Spanish plant variety rights, the holder of the Spanish certificate will not be able to invoke the rights granted by said plant variety certificate while the Community plant variety protection is in force.

II RECENT DEVELOPMENTS
i Ex parte interim injunctions
Quite often *ex parte* interim injunctions are imperative in order to properly enforce and protect intellectual property rights while the main infringement proceedings are underway, and which can take several years at different levels of the courts until the final decision is handed down.

If the applicable requirements are met, then *ex parte* interim injunctions can be obtained from the Spanish courts in intellectual property matters. For example, on 1 August 2012 Commercial Court No. 1 of Barcelona ordered an *ex parte* injunction against.

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a generics company that had not replied to a warning letter sent by a patent owner and was in a position to make a price offer for its generic medicinal product during the month of August 2012 (when the Spanish courts are in recess for civil cases).

On 18 March 2013 and 31 July 2013, Commercial Court No. 4 of Barcelona ordered an *ex parte* injunction against generics companies that had obtained price and reimbursement for a generic medicinal product in February 2013 and March 2013, respectively. Again, on 22 April 2013 Commercial Court No. 5 of Barcelona ordered an *ex parte* injunction against a company that had obtained price and reimbursement for a sustained release formulation of a medicinal product during March 2013.

In these cases, Commercial Courts Nos. 1, 4 and 5 (the Barcelona commercial courts that have been dealing exclusively with patent cases since November 2011):

a prohibited the defendants from launching their generic products onto the Spanish market;

b ordered the generic companies to take the necessary action to ensure that their generic products were excluded from the National Health System, thus avoiding the risk of the principal active ingredients of the brand medicines marketed by the patent owners being included in the reference price system; and

c notified the Ministry of Health of the rulings so that the brand medicines marketed by the patent owners were not included in the reference price system.

On 20 January 2015, Commercial Court No. 1 of Barcelona handed down a judgment that establishes that, as a general rule, obtaining a marketing authorisation well in advance of patent expiry is not a sufficient indication of the ‘imminence’ required to grant an interim injunction. However, the Court found the following circumstances relevant and, when considered together, conclusive, for determining ‘imminence’ of infringement: (1) that the defendant has not made a formal undertaking not to launch; (2) that the marketing authorisation for the infringing product was obtained almost seven years prior to the patent’s expiry; and (3) the possible application of the ‘sunset clause’, according to which the marketing authorisation will expire within three years unless the defendant launches its product.

In interim injunction proceedings the validity of the patent can be contested, however this is only possible when very clear and manifest *prima facie* evidence is submitted in the proceedings that allows for a provisional conclusion to be reached, indicating the possible nullity of the patent. Interestingly, the 31 July 2013 Ruling from Commercial Court No. 4 of Barcelona, granting an *ex parte* injunction against a generic company, also confirmed the validity of the patent as follows:

*The applicant’s right expires on 25 November 2013; therefore, the applicant is, in principle, the holder of the right granted by its patent, pursuant to Article 50 of the Patent Act. This is not a question of presuming the validity of the patent, the fact is that the State has recognised that the holder has this right until 23 November 2013. It is true that the patent can be declared null and void, but this must be requested by an interested party; in the meantime, the patent is not presumed to be valid, it simply is valid, and the courts are obliged to protect the rights of its holders until it expires, meaning that no one can market said product without the permission of its holder until that moment.*

In the same regard, the decision of the Barcelona Court of Appeal dated 11 June 2014 (upholding the granting of some *ex parte* interim injunctions by Commercial Court No. 4 of
Spain

Barcelona) reiterated that in proceedings for interim injunctions and for the purposes of the *prima facie*, provisional judgment on the validity of the patent that must be carried out in these types of summary proceedings, it is not admissible to analyse the validity of the patent in terms of absolute certainty. In proceedings for interim injunctions, the starting point as concerns the validity of the patent is its registration, particularly if the applicant for the injunction has carried out a substantive examination procedure, as is the case for European patents. In such circumstances the defendant is the party that must provide very clear and manifest *prima facie* evidence which allows for a provisional conclusion to be reached, and which would indicate the possible nullity of the patent, otherwise the validity of the patent will be confirmed in the interim injunction proceedings, giving rise to the possibility that interim injunctions may be used.

ii Product protection in patent matters

The Spanish Supreme Court (Administrative Chamber) has handed down several judgments since 2011 creating case law in Spain, which confirms that the revision of a translation can be used to extend the protection of a patent to include products not claimed in the original translation of the patent (contrary to the SPTO’s previous understanding).20

This extension of protection (changing process claims to product claims) has become possible in Spain because of the application of Article 70.7 of the TRIPS Agreement21 (in force in Spain since 1995); TRIPS cancelled the Spanish reservation to the European Patent Convention that prevented the patentability of chemical and pharmaceutical products in Spain until 1992, and which was effective for the duration of the patent. Article 70.7 of TRIPS had also been the basis for several judgments from the civil courts to confirm the enforceability in Spain of product claims included in patents that were not granted when TRIPS came into force in Spain.22

Article 70.7 of TRIPS reads as follows: ‘7. In the case of intellectual property rights for which protection is conditional upon registration, applications for protection which are pending on the date of application of this Agreement for the Member in question shall be permitted to be amended to claim any enhanced protection provided under the provisions of this Agreement. Such amendments shall not include new matter.’

This case law from the Administrative Chamber of the Spanish Supreme Court has been contested in Spain before the lower civil courts on the basis of three decisions from the Court of Justice of the European Union (CJEU): judgment dated 18 July 201323 and two Rulings given by the CJEU on 30 January 2014.24 However, these three decisions from

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21 Agreement on Trade-Related Aspects of Intellectual Property Rights, the TRIPS Agreement is Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994.

22 Judgment from the Madrid Court of Appeal, Section 28, of 26 October 2006 and Judgment from the Barcelona Court of Appeal, Section 15, of 17 March 2008, *inter alia*.

23 C-414/11 *Daiichi Sankyo Co Ltd et alri v. DEMO*.

24 C-372/13 and C-462/13.
the CJEU rules on the interpretation of Article 70.2 of the TRIPS Agreement (concerning patents that had already been granted when TRIPS came into force) and not Article 70.7 (concerning patents still pending when TRIPS came into force), which was the basis of the Spanish case law extending the protection of a patent to include products not claimed in the original translation of the patent.

Article 70.2 of TRIPS reads as follows: ‘2. Except as otherwise provided for in this Agreement, this Agreement gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Member in question, and which is protected in that Member on the said date, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement.’

The question referred to the CJEU was the following:

Under Articles 27 and 70 of the TRIPS Agreement, do patents covered by the reservation in Article 167(2) of the [EPC] which were granted before 7 February 1992, that is to say, before the above agreement entered into force, and concerned the invention of pharmaceutical products, but which, because of the aforementioned reservation, were granted solely to protect their production process, fall within the protection for all patents pursuant to the provisions of the TRIPS Agreement and, if so, what is the extent and content of that protection, that is to say, have the pharmaceutical products themselves also been protected since the above agreement entered into force, or does protection continue to apply to their production process only, or must a distinction be made based on the content of the application for grant of a patent, that is to say, as to whether, by describing the invention and the relevant claims, protection was sought at the outset for the product or the production process or both?

In the three cases the CJEU gave a negative response to this question, stating the following:

A patent obtained following an application claiming the invention both of the process of manufacture of a pharmaceutical product and of the pharmaceutical product as such, but granted solely in relation to the process of manufacture, does not, by reason of the rules set out in Articles 27 and 70 of the Agreement on Trade-Related Aspects of Intellectual Property Rights, have to be regarded from the entry into force of that agreement as covering the invention of that pharmaceutical product.

However, the Spanish case law from the Administrative Chamber of the Supreme Court dealt with Article 70.7 of TRIPS (concerning patents still pending when TRIPS came into force) and whether Article 70.7 of TRIPS obliged WTO Member States to permit the modification of patents that were pending when TRIPS came into force in order to claim the enhanced protection (i.e., the product) introduced under TRIPS. The Administrative Chamber of the Supreme Court gave a positive response on this point in 2011, ruling that, according to Articles 27 and 70.7 of TRIPS, the revision of a translation can be used to extend the protection of a patent to include products not claimed in the original translation of the patent.

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25 The judgment clarifies in paragraph 16 that the TRIPS Agreement was ratified by the Hellenic Republic with effect from 9 February 1995.
With these precedents, a judgment delivered by the Barcelona Court of Appeal on 22 October 2014 (Section 15, Civil Chamber) held that the Rulings from the CJEU dated 30 January 2014 deal with Article 70.7 (concerning patents still pending when TRIPS came into force) and not only Article 70.2 (concerning patents that had already been granted patents when TRIPS came into force) as we have seen, and as is the case. The Barcelona Court of Appeal states that:

Although the scope of such decision may cast some legal doubt, given that, in our opinion, the facts involved in the Rulings dated 30 January 2014 have notable differences compared to the facts involved in the Judgment dated 18 July 2013, the objective fact is that, the Court having asked about the protection that the TRIPS Agreement confers on a patent applied for when the Reservation to the EPC was in force and prior to the entry into force of such Agreement, and granted thereafter with product and process claims, the Court replies as follows: ‘A patent obtained following an application claiming the invention both of the process of manufacture of a pharmaceutical product and of the pharmaceutical product as such, but granted solely in relation to the process of manufacture, must not, by reason of the rules set out in Articles 27 and 70 of the TRIPS Agreement, be regarded, as from the date of entry into force of that agreement, as covering the invention of that pharmaceutical product."

(...) Even if, in fact, the Judgment dated 18 July 2013 does not specifically deal with that situation, the Rulings dated 30 January 2014 provide the same reply to cases that even go beyond the judged case, because they deal with patents applied for when the Reservation was in force and granted with product and process claims many years later.

The Barcelona Court of Appeal held that the CJEU has decided upon the interpretation of Article 70.7 of the TRIPS agreement stating that the Court ‘asked about the protection that the TRIPS Agreement confers on a patent applied for when the Reservation to the EPC was in force and prior to the entry into force of such Agreement, and granted thereafter with product and process claims’ (i.e., patents still pending when TRIPS came into force (Article 70.7.)). In our opinion, the fact is that the CJEU has decided upon the interpretation of Article 70.2 of the TRIPS agreement stating that ‘A patent obtained following an application claiming the invention both of the process of manufacture of a pharmaceutical product and of the pharmaceutical product as such, but granted solely in relation to the process of manufacture, must not, by reason of the rules set out in Articles 27 and 70 of the TRIPS Agreement, be regarded, as from the date of entry into force of that agreement, as covering the invention of that pharmaceutical product.’ In other words, these are patents that had already been granted when TRIPS came into force (Article 70.2.), without the requirement that any further step be carried out (as in the Spanish cases where revised translations including product protection were admitted on the basis of Article 70.7 of the TRIPS agreement).

The reasoning from the Court of Appeal, on the understanding the CJEU has decided about the interpretation of Article 70.7 of the TRIPS agreement, led the Court to decide as follows in the case at hand:

*The binding force of CJEU's interpretation of Articles 27 and 70 of the TRIPS Agreement is binding on all Courts (and not only on the parties to the proceedings in which the preliminary ruling is submitted).*

(...)
Consequently, we should apply the criterion laid down by the CJEU in the Judgment dated 18 July 2013 and in the Rulings dated 30 January 2014, expounded in the previous Points of Law. This means that, since the patent was only granted with process claims, it is not possible, according to the CJEU’s interpretation of Articles 27 and 70 of the TRIPS Agreement, to extend the scope of protection to product claims. And, since such claims do not take effect, and are included in the revised translation (which title is the basis of the plaintiff’s claim), we should set aside the action for infringement.

Therefore, the action for infringement was dismissed by the Barcelona Court of Appeal (Civil Chamber), contradicting the case law from the Administrative Chamber of the Supreme Court settled since 2011 (case law confirmed recently by additional judgments from the Administrative Chamber of the Supreme Court of 29 January 2015 and 9 February 2015, even after having reviewed the judgment and the two rulings given by the CJEU on 18 July 2013 and 30 January 2014, which were considered not to be relevant).

An appeal has been lodged against the decision of the Barcelona Court of Appeal before the Civil Chamber of the Supreme Court. It will be interesting to see how the Civil Chamber of the Supreme Court will decide on this appeal; hopefully it will confirm the case law settled from the Administrative Chamber of the Spanish Supreme Court since 2011 regarding Article 70.7 of the TRIPS agreement, extending the protection of a patent to include products not claimed in the original translation of the patent.

III OBTAINING PROTECTION

As mentioned in relation to patents, inventions, including biological material, may be patentable, provided they are novel, involve an inventive step and are capable of industrial application.

Biological material isolated from its natural environment or produced by means of a technical process may be the subject of an invention, even though it already exists in its natural state. ‘Biological material’ is understood to mean material that contains genetic information that is self-reproducing or reproducible in a biological system and using a ‘microbiological process’, and any process that uses microbiological material, including an invention involving the same or which produces microbiological matter.

The following in particular are not considered inventions and are not patentable in Spain: discoveries, scientific theories, mathematical methods, literary, scientific and any other aesthetic creations, rules and methods for performing intellectual activities, playing games or doing business, computer programs and the manner in which information is presented.

Methods of surgical or therapeutic treatment for humans or animals, or diagnostic methods for humans or animals, are not considered inventions eligible for industrial application (and as such are not patentable). This provision will not apply to products, in particular substances or compositions, or to inventions of devices or instruments for putting such methods into practice. In this regard, Swiss-style claims, accepted by the European Patent Office (EPO) boards of appeal to address the fact that methods of treatment for humans or animals are not patentable, have been also accepted by the Spanish courts.26 Inventions whose

26 Judgment of 26 October 2006, of the Madrid Provincial Court (Section 28) confirmed that Swiss-style claims, like ‘process’ claims, are what is termed ‘activity’ claims and, therefore, they
exploitation would be contrary to public policy or good practice cannot be patented either. In particular, the following are not considered patentable: processes for cloning human beings; processes for modifying the germ-line genetic identity of human beings; the use of human embryos for industrial or commercial purposes; processes for modifying the genetic identity of animals that involve suffering for the animals and that do not offer any material medical or veterinary use for humans or animals, and the animals produced by said procedures.

Neither plant varieties nor animal breeds are patentable. However, inventions involving plants or animals may be patentable if the technical viability of the invention is not limited to a particular plant variety or specific breed of animal.

Moreover, essentially biological processes for breeding plants or animals are not patentable. In this regard, those processes that consist entirely of natural phenomena such as cross-breeding or selection are considered essentially biological. Nevertheless, a microbiological process or any other technical process or a product obtained using said processes will be patentable.

Finally, the human body will not be patentable in any of its different states or stages of development and neither will the mere discovery of one of its elements, including all or part of a gene sequence. However, an isolated element of the human body, or one obtained using a technical process, including all or part of a gene sequence, may be considered a patentable invention, even in the event said element is identical to that of a natural element. The industrial application of all or part of a gene sequence will have to appear explicitly in the patent application.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement

In patent matters, the commercial court judges of the city where the autonomous community High Court sits, and which corresponds to the domicile of the defendant, will have jurisdiction. In the autonomous community of Catalonia, for example, this means the commercial court judges in Barcelona.

Likewise, in the case of patent right infringement actions, the commercial court judges of the autonomous community where the infringement took place or where its effects were felt will also have jurisdiction.

ii Requirements for jurisdiction and venue

When the Community rules governing jurisdiction apply (i.e., in the event the defendant is domiciled in the European Union), the Spanish courts will have international jurisdiction over patent cases in which the defendant was domiciled in Spain when the patent infringement occurred or may occur in Spain.

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Application may be made to the Spanish courts for provisional, including protective, measures (interim injunctions), even if according to the Community rules the courts of another Member State of the European Union have jurisdiction over the substance of the matter.

In the event national provisions on private international law apply, interim injunctions may be applied for in Spain, and must be complied with, in relation to persons or assets located in Spanish territory.

In proceedings concerned with the registration or validity of patents, trademarks, designs or other similar rights required to be deposited or registered, the courts of the Member State in which the deposit or registration has been applied for, has taken place or is deemed to have taken place (under the terms of a Community instrument or an international convention), shall have exclusive jurisdiction, regardless of domicile.

Notwithstanding the jurisdiction of the EPO under the Convention on the Grant of European Patents, signed at Munich on 5 October 1973, the courts of each Member State shall have exclusive jurisdiction, regardless of domicile, in proceedings concerned with the registration or validity of any European patent granted for that state.

iii Obtaining relevant evidence of infringement and discovery

First, the Patents Act envisages a specific system for obtaining evidence called ‘proceedings for the verification of facts’, which is an ex parte court procedure, roughly equivalent to an Anton Piller order or a saisie-contrefaçon. This may be requested by a patent holder if there is reason to suspect that its patent is being infringed but the patent holder has no evidence to support an infringement action.

This procedure is aimed at obtaining evidence of infringement through a surprise site inspection at the premises of the infringer. These proceedings commence with an application, filed before the competent commercial court, containing documentary prima facie evidence that the patent might be infringed but which in itself would be insufficient to prove infringement in a main action. The applicant also needs to justify the claim that it lacks alternative means of obtaining the required information or evidence.

If the verification proceedings are granted, the judge establishes a bond to cover any potential damage to the entity (or entities) inspected that may arise from the proceedings, and sets a date for the surprise inspection to be conducted at the premises of the entity allegedly infringing the applicant’s patent rights. The inspection is conducted by a court committee on the day set by the judge.

The court committee will comprise the judge and one or more independent technical experts. The court clerk is normally also present to record the minutes of the inspection. If, from the documents or evidence gathered, the judge considers that infringement cannot be presumed, the judge declares the fact-verification proceedings closed and the minutes of the inspection remain confidential. The judge then issues a decision informing the applicant that it is not appropriate to inform it of the results of the proceedings. The judge’s decision with regard to the outcome of the proceedings cannot be appealed.

On the other hand, if the judge concludes that infringement can be presumed, the judge, with expert assistance, will draw up a detailed description of the relevant evidence gathered at the potential defendant’s premises. That description is provided to the patent holder in a certificate issued by the court. The latter can then use it to prepare its complaint and as evidence of infringement in such action.
Second, further to the implementation of Directive 2004/48/EC in Spain, the Spanish Civil Procedure Act offers the possibility of pretrial examination of the potential defendant. A party intending to exercise an action for infringement of intellectual property rights on a commercial scale may request the pretrial examination of the defendant and ask the latter to exhibit a sample of the infringing goods or products. If, on considering the examination or exhibition of documents relevant to the applicant’s purpose, the court determines that the petition has both just cause and legitimate interest, it will grant the request, establishing the deposit to be lodged by the applicant to cover any expenses and damages to the party to be examined.

iv Trial decision-maker
Spanish judges do not have a technical background. However, as from 1 September 2004, all patent cases are exclusively dealt with by the commercial courts, each of which comprises a single judge, and over the past few years the commercial judges have become quite familiar with patent cases.

Appeal proceedings are dealt with by the provincial courts, which comprise three judges. The appeal judges of the provincial courts do not have a technical background either, although since 1993 Section 15 of the Barcelona Provincial Court has specialised in IP matters and is very familiar with patent cases. The Madrid Provincial Court followed this example and more recently established a special chamber (Section 28) to deal with IP matters.

In addition, there are judges who were previously in Section 15 of the Provincial Court of Barcelona now providing the benefits of their experience and specialisation in IP matters to the Civil Chamber of the Supreme Court, which without doubt translates as quality IP protection in Spain.

v Structure of the trial
The 2000 Civil Procedure Act represented a radical change in Spain, which had previously been regulated by the Act of 1881, under which judicial proceedings in civil matters conducted in writing were predominant.

The most noteworthy development of the new Act, which entered into force in 2001, is the introduction of ‘oral’ trials, at which evidence such as examination of the parties, witnesses and experts are heard and the attorneys orally present the conclusions of the case at the end of the trial. The oral trial tries to mirror to a large extent common law trials.

vi Infringement
The Civil Procedure Act establishes that all complaints or replies to complaints must include the documents on which the parties intend to base their right to the judicial protection they are seeking, as well as the expert opinions on which the parties are basing their claims.

Therefore, all possible documentary and expert evidence that can verify the existence of an infringement must be presented together with the complaint. This means that the complaint document (and the reply) are the essential writs for the presentation of the available documentary and expert evidence (that can prove the patent infringement and damage suffered, for example).

Therefore, the preparatory stage of a patent action is crucial and must be carefully considered in advance. The proceedings for patent infringement are initiated by the filing of a complaint. In the complaint, the plaintiff must set out the facts of the case and the legal arguments in support of its claim.
The plaintiff must give particulars of the patent claims alleged to have been infringed and, in respect of each such claim, the grounds (both underlying facts and legal arguments) invoked in support of the allegations. The technical allegations must be supported by the relevant experts in the field and the expert reports proving infringement must be filed with the complaint.

In relation to this expert evidence, if the plaintiff considers that for the purpose of deciding the case it would be advisable for the court to appoint an independent expert (in addition, or as an alternative, to any expert proposed by the parties), this must be requested in the initial complaint.

The preparation of a Spanish complaint and the filing of documents to start legal proceedings for patent infringement is an extensive exercise, so advance preparation is crucial to the success of any potential proceedings.

vii Defences
Once process has been served on the defendant, the defendant has 20 days to submit its defence and, if appropriate, its counterclaim.

In Spain, the defence in patent cases will often include: an allegation of nullity of the patent alleged in the complaint, which will serve as a defence of the infringement but without the judge having to declare the revocation of the patent; or a counterclaim seeking revocation of the patent (with erga omnes effects).

A patent may be annulled if: (1) any of the patentability requirements are not met (i.e., lack of novelty, obviousness, lack of industrial applicability); (2) the description is not clear and comprehensive enough for the patent to be executed by a person skilled in the art; (3) the patent discloses a matter that was not in the patent application as initially filed; or (4) the patent holder is not entitled to the patent, that is, the patent holder is not the inventor or the inventor’s legal successor. However, only the person actually entitled to the patent can invoke this fourth ground. In practice, the first, second and third grounds are the ones invoked most frequently in proceedings in Spain.

viii Time to first-level decision
Proceedings before the first instance courts tend to last between approximately one-and-a-half and two years.

ix Remedies
In the complaint the plaintiff must clearly state the remedies sought and the entities against whom the complaint is being brought. To show the damages to which the plaintiff may be entitled as a consequence of the infringement, all documentation and evidence available (e.g., details of sales and market share) should be included. It is usual for the amount of such damages to be assessed by an expert at the declaratory stage. If it has been possible to thus assess this amount and the judge finds it reasonable, it will be included in the judgment. If, however, at the declaratory stage, it has only been possible to fix the basis upon which the damages will be assessed, the judge will only include this in the judgment and the damages will be calculated exactly when the judgment is enforced, in separate proceedings, which both parties may attend.

An illustrative (non-exhaustive) list of the types of relief that may be sought in the main proceedings by a patent holder whose rights have been infringed is as follows: (1) an order for cessation of the infringing acts (i.e., an injunction); (2) an award of damages; (3) an
order for seizure of infringing products and the means exclusively used for their production or for carrying out the patented process; (4) an order for assignment of the ownership of infringing products seized to the patent holder where possible; (5) adoption of any other measures necessary to prevent the patent infringement continuing and, in particular, alteration or destruction of infringing products when this is essential to prevent infringement of the patent; and (6) publication of the judgment against the patent infringer, at the infringer’s expense, by means of advertisements and notification to other interested persons.

x    Appellate review

In the event the plaintiff is successful, an injunction against the defendant will be granted. The injunction will be aimed at stopping the activity reported in the proceedings and any other infringing act. If the judgment is appealed, the relief obtained at trial will be suspended until the appeal is decided, although the successful party may request provisional enforcement of the judgment or request that the judge grant interim relief. However, only judgments declaring patent infringement may be provisionally enforced, not judgments declaring the nullity of a patent.

Judgments of courts of first instance may be appealed before the provincial court. The provincial court will consist of three appeal judges. Under normal circumstances, it would take from 12 to 18 months for an appeal to be heard following a judgment of the court of first instance.

Further appeal to the Supreme Court is permitted only in limited circumstances: cassation appeal (i.e., an appeal citing a breach of law and or case law) and extraordinary appeal, due to breach of procedure. The Supreme Court proceedings may last between three and six years.

xi    Alternatives to litigation

The Trademark Act makes it possible to submit litigious matters to arbitration in the context of the trademark registration process. Nevertheless, arbitration will only address the following trademark prohibitions:

a    signs that cannot be registered as trademarks because they are identical or similar to a prior trademark or trade name and because the products or services they designate are identical or similar, meaning there is a risk of confusion for the public; the risk of confusion includes the risk of association with the prior mark;

b    signs that cannot be registered as a trademark because the sign is identical or similar to a prior trademark or trade name, even though registration is being applied for in relation to products or services that are not similar to the ones protected by the prior signs when, because they are well known or renowned in Spain, use of this mark could be taken as indicating a connection between the products or services protected by it and the owner of said signs; or, in general, when this use, performed without just cause, may imply taking unfair advantage or undermining the distinctive nature or renown of the prior signs; and

c    signs that cannot be registered because they are the civil name or image that identifies a person other than the trademark applicant; the name, surname, pseudonym or any other sign that, for the public in general, identifies a person other than the applicant; the signs that reproduce, imitate or transform creations that are protected by copyright or other intellectual property rights; and the trade name, denomination or company name of a legal person that, prior to the date of presentation or priority of the mark.
applied for, identified a person other than the applicant and if, because it is identical or similar to these signs and as the scope of the same is similar, there is a risk of confusion for the public.

The interested parties must notify the SPTO of the arbitration agreement. Arbitration and mediation are more commonly used in commercial co-marketing agreements, technology transfers, patent or know-how licences, partnering, out-licensing and in-licensing, etc.

Questions such as the confidentiality of the arbitration or mediation procedure, the flexibility of the same with terms that can be adapted to the needs of the parties, and the expertise of the arbitrators and mediators that may be involved, make it an increasingly popular dispute-resolution tool in this sphere.

Furthermore, the Spanish Patent Act envisages that prior to bringing legal action regarding employee inventions, the matter be submitted, if so agreed by the parties, to a conciliation process before the SPTO.

V TRENDS AND OUTLOOK

The Spanish Patent Act currently in force dates from 1986 and represented, at the time, the complete reform of the patent system in the context of Spain’s accession to the European Union and to the European Patent Convention. The Spanish courts’ application of the 1986 Patent Act has significantly increased the protection of patents in Spain and has aligned Spain with the most advanced countries in the world, duly enforcing patent rights against infringement and in return fostering and protecting innovation.

Nevertheless, the Spanish Patent Act has been the subject of another comprehensive reform as some issues needed to be reviewed and amended, to improve the enforcement of patents in Spain. A new Spanish Patent Act was finally published on 25 July 2015, although it will not enter into force until 1 April 2017. The new Spanish Patent Act includes the following main legislative changes:

a  Regarding patentability, it includes the modifications adopted for European patents following the Act revising the EPC of 29 November 2000, by expressly establishing the possibility of patenting substances or compositions already known for their use as medication or for new therapeutic applications.

b  It substitutes the de jure assumption that permits the employer to claim ownership of the inventions whose patent was applied for within the year following the termination of the employment relationship by another assumption that admits proof to the contrary.

c  In the system for granting national patents, the law departs from the optional regime in force (in which the prior examination of novelty is optional) and returns to the prior examination – also referred to as the fundamental (or substantive) examination – of novelty and inventive step as the sole system for granting patents. The failure to review the novelty in patents granted in Spain sometimes entails the consequence of

28 Law No. 24/2015, of 24 July 2015 on Patents.
passing on to competitors the cost and charge of annulling patents that should never have been granted, and gives rise to distortions of competition based on ownership titles whose presumption of validity can only be destroyed by the courts.

d The new Spanish Patent Act separates the two cases under which the rights granted by the patent do not cover acts of experimental use and those protected by what is known as the Bolar provision, which have a different origin and purpose, as has been confirmed by the case law of the Supreme Court. 29

e In the process of invalidating patents, the prohibition against partially annulling a claim is removed, thereby improving the legal certainty and avoiding comparative disadvantages between the holders of Spanish patents and the holders of European patents validated in Spain.

f The scope of the state of the art by which the novelty and inventive step of utility models should be judged has been expanded – from formerly including only what was disclosed in Spain (by a written or oral description, by use or by any other means, prior to the date of the application for protection) to now also including all disclosures made abroad (thus matching the utility models regime with the patent system in which domestic and foreign disclosures are analysed, which is currently the main difference between the two).

g The scope of what can be protected as utility models is also expanded (until now, it was practically restricted only to the field of mechanics). Now, the only things excluded, in addition to processes and varieties of vegetables that were already expressly excluded, are biotechnological inventions and the pharmaceutical substances and compositions that had also been excluded in the past. And it creates the possibility, as a novelty, to apply the utility model for the rest of the chemical products, substances or compositions, which will be covered under this type of protection.

29 Supreme Court Judgment No. 420/2010, of 30 June, Supreme Court Judgment No. 766/2011, of 11 November and Supreme Court Judgment 631/2012, of 26 October. Before 27 July 2006, the Bolar provision did not exist in Spain; all that existed was the ‘experimental use exception’, under which the rights granted by the patent do not cover acts performed for experimental purposes in relation to the subject of the patented invention. Therefore, prior to that date, acts falling under the Bolar provision constituted patent infringements in Spain. Following the amendment of Article 52.1.b) of the Patents Act implemented by the penultimate provision of the new Medicines Act, which entered into force on 28 July 2006, the Bolar provision was included in Spain as follows: ‘[T]he rights granted by the patent do not cover: […] acts performed for experimental purposes in relation to the subject of the patented invention, in particular studies and trials carried out for the authorisation of generic medicinal products, in Spain or abroad, and with the resulting practical requirements, including the preparation, procurement and use of the active ingredient for this purpose.’ The law implementing the Bolar provision in Spain stated that it was introduced in the interests of clarification, implying that the provision was already covered by the ‘experimental use exception’ (which is incorrect). However, the Supreme Court has repeatedly confirmed that the Bolar provision does not have retroactive effect in Spain, that it has a different origin and purpose to the ‘experimental use exception’ and that it was introduced and entered into force in Spain for the first time in 2006.
For the first time, the Patent Act has included the option of submitting protective letters from parties who anticipate the possible application for *ex parte* interim injunctions against them. They may do so by appearing before the competent judicial body in order to be informed of such possible measures, to give an account of their situation and defend themselves against a potential grant of an *ex parte* interim injunction.

These are some of the main legislative changes introduced by the new Spanish Patent Act; however, they will not enter into force until 1 April 2017.
Chapter 25

SWITZERLAND

Thomas Schär, Martina Braun, Brigitte Bieler and Nicolas Gut

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 WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, 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 directives 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 a national or – more commonly – a European application 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 at the outset...
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 imported. 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 carveout 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 term of protection is the shorter of five years or the time between the filing date of the patent and the date of marketing authorisation in Switzerland, minus five years. The application for an SPC must be filed within six months following 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).

As the law currently stands, there are no other forms of patent term extensions available in Switzerland. However, for products for paediatric use this will change following the enactment of amendments to the Federal Therapeutics Act and Federal Patent Act, respectively, which have been passed by Parliament in March 2016 (see Section V, infra). The revised Federal Patent Act will bring about a six-month SPC extension for paediatric pharmaceuticals.

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.

Upon the implementation of the revised Federal Therapeutics Act (see Section Iii, supra), authorisation holders will benefit from a data exclusivity period of up to 15 years for medicinal products for paediatric use and rare diseases in the future.
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). Signs that (1) belong to the public domain; (2) are of a shape that constitutes the essential nature of the claimed goods or is otherwise technically necessary; (3) are misleading; and (4) are contrary to public policy, morality or the law cannot acquire protection as a trademark. Swiss examiners tend to be fairly strict when it comes to the appraisal of misleading indications of origin, both alluding to domestic locations or places abroad.

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 endows the owner with the exclusive right to prohibit others from commercially using an identical or confusingly similar sign for the designation of specific goods or services. As in copyright protection, the Swiss Federal Supreme Court has posited international exhaustion once a branded product has been put into circulation for the first time.

The Swiss Federal Institute of Intellectual Property (the Institute) has issued Trademark Guidelines on the conduct of its proceedings, which are available in German, French or Italian. Additionally, the Institute provides a trademark examination support tool that serves to predict trademark examination decisions made by the Institute as well as to maintain consistent trademark practice. It contains decisions of the Institute on applications for the registration of trademarks and oppositions, abstract examination rules and geographical indications protected under international treaties.

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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.
Indications of origin are protected in their own right by virtue of Articles 47 et seq. of the Federal Trademark Act. They are not subject to any registration requirements. On 1 January 2017, the new ‘Swissness’ legislation will come into force. The Swissness criteria strengthen the protection of the ‘Made in Switzerland’ designation and the Swiss cross. The bill establishes precise rules in the Federal Trademark Act concerning the conditions under which a product or service may be labelled as being Swiss. If these rules are complied with, services and goods can be endorsed with the Swiss cross.

Unregistered signs and trade dresses are capable of protection under unfair competition law, while company names benefit from a specific protection regime. Domain name registrations do not entail legal exclusivity rights per se, but earlier trademarks or trade names may constitute a claim for having a corresponding domain name transferred. Since September 2015, the new ‘.swiss’ internet domain is available to the Swiss community. It 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 Federal Patent Court (the Patent Court), which began operations on 1 January 2012, has continued to increase its profile. Its judgments are generally well received and, in 2015, the Patent Court further pursued its intention to offer expedited and cost-efficient proceedings. As in previous years, the Patent Court continued to achieve a remarkable settlement ratio: in 16 out of 19 ordinary proceedings concluded by the Patent Court in 2015, a settlement was attained.

On 11 December 2015, the Federal Council submitted the draft amendment of the Copyright Act for consultation. The preliminary draft for modernisation of the copyright
is guided by the recommendations of the copyright working group (AGUR12). The end date for the consultation procedure was 31 March 2016. The proposals in the draft for consultation primarily focus on the following provisions and aims:

\[ a \] Improved anti-piracy strategy: Hosting providers domiciled in Switzerland have to remove copyright infringing content from their servers (take down). In case they do not join a self-regulating body, they also have to prevent such content from being re-uploaded onto their servers (stay down).

\[ b \] More efficient collective management of copyright: The draft bill lays the foundation for ensuring that in the future, new offers can be made available to consumers quickly and legally via voluntary collective rights management, internationally known as ‘extended collective licensing’. The draft bill also expands the supervision of the collective management of rights.

\[ c \] Modifications to limitations and exceptions to copyright as well as other changes: The press photographers should have the sole right of copying and selling their photographs, for as long as these photographs are of interest to current media reporting. In addition to the already existing remuneration for the rental of copies of a work, a new remuneration is to be introduced for the lending of copies of a work. The subject matter of rental and lending are books, videos, the visual arts and music scores. Lending is defined as the situation when a copy of a work is given to somebody for a certain period of time to use free of charge. Only if someone lends out copies of works as a main or part-time business, such as libraries and museums, should therefore owe remuneration.

Pursuant to the consultation procedure, the draft bill summarised above may be adjusted and will be subject to approval by the Swiss Parliament.

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

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7 In particular, the following remarks are based on the Media Release and Media Kit from the Swiss Federal Institute of Intellectual Property, dated 11 December 2015.
inventive step *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, namely, it must entail a physical interaction with the environment. In this light, 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:

- **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);
- **b** naturally occurring gene sequences or partial sequences (however, technically produced derivatives of gene sequences may be patented if their function is specifically indicated);
- **c** unmodified human embryonic stem cells and stem cell lines;
- **d** processes for cloning human beings or the creation of other organisms by using human genetic material;
- **e** processes for modifying the germ line genetic identity of human beings;
- **f** essentially biological processes for the production of plants or animals;
- **g** harmful processes for modifying the genetic identity of animals without due justification;
- **h** use of human embryos for non-medical purposes; and
- **i** methods for surgical treatment or therapeutic and diagnostic methods practiced on the human or animal body. However, substances and compositions solely intended for such 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.

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 Patent Court in nullity or infringement proceedings by virtue of a counterclaim or objection.

### IV ENFORCEMENT OF RIGHTS

i **Possible venues for enforcement**

The 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 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 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 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 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 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 judgement 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.\textsuperscript{9} 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 Patent Court
orders a precise description of the allegedly unlawful products manufactured or processes used.
The applicant must provide \textit{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 Patent Court will take the necessary measures to safeguard such
secret, for instance by conducting the procedure for establishing the description \textit{ex parte}.
Such exclusion does not necessarily extend to the applicant’s attorney or patent attorney,
who, however, may be bound to secrecy by the court with regard to their clients and ordered
to hand in their notes to the court.\textsuperscript{10}

Second, the Federal Code of Civil Procedure allows to request 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.\textsuperscript{11} 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. 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.

iv  Trial decision-maker

The Patent Court is a specialised court constituted by two permanent judges and
38 non-permanent judges, of whom 27 are technical experts and 11 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 as well jurists as 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

\textsuperscript{9}  As expressly declared by the Patent Court, 27 April 2012, S2012_006, cons. 7.
\textsuperscript{10}  Patent Court, 30 August 2013, S2013_008, cons. 7.
\textsuperscript{11}  Federal Patent Court, 12 June 2012, S2012_006, cons. 7.
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 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 Patent Court. Further, the 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 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 Patent Court and both parties. However, the judgment and procedural rulings will be drafted in one of the official languages in any event.

After submission of its statement of claim, plaintiff is ordered to pay an advance on the court fees. Simultaneously, the defendant is served with the statement of claim for its attention. Recently, the Patent Court changed its practice regarding the payment of the court retainer fee in ordinary proceedings in such way as henceforth the plaintiff has to pay an advance on only half of the expected court costs for a decision. Only upon receipt of the advance payment will the court will set 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 thereto. Thereafter, theoretically the procedure of taking evidence would take place. However, up until now, no such procedure has been performed by the Patent Court. As stated in subsection iii, supra, object thereof are the facts that are legally relevant and disputed by the parties. The plaintiff normally carries the burden of proof in infringement proceedings. However, regarding 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 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 subsection i, supra). 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, supra). Further, a patent cannot be invoked if the alleged infringer was commercially using the invention in good faith in Switzerland or had made special preparations for that purpose prior to the filing or priority date of the patent application. Such person is allowed to continue to use the invention for the purposes of its trade or business. 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.

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13 Patent Court, 21 March 2013, S2013001, cons. 17.2, confirmed by the Patent Court, 25 January 2016, O2014_002, cons. 6.5.2.2.
viii Duration of first-level decision

The 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.14 There are no punitive damages in Switzerland.15

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.16 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.17 If an infringer expects an attempt by the patentee to obtain an ex parte injunction, it may lodge a preventive protective writ with the Patent Court outlining the defence against the anticipated allegations.

x Appellate review

Judgments rendered by the Patent Court may be appealed to the Swiss Federal Supreme Court. In general, just points of law may be invoked, the findings of facts can be challenged only in very limited circumstances.

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14 Federal Supreme Court, 19 December 2005, 132 III 379, cons. 3.2.
15 Federal Supreme Court, 10 October 1996, 122 III 463, cons. 5cc.
16 Federal Supreme Court, 19 December 2005, 132 III 379, cons. 3.3.
17 Federal Patent Court, 24 May 2013, S2013_005, cons. 3.
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.

xi Alternatives to litigation

Since the objections admissible in oppositions brought against domestic patents before the Institute are very limited (see Section III, supra), opposition is only a viable alternative to litigation if directed against a European application within nine months after grant of the right in the patent.

V TRENDS AND OUTLOOK

With regard to patent law, the current reform focuses, inter alia, on improving the conditions for biotechnical research and industry as well as medical treatment of children and patients with rare diseases. The Swiss Parliament finally adopted the revised Federal Therapeutics Act and Patent Act in March 2016. As an incentive for research, a six-month SPC extension for paediatric pharmaceuticals and a data exclusivity period of 15 years for products for paediatric use or rare diseases will be introduced. The new statutory provisions are expected to enter into force by the end of 2017.

Although Switzerland will not participate in the unitary patent and Unified Patent Court scheme of the European Union, the corresponding developments will be closely observed and analysed.
Chapter 26

TAIWAN

Edward Liu and Brian Wang

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

As in most countries in the world, Taiwan values the protection of intellectual property rights. As a civil law country, different forms of intellectual property protection and the related protective mechanisms are codified and established mainly through the process of legislation. Since 1928 when the Copyright Act was first enacted, intellectual property protection in Taiwan has evolved and become more and more mature, in order to be in line with the updated developments and global trends in the field. In particular, after Taiwan joined the World Trade Organization in 2002, the Patent Act has been amended several times following the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Taiwan has also entered into agreements with Japan, Korea, Spain and the US for the Patent Prosecution Highway, facilitating and accelerating the examination process if prosecution has been filed in any the listed countries. In terms of cross-strait intellectual property protection, Taiwan and China have agreed to mutually recognise the respective rights of priority.

Today, there are four acts that, collectively, play an essential role and provide the major protection for intellectual property in Taiwan: the Patent Act, the Trademark Act, the Copyright Act and the Trade Secrets Act.

Under the Patent Act, three types of patents (invention patent, utility model patent and design patent) are protected. For an invention patent, because a substantive examination is required and the validity is somehow verified upon approval, this kind of patent has, generally speaking, greater value than a utility model patent, which only needs to be reviewed through formal examination if there is a creation of technical ideas relating to the shape or structure of an article or combination of articles. With regard to a design patent, a substantive examination is also required but it merely covers those creations made in respect of the shape, pattern, colour or any combination thereof. In practice, it would take approximately three years for the examination of an invention patent; while the first Office Action would

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normally be issued within 19 months after filing date. The substantive examination for a design patent, on the other hand, takes much less time (nine months on average), while the formal examination for a utility model patent can usually be concluded within six months.

Trademark is another right that requires registration with the competent authority before effectuating any legal protection. Currently, any sign with distinctiveness can be protected as a trademark, not limited to those specifically identified in the Trademark Act, which may, for example, consist of words, devices, symbols, colours, 3D shapes, motions, holograms, sounds or any combination thereof. By reference to the Singapore Treaty on the Law of Trademarks, the Taiwan Trademark Act has adapted and expanded its protection over those unconventional forms of signs.

Trademarks

In terms of copyright protection, essentially any creation with originality can be regarded as a work under the Copyright Act, which may include oral and literary works, musical works, dramatic and choreographic works, artistic works, photographic works, pictorial and graphical works, audiovisual works, sound recordings, architectural works and computer programs. The author of a work shall enjoy copyright upon completion of the work; no registration is required. A similar mechanism is provided for a trade secret. Under the Trade Secret Act, any method, technique, process, formula, program, design or other information that may be used in the course of production, sales or operations could be protected as a trade secret, as long as it is not known to persons generally involved in the information of this type; it has economic value, actual or potential, owing to its secretive nature; and its owner has taken reasonable measures to maintain its secrecy.

In addition to the above, Taiwan has enacted laws to protect plant variety and plant seed right and integrated circuit layout right. The former is for the protection and development of Taiwan’s most traditional industry, agriculture; while the latter provides an independent protection particularly for Taiwan’s economic pillar, the semiconductor industry.

II RECENT DEVELOPMENTS

One of the most important developments in patent protection was the amendment of the Patent Act in 2013, which adopted ‘continuation of rights’.

As discussed in Section I, supra, the examination for an invention patent takes a much longer time; therefore, it is very common for an applicant to file a patent application for invention and a patent application for utility model for the same creation on the same date, so that he or she can expect to be protected as soon as possible with the grant of the utility model patent first. However, in the past, if an approval decision on the patent application for invention is later rendered, the applicant had to make a selection, and if he or she chose the invention patent, the utility model patent right (already granted) was deemed to be non-existent from the beginning. This has caused a lot of disputes, owing to the fact that, for example, the utility model patent might have been licensed in the intervening time. Moreover, if a patentee had initiated an infringement lawsuit based on the utility model patent, he or she would face a dilemma in whether to select the more valuable invention patent and give up the lawsuit, or keep the utility model patent and continue enforcing his or her right. There is likely to be a degree of unfairness in this scenario, and scholars and practitioners heavily criticised this enactment.

In 2013, Article 32, Paragraph 2 of the Patent Act was amended, and reads ‘[W]here the applicant selects the patent application for invention according to the provision set forth in the preceding paragraph, the utility model patent right shall become extinguished
on the publication date of the invention patent.’ This new continuation of rights provides an uninterrupted protection. However, an applicant filing a patent application for invention and a patent application for utility model for the same creation shall make respective declarations in respect of the said applications; otherwise the patent application for invention will not be granted.

Another interesting development in copyright practice is that the Taiwan Intellectual Property Court (TIPC), in its recent decisions,\(^2\) recognised that pornography can be copyrighted, provided such work has originality. These judgments changed the long-lasting opinion set by the Supreme Court in 1999, which excluded pornography from the definition of ‘works’ under the Copyright Act. The TIPC’s new opinion enhances the protection for creativity and conforms to the TRIPS Agreement.

### III OBTAINING PROTECTION

As discussed in Section I, *supra*, there are different forms of protection and each of them has a different nature and focuses on different subject matter that can be protected.

For an invention patent, in general, a creation of technical ideas, utilising the laws of nature and that is industrially applicable, may be granted a patent upon application in accordance with the Patent Act, except where: the invention was disclosed in a printed publication prior to the filing of the patent application; the invention was publicly exploited prior to the filing of the patent application; the invention was publicly known prior to the filing of the patent application; or the invention can easily be made by a person ordinarily skilled in the art based on prior art.

Based on the above definition, computer software itself (generally a program composed by a person applying mathematical or scientific principles) that does not utilise the laws of nature, cannot be patented. Nonetheless, an invention, involving computer software, may be granted a patent, as a whole, as long as it is related to technicality and is industrially applicable. On the other hand, a creation of computer software may be protected under the Copyright Act, provided such work is original. This may serve as an alternative, and more importantly as an incentive, for computer programmers to protect and to explore their creativity. As for business methods, such methods, even though being innovative, are fundamentally derived from social or economic principles, experiences or other man-made rules. Since they are not utilising the laws of nature, business methods are not patentable in Taiwan.

Notwithstanding the foregoing, there are statutory exclusions: an invention in respect of (1) animals, plants, and essential biological processes for the production of animals or plants, except for processes for producing microorganisms; (2) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; or (3) inventions contrary to public order or morality, shall not be granted a patent. Among the exclusions, an invention of essential biological processes for the production of plants, creating a new variety of plant, may be otherwise protected and granted a plant variety right, despite the fact that it is specifically excluded from the protection of a patent.

In the following paragraphs, some important aspects of Taiwan patent protection are elaborated on.

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\(^2\) See, for example, TIPC 101-Xing-Zhi-Shang-Yi-Zi-74 and 104-Xing-Zhi-Shang-Yi-Zi-47 criminal judgments.
i Length of protection
The term of an invention patent shall expire after a period of 20 years from the filing date of
the application, while the terms of utility model patents and design patents are 10 years and
12 years, respectively, from the filing date of the application.

ii Grace period
According to the Patent Act, any of the following events shall not be deemed as one of the
circumstances\(^3\) that may preclude the grant of an invention patent, provided that the concerned
patent application is filed within six months after the date of the event’s occurrence: the
invention concerned was publicly disclosed as a result of conducting a test; the invention was
disclosed in a printed publication; the invention was displayed at an exhibition or recognised
by the government; or the invention was disclosed without the consent of the applicant.
However, an applicant claiming such exemption must state the fact and the relevant date in
the patent application at the time of filing and provide documents of proof within the time
period specified by the specific patent agency; otherwise that person cannot enjoy such grace
period provided by law.

iii Special patent filing procedure
It is acceptable that an application can be first prepared and filed in a foreign language. A
foreign applicant would normally take this approach in order to get the earliest filing date
as he or she possibly can. However, since Mandarin Chinese is still the official language in
Taiwan, a Chinese version must be supplemented within a certain period of time. For an
application of an invention patent or a design patent, a Chinese version must be filed within
four months after the application date, while for a utility model patent an applicant only
has two months. Upon request, the specific patent agency – the Taiwan Intellectual Property
Office (TIPO) – can extend the above-mentioned deadlines by up to six months. However,
applicants must provide the Chinese version before the due date or he or she will lose the
benefit of the original filing date.

iv Border measures
A patentee may request Customs to detain the imported articles that are suspected of
infringing the patent rights. The request shall be made in writing, accompanied by the
preliminary showing of the facts of infringement and a security amounting to the duty-paid
price of the imported articles, as assessed by Customs, or equivalent assurance. If the request
is so accepted by Customs, such patentee must bring a civil lawsuit claiming that the detained
articles infringe the patent rights and notify Customs of the same within 12 days following
the date of Customs’ acceptance of the request, otherwise the detention will be repealed by
Customs. For the owner of the detained articles, he or she may provide a security amounting

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\(^3\) Those circumstances are (1) the invention was disclosed in a printed publication prior to the
filing of the patent application; (2) the invention was publicly exploited prior to the filing
of the patent application; or (3) the invention was publicly known prior to the filing of the
patent application.
to double the security provided by the patentee or equivalent assurance, requesting Customs to repeal the detention. This mechanism is designed to save the power for the court to finally determine whether there is an infringement or not.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement
The TIPC was established on 1 July 2008. The jurisdiction of this court includes:

a first instance and second instance of a civil action for the protection of intellectual property rights and interests under the Patent Act, Trademark Act, Copyright Act, Optical Disk Act, Trade Secrets Act, Regulations Governing the Protection of Integrated Circuits Configuration, Species of Plants and Seedling Act, and Fair Trade Act;

b an appeal of the first instance decision of a criminal action rendered by a district court in an ordinary, summary or settlement proceedings (criminal actions involving juveniles shall be excluded) involving offences under Articles 253 to 255, 317 and 318 of the Criminal Code; violation of the Trademark Act or Copyright Act; violation of Article 35, Paragraph 1 of the Fair Trade Act concerning violation of Article 20, Paragraph 1 or Article 36 of the Fair Trade Act; or concerning violation of Article 19, subparagraph 5 of the Fair Trade Act;

c first instance of an administrative action and a compulsory enforcement action concerning intellectual property rights under the Patent Act, Trademark Act, Copyright Act, Optical Disk Act, Regulations Governing the Protection of Integrated Circuits Configuration, Species of Plants and Seedling Act and Fair Trade Act; and

d other cases prescribed by law or determined by the Judicial Yuan to be within the jurisdiction of the TIPC.

ii Requirements for jurisdiction and venue
There is only one intellectual property court in Taiwan; therefore, for the cases specified in subsection i, supra, the TIPC has subject-matter jurisdiction. However, such subject-matter jurisdiction is not exclusive; taking civil cases as an example, it is acceptable that the parties may enter into an agreement selecting a district court to hear an IP-related case, or the plaintiff can, without an agreement, unilaterally decide to initiate a civil action before a district court, as long as such district court has personal or subject-matter jurisdiction over the case based on Taiwan Code of Civil Procedure.

Nonetheless, in practice, because the TIPC is staffed with a technical examination officer, who has a technical background and can advise the court on technique-related issues, people may decide to submit their case to the TIPC for dispute resolution relating to intellectual property.

It is worth mentioning that, in Taiwan, when enforcing intellectual property rights by means of a civil action, according to the Taiwan Code of Civil Procedure and the relevant regulations, the plaintiff shall advance the court fee of the first instance, which is calculated based on the value of the claim. Generally speaking, the greater the amount of money the plaintiff claims, the more he or she has to advance to the court upon filing the lawsuit. Notably, if the plaintiff is foreign, without any asset or place of business in Taiwan, upon the defendant’s motion and if so granted by the court, the plaintiff will be asked to provide a
security covering the court fees of the second and third instances and other litigation expenses determined by the court. This cost issue is something a patentee should have taken into consideration before enforcing rights in Taiwan.

As for the defence side, one of the most important strategies is to argue that the intellectual property right at issue is invalid. Taking patent litigation as example, there are two approaches: one is through invalidation action independently brought before the TIPO; the other is making an argument in the infringement litigation, alleging the patent right at issue should be revoked. These two approaches can be taken in parallel, but their legal effects are totally different.

In terms of the invalidation action, if it is considered well-grounded, the patent right will be revoked. Revocation of a patent right shall become final and binding where no administrative remedy proceedings are filed in accordance with laws; or where administrative remedy proceedings are filed but dismissed finally and bindingly. When a patent is revoked finally and bindingly, the effect of patent right shall be deemed not to have existed.

As outlined, the entire process for a patent right to be finally revoked takes time, maybe years. It would be unfair if an infringement litigation should stay before the revocation decision becomes final and binding. Therefore, in an infringement litigation, when the defendant raises an argument that the patent right at issue should be revoked, the court shall decide based on the merit of the case, not staying the case even if an invalidation action had been initiated and not necessarily bound by the TIPO’s revocation decision, if any, as long as it is still not final or binding. Where the court has recognised the grounds for revocation of a patent right, the plaintiff shall not claim any rights during the civil action against the defendant. However, such decision only applies to each particular case and theoretically, the TIPO is not bound by the court’s decision. However, in practice, when the TIPC makes a decision invalidating a patent right, the TIPO will be more or less ‘influenced’ by such decision and vice versa.

iii Obtaining relevant evidence of infringement and discovery

There is no discovery in the Taiwanese legal system. The plaintiff who needs to obtain relevant evidence can only motion for preservation of evidence or request the court to order the holder of documents or objects to submit the same to the court, in accordance with the Taiwan Code of Civil Procedure and Intellectual Property Case Adjudication Act.

A motion for preservation of evidence can either be made before or after an action has been initiated. Where no action has been initiated, such motion shall be made to the court where the action is to be brought; where the action has been initiated, the same shall be made to the court where the action is pending. When preservation of evidence is ordered, the court may inspect, examine or preserve documentary evidence, and it may order a technical examination officer to execute his or her duties on site. Where an opposing party has no grounds to refuse an order of preservation of evidence, the court may enforce such order by force, but only to the extent necessary, and may request assistance from the police to execute such order if it is required.

As for requesting the court to order the holder of documents or objects to submit the same to the court, if so granted, such order is enforceable and the court may impose a penalty of not more than NT$30,000 upon such holder who refuses to submit the document or object to the court. The court may also order such holder be subject to enforcement. Provisions of the Taiwan Compulsory Execution Act concerning mandatory submission of documents or objects for inspection shall apply mutatis mutandis to such enforcement.
Correspondingly, in order to balance the protection of secrecy, there are complementary measures. Article 11 of Intellectual Property Case Adjudication Act provides:

Where any one of the following situations occurs with respect to trade secrets held by a party or a third party, the court may, upon motion along with preliminary proof by such party or third party, issue a confidentiality preservation order upon the other party, agent, assistant ad litem, or other related party to the action: (1) Contents of a party’s pleadings disclose its own trade secrets or those of a third party, or evidence-taking that has been or is to be made involves trade secrets of a party or a third party. (2) Limitation on discovery or use is required so as to prevent the discovery or use of the trade secrets in the preceding paragraph being intended for purposes other than those related to the case, and there are concerns of obstruction to the party’s or the third party’s business operation as a result of the disclosure of the trade secrets. The preceding paragraph does not apply where the other party, agent, assistant ad litem, or other related party has obtained or possessed such trade secrets through means other than the document review or evidence-taking prescribed in the Paragraph 1 of the preceding paragraph. The person subject to a confidentiality preservation order shall not use the trade secrets for purposes other than those related to the case, nor shall he disclose said trade secrets to those not subject to the order.

iv Trial decision-maker

In Taiwan, trials are decided by the judges. For civil and criminal actions, a case will be decided by a single judge for the first instance, a panel of three judges for the second instance and a panel of five judges for the third instance, respectively. As for administrative litigation, a panel of three judges will decide the case for the first instance, while in the second instance (final instance in administrative litigation) there will be five judges constituting a panel.

The TIPC is staffed with a technical examination officer who can, as requested by the court, ask questions or explain to the parties pertaining to factual and legal issues based on the professional knowledge, in order to clarify the disputes in action; ask questions directly to witnesses or expert witnesses; state opinions on the case to the judge; assist in evidence-taking in the event of preservation of evidence; and assist in injunctive procedures or compulsory enforcement procedures. The court may also, where necessary and on its own initiative, consult an expert in the field.

v Structure of the trial

In the TIPC, an infringement action will first go through a formality examination. One of the major issues here is the determination of the value of the claims that will be the basis for the calculation of court fees. After the formality is confirmed, the case will be assigned to the judge who will actually hear the case in substance. The judge will decide how to proceed and the normal practice is that hearings will be set forth as many times as the judge deems necessary.

In the trial, the person who bears the burden of proof is always critical. Generally, the party making an assertion shall bear the burden of proof that such assertion is true. Therefore, in infringement cases, the plaintiff bears the burden of proof for issues such as whether there was infringement and how much the damage was. Likewise, the defendant who argues that the right at issue is invalid bears the burden of proof that the right should be cancelled or revoked.

As an exception, where an article produced following a manufacturing process is still unknown within and outside Taiwan before the filing of a patent application for the
manufacturing process, another article identical thereto made by another person shall be presumed to have been produced following the said manufacturing process. Such presumption may be rebutted by providing proof to the contrary. A proof made by the defendant that the process used in manufacturing the article at issue is different from the patented process shall be deemed as proof to the contrary.

vi  Infringement

There is no Markman hearing in Taiwan. For patent infringement cases, the court will, in its sole discretion, interpret and determine the scope of the claims in trial. According to Article 58, Paragraph 4 of the Patent Act, the scope of the protection conferred by an invention patent shall be determined by the claims, and the description and drawings may be considered as a reference when interpreting the claims. When the scope is determined, the court will decide whether the claims can read on the alleged infringing product, and if not, the doctrine of equivalents applies, which shall be subject to estoppel, prior art and other limitations.

vii  Defences

In addition to initiating an independent invalidation action, possible defences in patent infringement litigation are, for example:

a  the patent at issue lacks novelty, non-obviousness or industrial applicability;

b  the description does not disclose, in full, the invention in a manner clear and sufficient for it to be understood and carried out by a person ordinarily skilled in the art;

c  the claim is not disclosed in a clear and concise manner or cannot be supported by the description;

d  the limitation of patent right as provided in Article 59 of the Patent Act;\(^4\)

\(^4\) Article 59 of Patent Act provides, [T]he effects of an invention patent right shall not extend to the following circumstances:

- (1) acts done privately and for non-commercial purpose(s);
- (2) necessary acts to exploit the invention for research or experimental purpose(s);
- (3) acts done by a person who has been exploiting the invention or making all the necessary preparations for doing such act in this country before the filing date of the invention. However, this provision shall not apply where the person has learned of the invention from the patent applicant for less than six (6) months and the patent applicant has made a statement reserving his/her right to a patent being granted;
- (4) a vehicle merely passing through the territory of this country, or any device of such vehicle;
- (5) where a patent granted to a person not the owner of the right to apply for a patent is revoked as a result of an invalidation action filed by the patentee, acts done by a licensee who has, prior to invalidation, been exploiting the invention or making all the necessary preparations to do such an act in good faith;
- (6) where, after the sale of a patented product made by the patentee or made under consent of the patentee, using or reselling such product. The making and selling as stated above are not limited to acts done domestically; and
- (7) where, after an invention patent is extinguished pursuant to Subparagraph 3, Paragraph 1 of Article 70 and before it is reinstated and published pursuant to Paragraph 2 of Article 70, acts done by a person who has been exploiting the invention or making all the necessary preparations to do such an act in good faith.
the alleged infringing product does not fall within the scope of the patent; and
there is no damage or the damage cannot be proved.

viii  Time to first-level decision
By reference to the Guidelines on the Deadlines for Courts Handling Cases, a civil or criminal case for the first instance is expected to be closed within one year and four months; any delay should be reported.

ix  Remedies
A patentee of an invention patent may demand a person who infringes or is likely to infringe the patent right to stop or prevent such infringement, at the same time requesting destruction of the infringing articles or the materials or implements used in the infringing act, or other necessary disposal. Where the inventor’s right to be indicated as such is infringed, the inventor may request for necessary disposition to have his or her name indicated or to restore the impaired reputation.

In the event infringement of an invention patent occurs because of an intentional act or negligence, the patentee may claim for damages suffered therefrom. The damages claimed may be calculated according to any of the following methods:
a  the method as set forth in Article 216 of the Civil Code (the damages actually suffered and the interests that have been lost) – if no method of proof can be produced to prove the damages suffered, a patentee may claim damages based on the difference between the profit earned through patent exploitation after infringement and the profit normally expected through exploitation of the same patent;
b  the profit earned by the infringer as a result of patent infringement; or
c  the amount calculated on the basis of reasonable royalties that may be collected from exploiting the invention patent being licensed.

Where the infringement is found to be intentionally committed, the court may, upon request and on the basis of the severity of the infringement, award damages greater than the loss suffered but not exceeding three times the proven loss.

x  Appellate review
According to the Code of Civil Procedure, in principle, no additional means of attack or defence shall be presented in the second instance. For the third instance, the appellant can only challenge the original judgment on the ground that such judgment is in contravention of the laws and regulations, not its determination of facts.

5 Exceptions are:
a  where such additional means of attack or defence were prevented from being presented as a result of the court of first instance acting in contravention of the laws and regulations;
Alternatives to litigation
For the accused infringer, besides defending in the litigation, an invalidation action brought before the TIPO can be a feasible alternative.

TRENDS AND OUTLOOK
Based on the 2014 Judicial Statistics Yearbook, civil cases handled by the TIPC that the plaintiff won were very few. In the future there may be more cases involving violation of the Trademark Act, Copyright Act or Trade Secret Act because in such cases criminal liability may be incurred, which will be a more powerful action for people to enforce their rights.

\[ b \] where the occurrences giving rise to such additional means of attack or defence took place after the conclusion of oral argument in the court of first instance;
\[ c \] where additional means of attack or defence are presented for purposes of supplementing those already presented in the first instance;
\[ d \] where the occurrences giving rise to such additional means of attack or defence are generally known or known to the court in the course of performing its functions, or the court should take evidence on its own initiative with regard to such occurrences;
\[ e \] where the party was unable to present such additional means of attack or defence owing to reasons not imputable to him or her; or
\[ f \] where it would be manifestly unfair to prevent the party from presenting such additional means of attack or defence.
I FORMS OF INTELLECTUAL PROPERTY PROTECTION

As a member of the World Trade Organization (WTO), Thailand implemented its obligations under the Agreement on Trade-related Aspects of Intellectual Property Rights (the TRIPS Agreement) and revised its existing legislation accordingly (i.e., patent, trademark and copyright laws), as well as enacting new laws, namely on protection of layout-designs (topographies) of integrated circuits, trade secrets and geographical indications.

In summary, the following legislation was enacted or amended in compliance with the TRIPS Agreement:

- the Patent Act BE 2522 (1979);
- the Trademark Act BE 2534 (1991);
- the Copyright Act BE 2537 (1994);
- the Protection of Layout-Designs of Integrated Circuits Act BE 2543 (2000);
- the Trade Secrets Act BE 2545 (2002); and

Some forms of intellectual property protection in Thailand can be obtained by means of registration with the Department of Intellectual Property (DIP), Ministry of Commerce (i.e., patent, trademark, layout-designs of integrated circuits and geographical indications). A copyright is automatically protected upon the independent creation of a copyrighted work. Similarly, trade secrets are protected without registration and can be protected so long as their secrecy is not revealed by any means, such as reverse engineering. However, copyright holders and trade secret owners may notify the DIP of their copyrighted works or trade secrets for its records. This notification is not equivalent to registration in that rights arising

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1 Chavalit Uttasart is managing and founding partner of Chavalit & Associates Limited.
from copyright and trade secrets under the above Acts are established without notification being made, whereas rights emanating from patents, trademarks, layout-designs of integrated circuits and geographical indications under the Acts are safeguarded upon registration.

i Patent protection
The Patent Act, BE 2522 (1979), as amended by the Patent Act (No. 2) BE 2535 (1992) and the Patent Act (No. 3) BE 2542 (1999) (collectively, 'the Patent Act'), protects patents on inventions (product and process), as well as product designs and petty patents (also known as utility models). The patentable invention must be novel, involve an inventive step (known as 'non-obviousness') and be capable of industrial application. The invention to be protected under a petty patent must be novel and capable of industrial application, without the requirement of the inventive step. Similarly, the patentable product design must be novel and be capable of industrial application. A foreign patent will be unprotected if it has not been registered in Thailand.

An applicant for a patent must provide a full, concise, clear and exact specification so as to enable a person skilled in the art to which the invention relates to make and use the invention. Moreover, the patent application has to disclose the best mode known to the inventor of working the invention.

As Thailand became a member of the Patent Cooperation Treaty (PCT) in 2009, foreign patent owners can now enjoy the benefits of this treaty.

Patents are valid for 20 years for patented inventions, and for 10 years for patented product designs. A petty patent is valid for six years and is extendable for a total of four years upon two renewals: the first for the seventh and eighth years and the second for the ninth and tenth years.

ii Trademark protection
Trademarks are, by their very nature, territorial. Thus, protection for a trademark, service mark, certification mark or collective mark shall be executed by registering it with the DIP under the Trademark Act, BE 2534 (1991), as amended by the Trademark Act (No. 2) BE 2543 (2000) (collectively, 'the Trademark Act'). The 'mark' that can be registered as the trademark, service mark, certification mark or collective mark under the trademark means a photograph, drawing, device, brand, name, word, letter, numeral, signature, combinations of colours, shapes or the configuration of any object or a combination thereof. Moreover, the trademark, service mark, certification mark or collective mark must be distinctive, not be prohibited under this Act, and not be the same as or similar to the trademark, service mark, certification mark or collective mark registered by another person to prevent confusion among the general public and misleading them as to the source of goods or services.

An application will be examined by a registrar with respect to the mark's distinctiveness (also known as secondary meaning), prohibition and correspondence to or similarity with other persons’ marks. If the registrar neither makes any rejection nor asks for any amendment, the mark will be published in the Trademark Gazette for any possible objections within 90 days of its publication. Failing any objection, the mark will then be accepted for registration. A term of protection lasts for 10 years from the date of application with unlimited renewals of 10 years at each renewal.

Licensing of the registered trademark can be achieved by producing a contract in accordance with the contractual principles of the Civil and Commercial Code. However, the licence agreement under the Trademark Act must be made in writing and registered with a
Trademark protection can be obtained by means of registration. However, an owner of a mark or the owner's local distributor must always monitor for possible trademark infringements and may consider taking any of the following legal actions against an infringing party where appropriate:

- filing an objection to an application to register any identical or similar mark;
- lodging a complaint with the police for further investigation and criminal prosecution by the public prosecutor;
- directly submitting a criminal complaint to the courts;
- sending a cease-and-desist letter to the infringer; and
- bringing a civil action to claim damages as well as applying for an injunction.

Protection of registered marks at the border of a country is also available by recording the registered mark with the Customs Department. If the Customs Department comes across suspected products bearing the recorded mark, it shall temporarily detain the shipment and contact the owner or its agent in Thailand to verify whether the detained goods are genuine. Any goods confirmed as counterfeit shall be seized for destruction and the importer shall be fined.

iii Copyright protection

The Copyright Act, BE 2537, as amended by the Copyright Act (No. 3) BE 2558, accords copyright protection to the creators of original works of authorship, including sound recordings, literary, dramatic, musical, audiovisual, cinematographic works, sound and video broadcasting work or any other work in the literary, scientific or artistic domain whatever may be the mode or form of its expression, both published and unpublished, including the rights of performers. Copyright covers the form of expression rather than the actual subject matter. Therefore, copyright protection does not extend to any idea, procedure, process, system, method of use, operation, concept, principle, discovery or scientific or mathematical theory.

Unlike trademarks and patents, registration is not required for acquisition of copyright protection under the Copyright Act. The copyright exists upon the independent and original creation by a copyright owner. In general, copyright is valid for the life of the author plus 50 years, and for 25 years for a work of applied art. Moreover, the significant amendments of the Copyright Act (Nos. 2 and 3) BE 2558 include Rights Management Information and Technological Protection Measures. The amendments are intended to help copyright owners.

iv Protection of layout-designs of integrated circuits

A layout-design of an integrated circuit is protected under the Act on the Protection of Layout-Designs of Integrated Circuits, BE 2543 by filing an application for registration and paying the registration fee at the DIP. The term ‘layout-design’, in connection with integrated circuits, is defined as any pattern, layout or image, however it appears, in any form or method, made for the purpose of displaying the composition of an integrated circuit. According to this definition, layout-designs (designed electrical circuits) and mask work (prototypes for production) also qualify for protection under this Act. To be eligible for protection under
this Act, layout-designs must be solely created by a designer and not be commonplace in the integrated-circuit industry. A layout-design created by a designer by combining elements, interconnections of layout-designs or integrated circuits that are already commonplace in the integrated-circuit industry, in a way that results in a layout-design that is not commonplace in the integrated-circuit industry, is also protected.

The term of protection shall be for 10 years from the date of filing the application for registration or the date of the first commercial exploitation, whichever occurs first, but shall not exceed 15 years from the date of the completion of the layout-design’s creation or shall not exceed two years from the date of using the layout-design for commercial purpose. Essentially, this means that a person cannot apply for a registration of a layout-design that has been created for more than 15 years, even though such person never used the layout-design for commercial purposes.

v) Trade secret protection
The Trade Secrets Act BE 2545, as amended by The Trade Secrets Act (No. 2) BE 2558, accords protection of trade information that is not publicly known and has commercial benefits. Examples of trade secrets include drug formulas, food and drink recipes, cosmetic formulas, production processes, business administration information, details on product price and lists of customer names.

More importantly, owners of trade secrets must control their secrecy by exercising appropriate measures to maintain their secrecy because they will only be protected as long as their secrecy is not disclosed. In practice, several measures deployed by owners to preserve the secrecy of the information include, inter alia, the creation of an efficient system, such as having a ‘confidential’ seal stamped on the relevant document, prohibiting certain employees from accessing information or requiring the use of passwords and codes to access the trade secret information.

vi) Geographical indication protection
The Act on the Protection of Geographical Indications BE 2546 protects geographical indications, which means a name or symbol or other indicators that represent the origin of goods and impart to consumers the special quality or features arising directly from growing or manufacturing such goods in certain geographical areas. A right to register a geographical indication thus belongs to local authorities, local communities or local people in the area in which goods are grown or produced.

II RECENT DEVELOPMENTS
The Minister of Commerce announced that the National Legislative Assembly has obtained the relevant approval to amend the current Trademark Act No. 3 (the Act). The proposed amendments to the Act intend to expand business opportunities by way of shortening registration procedures, facilitating and supporting business transactions and implementing the Madrid Protocol, which Thailand will be acceding to by the end of 2016, as well as imposing a penalty for persons who put their owned goods into the original packaging of others in order to mislead the public into believing that their goods are the goods of others.
Some significant amendments to the Act are as follows:

- The definition of a ‘mark’ shall encompass a sound;
- Proof of a secondary meaning of a mark through the advertising or distribution of the products bearing such mark to the extent that a well-known status is obtained in accordance with the criteria laid down by the Ministry is extended to ‘all categories of mark’ that fail to acquire an inherent registrability;
- A multi-class application is applicable. However, specific items of goods or services shall be clearly specified as usual;
- A reduced time period in responding to the office actions, such as amendment, appeal, opposition, counterclaim, etc. from 90 days to 60 days in order to expedite the registration procedures;
- The time period for payment of the registration fee will be extended from 30 days to 60 days;
- A grace period will be granted for renewing a registered mark within six months after the expiry date plus 20 per cent payment of additional surcharge of the renewal fee in total;
- There will be stipulated legal effect to the licence agreement on which the licensed mark is assigned (unless otherwise specified in the trademark licence agreement, the licence agreement shall still have effect despite the fact that the mark is assigned to other persons);
- The removal of the provision on the association of a mark;
- A separate assignment of trademark application and registration is granted;
- A letter of consent is acceptable as a means of granting a registration to similar marks of several owners;
- The Rules of the Department of Intellectual Property Regarding Recordation of Well-Known Mark BE 2548 (2005) will be abolished;
- Provisions of registration of marks in accordance with the Madrid Protocol will be added;
- A penalty will be imposed for utilising another person’s packages or containers, on which registered marks are displayed, for their own or another person’s goods in order to mislead consumers into believing that such goods belong to the trademark owner; and
- A revision of government fees in trademark prosecution.

III OBTAINING PROTECTION

The Patent Act grants a protection to an invention, which means any innovation or invention that creates a new product or process, or any improvement of a known product or process, and to a design. However, the following inventions may not be protected by a patent or a petty patent: (1) naturally occurring microorganisms and their components, animals and plants, or extracts from animals or plants; (2) scientific or mathematical rules or theories; (3) computer programs; (4) methods of diagnosis, treatment or cure of human and animal diseases; and (5) inventions contrary to public order, morality, health or welfare of the general public.
To obtain a filing date of a patent application, the following are required at minimum: the applicant’s name and address; the inventor’s or designer’s name and address; details of priority applications; the specification including claims in any foreign language; and the drawings or pictures (if any).

The documents supporting the patent application may be filed within 90 days from the date of application. The Thai translation of the specification must be lodged within 90 days from the date of application. A certified copy of the priority document must be lodged before the application is published in the Official Gazette but not exceeding 16 months from the date on which the corresponding application was first filed in a foreign country.

IV ENFORCEMENT OF RIGHTS

i Possible venues for enforcement
An owner of a registered patent (i.e., industrial design, invention and utility model) is entitled to take both civil and criminal actions against any alleged infringer. However, it is also quite common that the alleged infringer will first be warned by a cease-and-desist letter demanding that it refrain from any infringing activity that may cause damages to the patent owner.

Civil action
The patent owner may file a civil lawsuit with the Central Intellectual Property and International Trade Court (the IP & IT Court) to demand that the alleged infringer refrain from using its registered patent and to claim for damages. However, the patent owner must prove to the satisfaction of the court – rather than to the level of beyond reasonable doubt – that the infringing product is identical or substantially similar to the patented product. The difficult task on this ground is to satisfy the Court regarding the damages suffered by the owner. The owner has a burden to prove the direct financial damages incurred to the satisfaction of the Court (e.g., loss of sale). Punitive damages are not available in Thailand.

Criminal action
To initiate a criminal action on the ground of the patent infringement, the patent owner may first file a complaint with the police, who will then conduct a raid as well as arresting the alleged infringer. After that the police will report to the Attorney-General who may, in turn, bring the case to the IP & IT Court for further prosecution against the alleged infringer. The patent owner may also file a criminal lawsuit directly with the IP & IT Court. However, this alternative will be recommended only if the patent owner already has sufficient evidence to prove the alleged infringer’s wrongdoing.

ii Requirements for jurisdiction and venue

Criminal proceedings to enforce rights
A criminal action may be initiated with the filing of a criminal complaint with the police by a patent owner, followed by a raid – pursuant to the obtaining of a lawful search warrant – by specialised police enforcement teams to acquire evidence of infringement and seize the infringing goods or to arrest the infringer under an arrest warrant issued by the IP & IT Court when requested by the police, or both. If incriminating evidence of infringement is found to an extent sufficient to institute a criminal lawsuit, the alleged infringer will be charged with patent infringement and asked to submit a plea. If the alleged infringer pleads
not guilty, the designated inquiry officers will interrogate and collect evidence from both parties before submitting an opinion to the public prosecutor as to whether prosecution should be carried out. If the public prosecutor finds, at first sight, that the case against the alleged infringer is correctly established and demonstrated, and agrees with the inquiry officer’s findings, a criminal complaint will be lodged with the IP & IT Court. If found guilty upon proof beyond reasonable doubt, the patent infringer shall be sentenced to a fine of up to 400,000 baht or up to two years’ imprisonment, or both.

Civil proceedings to enforce rights
Enforcement of a patent in a civil proceeding against an alleged infringer begins with the filing by the plaintiff of a written complaint form with the IP & IT Court, and the serving of a copy of the complaint form along with a summons issued by the Court on the defendant. The complaint form must clearly specify which claim or claims of the patent are being allegedly infringed. The defendants will file an answer to the complaint; raising defences of, for example, non-infringement or invalidity of the plaintiff’s patent, trademark registration or other intellectual property rights with the IP & IT Court and serve the answer to the complaint on the plaintiffs. A counterclaim for patent invalidity (lack of novelty, inventive step, industrial applicability and non-patentable subject matters) may also be filed along with the answer to the complaint, and the plaintiff may file an answer to the counterclaim with the IP & IT Court and serve the answer to the counterclaim on the defendant.

Pursuant to Section 79 of the Civil Procedure Code, if such documents are served in person, then the receiving party will have 15 days in which to file an answer. If no one receives such documents the Court will issue an order to post up a notice at the party’s domicile and then the served party will have 30 days in which to file an answer. Thereafter, the court will set a date for a meeting between the parties for the purpose of seeking dispute resolution between the parties. If both parties are unable to reach any agreement, the court will proceed to set out the issues to be tried in the case. In the settlement of issues meeting, the court will also set the number of witnesses allowed by each party, dates for taking witnesses’ testimonies, submission of each party’s evidence list, etc.

iii Obtaining relevant evidence of infringement and discovery
Although there is no discovery procedure under the Thai legal system, there are opportunities both prior to filing a patent infringement action and during the trial to collect evidence of patent infringement. Prior to a criminal action, the patentee may be able to obtain a search warrant to search the alleged infringer’s premises to obtain evidence of the infringement. Prior to a civil action, the Act for the Establishment of and Procedure for Intellectual Property and International Trade Court 1996, together with the Rules for Intellectual Property and International Trade Cases 1997, provides the IP & IT Court with the power to issue orders similar to an Anton Piller order. To obtain this court’s order to seize or confiscate the evidence, the plaintiff must prove that: (1) if an action has not yet been instituted, there are grounds on which the plaintiff may take an action against the alleged patent infringer; (2) the evidence that the plaintiff wishes to rely on in the future will otherwise be lost or become difficult to adduce; and (3) there is an emergency situation under which, if the alleged infringer or related party is to be notified beforehand, the evidence will be damaged, lost, destroyed or, for some reason or another, difficult to be adduced at a later stage.
iv Trial decision-maker
A quorum is formed by a panel of three judges, consisting of two career judges with expertise in IP or IT matters, or both, and one layperson who specialises in such fields as chemistry, biology, engineering, software, IT technology, etc. It is also possible to appoint an expert witness as amicus curiae.

v Structure of the trial
In a civil case alleging infringement of a patent or petty patent’s rights with regard to a process for obtaining a product, if an owner of the patent or petty patent can prove that the defendant’s product is identical or similar to the product obtained by the process under the patent or petty patent, it shall be presumed that the defendant has used the process under the patent or petty patent unless the defendant can prove otherwise. Therefore, the plaintiff in a process patent infringement case can shift a burden of proof to the defendant to rebut a presumption that the defendant has used the process under the patent or petty patent.

On the contrary and generally, the plaintiff always bears a burden of proof that the defendant has produced, used, sold, possessed for sale, offered for sale or imported the patented product without authorisation from the patentee. The testimony of both factual and expert witnesses, and the presentation of documentary evidence and demonstrative evidence are admissible and crucial to proving and defending the patent infringement case of both parties.

vi Infringement
According to Section 35 bis of the Patent Act, any infringement committed before the grant of a patent shall not be deemed as violating the patentee’s rights unless the person so acting knew or was informed in writing that a patent application for the invention had been filed. In this case, the applicant shall be entitled to claim damages from the infringer by lodging a complaint with the IP & IT Court after the patent is granted.

Section 36 bis of the Patent Act provides that:

[T]he scope of the rights of the patentee under Section 36 in respect of a patented invention shall be determined by the claims. In determining the scope of the claimed invention, the characteristics of the invention as indicated in the description and the drawings shall be taken into account. The scope of protection for a patented invention shall extend to the characteristics of the invention that, although not specifically stated in the claims, in the view of a person of ordinary skill in the pertinent art, have substantially the same properties, functions and effects as those stated in the claims.

According to the above provision, patent infringement generally falls into ‘the literal infringement and infringement under the doctrine of equivalents’. The term ‘literal infringement’ means that each and every element recited in a claim has identical correspondence in the allegedly infringing device or process. However, even if there is no literal infringement, a claim may be infringed under the doctrine of equivalents if some other element of the accused device or process performs substantially the same function, in substantially the same way, to achieve substantially the same result.

The IP & IT Court always has a difficult task to construe the scope of the ‘literal’ language of the claims, compare the claims, as properly construed, with the accused device or process, to determine whether there is literal infringement, and to construe the scope of
the claims under the doctrine of equivalents if there is no literal infringement. The IP & IT Court has applied the doctrine of equivalents in the *Watchara Chantrasuwan v. Wiwit Tucksaphaiboon* case, stating as follows:

> Even though the appearance of the conflicting products is slightly different and some functions and qualifications have been added, the core structure, mechanism and the purpose of use of the conflicting products are similar. The differences are minor elements that don’t alter the main function and purpose of use of the products, the plaintiff’s product thus infringed the defendant’s patent.

**vii Defences**

Possible defences that the defendant may raise against the plaintiff’s claims are as follows:

*a* The civil or criminal case is time-barred. For instance, a claim for damages arising from a patent infringement is barred by prescription after one year from the day when the infringing act and the person bound to make compensation became known to the injured person, or 10 years from the day when the infringing act was committed. In a criminal case, if the patent infringer is not prosecuted and brought to the IP & IT Court within the prescription period, which is 10 years, as from the date of the commission of the offence, the prosecution shall be precluded by prescription.

*b* Successful proof of non-infringement or invalidation of the claimed patent in suit are established before the IP & IT Court. An example of non-infringement covers proof that the defendant’s alleged invention falls outside the purview of the plaintiff’s claims stated in the patent, or the alleged infringer is indeed a licensee under a licensing agreement with the patentee, or a compulsory licensee under the Patent Act.

*c* Whether equitable defences such as laches, estoppel and inequitable conduct can be successfully raised to the IP & IT Court is questionable as they have never been challenged before in the IP & IT Court.

*d* According to Section 36(7) of the Patent Act, which is a provision concerning exhaustion of right, the use, sale, having in possession for sale or importation of patent products shall not constitute a patent infringement when the product has been produced or sold with the authorisation or consent of the patentee. The patent rights are deemed internationally exhausted after the first marketing of the patented products by the patentee themselves or with their consent, regardless of the location of the above-mentioned acts. Therefore, the Thai parallel importer of patented products shall not become an infringer.

**viii Time to first-level decision**

Patent infringement cases generally last for between one year and three years from the submission of the pleadings, a settlement of issues meeting, witness testimonies for both parties and closing statements by each party to the rendering of a judgment by the IP & IT Court.

**ix Remedies**

Section 77 *bis* of the Patent Act and Rules for Intellectual Property and International Trade Cases 1997 issued by the Chief Judge of the IP & IT Court entitles the patentee to request the IP & IT Court to grant a preliminary injunction before commencing a lawsuit against an alleged patent infringer. The Court’s injunctive order will require the alleged infringer to
stop or refrain from committing such alleged infringement if there is clear evidence that the alleged infringer is committing or about to commit any act of infringement. However, the prospective plaintiff must prove to the court that: (1) there is a reasonable ground for the application and the filing of the application, as well as sufficient reasons for the Court to grant such application; and (2) the damage incurred by the prospective plaintiff, as the patent owner, cannot be recovered by monetary measures or any other form of indemnity, nor can it be recouped from the prospective defendant – the alleged infringer – who is not in a position to compensate the prospective plaintiff for the damage, or compensation is unlikely to be obtained given the difficulty of enforcing the judgment against the prospective defendant.

The IP & IT Court is empowered to order compensation for damages to the patentee in such amount as the court considers appropriate by taking into consideration the severity of damage, as well as loss of benefits and necessary expenses, including attorneys’ fees incurred in enforcing the patentee’s rights. The patentee bears a burden of proving the actual amount of damages sustained as a direct result of the infringement. Punitive damages or exemplary damages are not available in cases of patent infringement.

x  Appellate review

Thailand adopts a leap-frog procedure, whereby a decision of the IP & IT Court can be appealed directly to Thailand’s Supreme Court. Appeals are conducted in written submissions with there being no hearing for either party. The Supreme Court can review both issues of fact and law. Introduction of new evidence to the Supreme Court is impracticable. There is a panel of at least three justices of the Supreme Court to review any appeal from the IP & IT Court. A standard of review for criminal patent infringement cases is proof beyond a reasonable doubt of the defendant’s intent to infringe, whereas a standard of review for civil patent infringement cases is generally a preponderance of the evidence to convince the judge that over 50 per cent of the plaintiff’s admissible evidence is in the plaintiff’s favour.

xi  Alternatives to litigation

Mediation is available at the mediation centre of the DIP and IP & IT Court, in which mediators will try to negotiate and encourage both parties to settle their disputes. Arbitration is also available under a contract between a patentee and the other party. Unlike a mediator, an arbitrator acts like a judge in conducting a trial and rendering an award binding to both parties.
Chapter 28

UNITED KINGDOM

Gordon Harris, Rebecca Costen, Andrew Maggs and Ailsa Carter

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i Patents

A patent may be granted covering the UK 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) or renewal fees are not paid (in which case the patent may lapse sooner).

An application for a patent conferring protection in the UK can either be made to the UK Intellectual Property Office (for a GB patent) or to the European Patent Office (for a European Patent designating the UK). Alternatively, either can be designated as part of a Patent Cooperation Treaty (PCT) application.

ii Supplementary protection certificates

An SPC is a form of intellectual property that extends the protection of patented active ingredients present in pharmaceutical or plant protection products.

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 UK and Community rights, which vary in their subsistence, scope and duration.

Registered designs – UK and EU

Designs that are new and have individual character can be registered with the UK Intellectual Property Office (UKIPO) (for the UK) or with the European Union Intellectual Property Office (EUIPO, formally named Office for Harmonisation in the Internal Market (OHIM)) (for the EU).

Three-dimensional, two-dimensional and one-off 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

UK unregistered design right (UDR) protects the shape and configuration of the whole or part of an article (external or internal) that is original (i.e., not commonplace), recorded in a design document or the subject of an article made to the design, and created by a qualifying person.

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.

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.

EU unregistered Community design right is broadly similar to UK UDR. 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.

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, 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 or 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.

A trademark can be registered for the UK (with the UKIPO); or as an EU Trade Mark (EUTM, formerly called a Community Trade Mark, with the EUIPO, for the EU). A trademark will be registered for specified goods and services listed in the classes of the International Classification of Goods and Services.

The proprietor of a trademark has the exclusive right to use the registered mark in connection with the classes of goods or services for which it is registered. The trademark may be enforced in respect of: (1) an identical mark for identical goods or services; and (2) an identical or similar mark for identical or similar goods or services where such use has caused or is likely to cause confusion. Also, if a mark has a reputation, it may be enforced in respect of an identical or similar sign for goods and services where the use causes detriment or leads to unfair advantage.

A trademark may remain registered 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 UK;

b there has been 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; 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.

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viii Confidential information
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.

ix 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).

II RECENT DEVELOPMENTS
i EU trademark reform
EU trademark legislation has been reformed by the entry into force on 23 March 2016 of Regulation (EU) No. 2015/2424. Key amendments are reflected within this chapter. EUTMs filed before 22 June 2012 with goods and services listed by reference to class headings are deemed limited to the goods and services within the literal meaning of the class heading concerned, unless an ‘Article 28(8)’ declaration is filed by 24 September 2016.

ii Recent notable case law
Seeking of injunctive relief in relation to infringements of standards essential patents (SEPs)
In Huawei v. ZTE3 the Court of Justice of the European Union (CJEU) provided guidance regarding the steps that a patent owner must take prior to seeking injunctive relief in respect of a patent that is essential to a technical standard, and in respect of which it has given an obligation to grant a licence on fair, reasonable and non-discriminatory terms. The CJEU also made clear that the alleged infringer cannot be criticised for challenging the validity or the essential nature of the patents, or whether they are infringed.

Concurrent jurisdiction
The question of concurrent jurisdiction has been addressed by the English courts in two distinct areas: stays of substantive proceedings; and stays of remedies.

3 Case C-170/13.
In *IPCom v. HTC Europe* the Court of Appeal recast previous guidance on when UK proceedings should be stayed pending the outcome of opposition proceedings at the EPO.

In *Actavis v. Pharmacia* a stay of proceedings was awarded after the Pharmacia undertook not to seek injunctive relief and only to seek damages of 1 per cent of net sales for the life of the patent. In *Eli Lilly v. Janssen Sciences* the court refused to stay Eli Lilly’s revocation action, essentially because the offered undertaking only to seek a reasonable royalty did not resolve commercial uncertainty regarding the duration of protection (should an SPC be granted) or the level of royalty payment.

In *Adaptive Spectrum and Signal Alignment v. British Telecommunications*, after a finding of liability for infringement of two patents, the Court of Appeal refused to stay the final injunction or to make it the subject of a cross-undertaking in damages pending the outcome of opposition proceedings. In contrast, in *Smith & Nephew v. ConvaTec* after finding that Smith & Nephew had infringed ConvaTec’s patent, the Court of Appeal agreed to stay injunctive relief pending determination of Smith & Nephew’s application to the Supreme Court for leave to appeal and an expected decision of the EPO’s Technical Board of Appeal. The decision in *Adaptive Spectrum* was distinguished on the facts.

**Construction of Swiss-form claims**

In *Warner-Lambert v. Actavis*, the Patents Court refused to award interim injunctive relief against Actavis, in part because it found there to be no serious issue to be tried on infringement of the Swiss form claims in issue. The Court of Appeal confirmed that Swiss form claims are process claims, and opined that the claim language requires that the manufacturer knows, or can reasonably foresee, the ultimate intentional use (i.e., for the claimed indication). Subsequently, the Patents Court noted that the test was not one of pure foreseeability, and that a requirement of intention was central to the interpretation. Further guidance is expected from the Court of Appeal in the same case in the course of 2016.

**iii Court fees**

A substantial change to the quantum of court fees was introduced in England and Wales in March 2015. For money claims (damages or account of profits) over £10,000 or unlimited in value, fees are now 5 per cent of the value of the claim up to a maximum fee of £10,000.

**iv Experts**

The Guidance for the Instruction of Experts in Civil Claims 2014 came into effect on 1 December 2014. Experts must be informed of whether there is a specific budget for their fees, parties must provide to the court an estimate of the cost of the expert evidence to

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4 [2013] EWCA Civ 1496.
5 [2014] EWHC 2611 (Pat).
6 [2016] EWHC 313 (Pat).
8 [2015] EWCA Civ 803.
9 [2015] EWHC 72 (Pat).
10 [2015] EWCA Civ 556.
11 [2015] EWHC 2548 (Pat).
the court, the expert’s fees and costs can be limited by the court, and payment of expert’s fees contingent upon the nature of their evidence or the outcome of the case is strongly discouraged.

v Interim relief
Since the decision of the High Court in *Twentieth Century Fox v. BT*,\(^\text{12}\) 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 October 2014, in *Cartier v. B Sky B*,\(^\text{13}\) the High Court concluded that internet service providers could similarly be ordered to block websites that advertise and sell trademark-infringing products. The court noted evidence that website blocking orders had reduced traffic to targeted websites from the UK. The case paved the way for brand owners to seek blocking orders not just in respect of websites selling counterfeit goods, but in respect of infringements of intellectual property rights more generally.

In March 2015, following its reasoning in *Cartier v. B Sky B*, the Patents Court ordered NHS England to issue guidance on the prescribing and dispensing of generic pregabalin medicines.\(^\text{14}\)

### 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 UK as the corresponding provisions on 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 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 UK) 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.\(^\text{15}\)

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\(^\text{13}\) [2014] EWHC 3354 (Ch).
\(^\text{14}\) [2015] EWHC 485 (Pat).
\(^\text{15}\) *Synthon BV v. SmithKline Beecham plc* [2005] UKHL 59.
**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*¹⁶ 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*¹⁷:

> 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 *Teva v. Leo*¹⁸ the Court of Appeal built upon this guidance in the context of the ‘obvious to try with a reasonable prospect of success’ doctrine: the inclusion of a specific solvent in a list of solvents to be tried was not sufficient to render the claimed invention obvious unless the solvent itself was obvious to try – and the prospect of success had to raise it over and above other candidates.

**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.¹⁹

**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; 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;
- *b* plant or animal varieties or essentially biological processes for the production of plants or animals (not including microbiological processes or the products thereof);

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¹⁷ [2007] RPC 32.
¹⁸ [2015] EWCA Civ 779.
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.\textsuperscript{20}
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)\textsuperscript{21} this is no longer the case. 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.\textsuperscript{22} For the same reason, it is not possible to amend granted Swiss form patent claims to purpose-limited product format.

In the context of inventions concerning medical treatments, the term ‘plausibility’ has been coined to characterise what it is that a patent specification must provide in order to be sufficient, short of full proof of efficacy.\textsuperscript{23}

\textsuperscript{22} T 1780/12.
\textsuperscript{23} Hospira v. Genentech [2014] EWHC 1094 (Pat).
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.\(^\text{24}\)

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.\(^\text{25}\)

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.\(^\text{26}\)

In *Oliver Brüstle v. Greenpeace*\(^\text{27}\) 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 Trademarks*,\(^\text{28}\) 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. In deciding whether such a contribution is present the English courts tend to refer to a number of signposts:\(^\text{29}\)

\[ a \quad \text{whether the claimed technical effect has a technical effect on a process that is carried on outside the computer;} \]

\[ 24 \quad \text{G 1/98, G 2/12 and G 2/13.} \]
\[ 25 \quad \text{UKIPO’s Manual of Patent Practice, 76A.03.} \]
\[ 26 \quad \text{UKIPO’s Manual of Patent Practice, 76A.06, G 2/07, G 1/98.} \]
\[ 27 \quad [2011] \text{EUECJ C-34/10.} \]
\[ 28 \quad [2014] \text{EUECJ C-364/13.} \]
\[ 29 \quad \text{Symbian Ltd’s Application [2009] RPC 1.} \]
whether the claimed technical effect operates at the level of the architecture of the computer; that is to say whether the effect is produced irrespective of the data being produced or the applications being run;

whether the claimed technical effect results in the computer being made to operate in a new way;

whether the program makes the computer a better computer in the sense of running more efficiently and effectively as a computer; and

whether the perceived problem is overcome by the claimed invention as opposed to merely being circumvented.

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.

i 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, almost all 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) and recoverable costs are capped at £50,000. The IPEC procedure is distinct from that of the High Court, for example with less separation of argument and evidence than is conventional under English legal practice. The Chancery division of the High Court is the appropriate forum for more complex and valuable IP claims, patent claims being heard in the Chancery division’s Patents Court. In the Patents Court there is no cap on recoverable damages or costs.

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.

When the Agreement on a Unified Patent Court (UPCA) and associated EU Regulations enter into force (expected in 2017), owners of European patents designating Member States of the EU will (subject to opting-out) be able to enforce those European patents (but not national patents) in the Unified Patent Court (UPC). New Unitary patents will also be enforceable in the UPC. The UPC will have a central division (with its seat in Paris, and sections in London and Munich), local divisions in Member States throughout the EU (e.g., Ireland), and regional divisions covering more than one Member State (e.g., covering Estonia, Latvia, Lithuania and Sweden). Choice of venue will depend on the UPCA

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.

ii Requirements for jurisdiction and venue

Jurisdiction may be founded by domicile or by the place where the harmful event occurred or may occur. 31 In *Actavis v. Eli Lilly*, 32 Eli Lilly was found to have conceded jurisdiction, in the course of pre-action correspondence, such that the court considered itself to have jurisdiction to award a declaration of non-infringement covering designations of a European patent for other EU Member States.

The UK courts described in subsection i, *supra* may hear actions for revocation of UK patents and UK designations of European patents but not other national designations of European patents.

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 is generally available in the course of litigation after the exchange of pleadings. (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. Confidentiality 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 ‘confidentiality club’.

Standard disclosure requires a party to disclose only the documents on which he or she relies and the documents that adversely affect his or her own case, adversely affect another party’s case or support another party’s case. In patent cases, disclosure is usually more limited. Provision of a product or process description by the alleged infringer enables standard disclosure to be dispensed with in relation to infringement. Regarding validity, disclosure is usually constrained to a term two years either side of the earliest claimed priority date. In every case, it is the court that orders the scope of disclosure and it can dispense with it altogether.

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Pre-action disclosure may be obtainable before litigation commences where procedural requirements are satisfied. In *The Big Bus Company v. Ticketogo*, the Patents Court ordered pre-action disclosure of licences previously granted by the patentee to third parties operating in the transport sector.

**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. Expert evidence in chief is provided by way of a report, with opportunity to respond in writing to the report submitted by the other experts. Oral testimony is usually limited to cross-examination 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.

**Experiments**

In appropriate cases, experiments may be ordered upon the application of a party that wishes to establish a fact by experimental proof.

**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 Carr J – experienced patent judges who are also judges in the wider Chancery Division. In the IPEC, patent cases are 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.

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33 [2015] EWHC 1094 (Pat).
34 *Synthon v. Teva* [2015] EWHC 1395 (Pat).
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.

vi Infringement

Construction

The court ‘construes’ the claims of a patent to determine what they would have meant to the person skilled in the relevant art (with that person’s common general knowledge) at the priority date. The law on patent claim construction was reviewed by the House of Lords in *Kirin-Amgen v. Hoechst Marion Roussel*.36 Claims are construed purposively, the inventor’s purpose being ascertained from the description and drawings, but ultimately one is concerned with the meaning of the language used, in context. There is no general doctrine of equivalents.

Infringing acts

Once the claims of the patent have been ‘construed’, the court considers whether an act that is capable of being an infringing act has been carried out in respect of the claimed invention.

It is a direct infringement of a patent to do any of the following in the UK without the consent of the patent proprietor:37

- a where the invention is a product, he makes, disposes of, offers to dispose of, uses or imports the product or keeps it whether for disposal or otherwise;
- b where the invention is a process, he uses the process or he offers it for use in the United Kingdom when he knows, or 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, he disposes of, offers to dispose of, uses or imports any product obtained directly by means of that process or keeps any such product whether for disposal or otherwise.

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 has supplied are suitable for putting, and are intended to put, the invention into effect.

37 Section 60(1) of the Patents Act 1977.
Further, a defendant will be liable as a joint tortfeasor if he has assisted 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.  

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

e) 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 another European jurisdiction, 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. In 2015, with the issuing of practice statements and the appointment of an additional judge (Carr J), the Patents Court has indicated intent to list

38 Sea Shepherd v. Fish & Fish [2015] UKSC 10.
trials within 12 months of commencement of the action. 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.\footnote{39}{Celltrion v Biogen [2016] EWHC 188 (Pat).}

For two years from 1 October 2015, a pilot ‘Shorter Trial Scheme’ (STS) is operating 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.

\textbf{ix Remedies}

If a patent is found to be infringed, a range of remedies will be available to the patent holder. These include the following.

\textbf{Injunctions}

Following a finding of 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. Injunctions are usually prohibitory in nature although mandatory injunctions are possible. The patentee is usually required to provide a cross-undertaking as to damages. According to the CJEU’s decision in Solvay v Honeywell Fluorine Products Europe,\footnote{40}{Case C-616/10, 12 July 2012.} the UK courts may be able to grant interim injunctions on a pan-European basis.

\textbf{Delivery up}

The court can order that infringing articles be delivered up to a party. This is commonly to facilitate destruction or resale.

\textbf{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 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.

**Declarations**

The court can order declarations. For example, of validity (if the patent is found to be valid) or contested validity (if the patent is found not to be completely valid), which can impact the award of legal costs in future challenges; of infringement or non-infringement; and that a party’s product was 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.\(^{41}\)

**Orders for dissemination and publication**

The courts can also order a party to publicise the result of a case at its own expense.

**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 in the Court of Appeal are Kitchin LJ and Floyd LJ, and in the Supreme Court, Lord Neuberger.

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 Unitary patent and Unified Patent Court**

The UPCA was signed by 25 participating Member States of the EU in 2013, including the United Kingdom. It is expected to come into force in 2017.

With the implementation of the UPCA 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

\(^{41}\) *Fujifilm Kyowa Biologics v. Abbvie Biotechnology* [2016] EWHC 425
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); and 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.

ii Construction of second medical use claims and availability of interim relief
Following the decisions of the Patents Court and the Court of Appeal in litigation regarding pregabalin, it is apparent that courts in different EPC countries have adopted different constructions of Swiss-form claims, with differing consequences for the perceived strength of respective cases on infringement. Further consideration by a higher court in the United Kingdom or another prominent EPC jurisdiction is to be expected before too long.

iii Proposed changes to trade secrets and copyright law in the EU
The EU legislature has proposed the reform of trade secrets and copyright law across the EU. A Directive that would introduce a baseline of protection for trade secrets across the EU is in the course of being approved. Current proposals for copyright reform are intended to improve cross-border accessibility to copyright content and related services, and enhance portability of online content that would allow users to transport content from one device to another without the risk of infringement. The proposals continue to be debated.

v 3D shape marks
2015 and 2016 have seen several cases in which the High Court of England and Wales has found that 3D shape marks do not meet the requirements for registrability or validity. For example, the shape of Nestlé’s four-finger Kit Kat product (without a Kit Kat logo embossed on each finger); and The London Taxi Company’s trademark for the shape of the iconic London ‘Black Cab’.

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Chapter 29

UNITED STATES

Robert L Baechtold and Jason A Leonard

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

1 Robert L Baechtold and Jason A Leonard are partners at Fitzpatrick, Cella, Harper & Scinto.
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 Copyrights

Copyrights are available in the United States to protect literary and artistic works, and are 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 copyrights in the United 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.

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.

vi Trade secrets
Trade secret protection is mostly regulated by individual state law in the United States. In an effort to harmonise trade secret protection nationally, the Uniform Trade Secrets Act (UTSA) has been proposed for adoption in all states. To date, the vast majority of states have enacted some version of the UTSA. While federal law does not adopt the UTSA, it does contain 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 defence 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
Significant changes to intellectual property rights in the United States have occurred over the past several years. As discussed throughout this chapter, the Leahy-Smith America Invents Act (AIA), enacted on 16 September 2011, was the most comprehensive patent reform legislation in the United States in over 60 years. Since enactment of the AIA, other significant legislation and court opinions are continuing to change the landscape of intellectual property law in the United States.

i Legislation
Several important pieces of legislation concerning intellectual property are currently under consideration by the US Congress and are as follows.
Defend Trade Secrets Act of 2016
Congress has approved legislation to create a federal, civil law for misappropriation of trade secrets.\(^2\) As discussed in Section I.vi, supra, the only enacted federal law concerning trade secrets is limited to criminal acts, leaving companies with only a patchwork of state laws to protect its trade secrets. The ‘Defend Trade Secrets Act of 2016’ is set to create a federal civil law for nationwide protection of trade secrets. This new law will not change any current state trade secret laws, but will provide a new, uniform federal law on the subject.

Venue Equity and Non-uniformity Elimination Act of 2016 (VENUE)
Congress is also considering legislation to limit which federal district courts will allow a patent infringement action to be commenced.\(^3\) Widely seen as a measure to reign in forum shopping of non-practising entities (i.e., patent ‘trolls’), this bill focuses on striking the current patent venue statute, which states that ‘[a]ny civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.’\(^4\) In its current form, this legislation proposes replacing the current language with a limited list of places where a defendant can be sued for patent infringement, including where the defendant is incorporated or has its principal place of business.

ii Court opinions
The courts are considering or have decided recently several important intellectual property cases:

*Teva Pharms. USA, Inc v. Sandoz, Inc (decided 20 January 2014) (Supreme Court)*
In *Teva*, the Supreme Court revisited the standard of review for claim construction opinions (i.e., Markman opinions) rendered by district courts. Prior to this case, claim construction opinions were reviewed de novo on appeal at the Federal Circuit, meaning they were decided again on appeal with no deference given to district court findings. This practice led to the filing of many appeals simply in the hopes of obtaining a different claim construction, sometimes with new or different evidence.

In *Teva*, the Supreme Court rejected a *de novo* review standard for factual matters decided by the district court. The Federal Circuit now must review all factual findings underlying claim construction using the ‘clearly erroneous’ standard of review. This does not, however, end *de novo* review for some claim construction opinions, or at least certain evidence supporting the opinions. This is because two types of evidence may be presented for claim construction: intrinsic and extrinsic evidence. The former is limited to the patent claims, patent specification, and the patent’s prosecution history. The latter is all other types of evidence, including expert testimony. Claim construction opinions based solely on intrinsic evidence are still to be reviewed *de novo*. But for claim construction opinions that rely on extrinsic evidence, the factual findings of the district court must be reviewed under the more deferential ‘clear error’ standard.

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2  Senate Bill 1890, 114th Congress (2016).
3  Senate Bill 2733, 114th Congress (2016).
4  28 U.S.C. Section 1400(b).
B&B Hardware v. Hargis Indus. (decided 24 March 2015) (Supreme Court)
In B&B Hardware, the Supreme Court considered whether issue preclusion should apply to a trademark infringement case in a district court if the potential usage of the mark was previously decided by the Trademark Trial and Appeal Board (TTAB). The court concluded that the likelihood of confusion test used by the TTAB during registration is ‘materially the same’ as the likelihood of confusion standard used by the district courts for infringement. As a result, a finding by the TTAB concerning likelihood of confusion may preclude district court action of the same mark.

Commil USA, LLC v. Cisco Systems (decided 26 May 2015) (Supreme Court)
In Commil, the Supreme Court considered whether a good-faith belief of patent invalidity can serve as a defence to inducement of patent infringement. For a defendant to be found liable of inducement, the law requires that the defendant ‘actively induce’ the patent infringement. This language therefore requires knowledge of the patent and the intent to cause the infringement by the defendant. Thus, a good-faith belief that one does not infringe a patent may negate this knowledge requirement. But in Commil, the court reasoned that patents are afforded a presumption of validity and that non-infringement and invalidity are two separate defences that should not be conflated for this knowledge requirement. Thus, a good-faith belief in invalidity of a patent is insufficient to negate the knowledge requirement for inducement.

SCA Hygiene Products v. First Quality Baby Products, LLC (decided 18 September 2015) (Federal Circuit) (en banc)
In SCA, the Federal Circuit considered whether laches, an equitable defence to patent infringement, can bar recovery of legal relief to damages for patent infringement during the six-year statutory damages recovery period. This en banc opinion was prompted by a recent Supreme Court decision concerning copyright infringement, where the Supreme Court held that laches could not be a defence during the three-year statute of limitations period set by law for copyright infringement actions. By contrast, the Federal Circuit held that laches was retained as a defense during the six-year statutory damages period set by law for patent infringement. The Federal Circuit attributed this different outcome to codification of the laches defense in the Patent Act but not the Copyright Act.

Akamai Tech, Inc v. Limelight Networks, Inc (decided 13 August 2015) (Federal Circuit) (en banc)
This case has been considered several times by the Federal Circuit and also by the Supreme Court. The issue in Akamai is what constitutes direct infringement of a method claim when multiple parties perform steps of the patented method. The Supreme Court previously held that inducement requires a finding of direct infringement and remanded the case back to the Federal Circuit to determine if there was direct infringement. On 13 August 2015, the Federal Circuit sitting en banc held that ‘an entity responsible for others’ performance

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5 Petrella v. Metro-Goldwyn-Mayer, Inc (decided 19 May 2014) (Supreme Court).
6 Limelight Networks, Inc v. Akamai Techs, Inc (decided 2 June 2014) (Supreme Court).
of method steps can be held liable for direct infringement in two sets of circumstances: (1) where that entity directly controls others’ performance, and (2) where the actors form a joint enterprise.’ A petition for certiorari concerning the Federal Circuit’s opinion is currently pending before the Supreme Court.7

Pending cases before the Supreme Court
There are currently several important intellectual property cases pending before the Supreme Court. Included in those cases are two cases that concern whether the Federal Circuit’s rigid two-part test for enhanced patent damages is valid in light of the Supreme Court’s recent opinion concerning a similar standard for awarding attorneys’ fees in patent cases.8 Also under consideration by the Supreme Court is a case concerning whether the Patent Office should apply the ‘broadest reasonable interpretation’ claim construction standard for IPR petitions.9 This claim construction standard is broader than the standard used to construe patent claims during patent litigations by the Courts. All three of these cases stand ready to substantially change the practice of patent law in the United States.

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,10 medical diagnostic methods11 and isolated DNA.12

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

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7 Petition filed 26 January 2016 (Docket No. 15-993) (Supreme Court).
8 *Stryker Corp v. Zimmer and Halo Electronics v. Pulse Electronics* (argued 23 February 2016) (Supreme Court).
9 *Cuozzo Speed Techs v. Lee* (argued 25 April 2016) (Supreme Court).
10 *Alice Corp Pty Ltd v. CLS Bank Intl* (decided 19 June 2014) (Supreme Court) and *Bilski v. Kappos* (decided 28 June 2010) (Supreme Court).
12 *The Association for Molecular Pathology v. Myriad Genetics, Inc* (decided 13 June 2013) (Supreme Court).
States and Puerto Rico. Secondly, 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 in any federal district where the defendant has sufficient contacts to be amenable to service of process. 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.

The AIA added a limitation to the joinder rule for defendants within the same patent infringement action. To join separate defendants within the same action, the requested relief must be asserted against the defendants jointly, severally or in the alternative, and there must be common infringement questions.

iii Obtaining relevant evidence of infringement and discovery

Liberal discovery rules in the United States allow for a significant amount of pretrial 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.

v 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.

vi 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.

vii Defences
The most common defences to patent infringement are non-infringement, patent invalidity and inequitable conduct. The AIA has also introduced a prior user rights defence for all patentable subject matter as well as derivation actions. 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 is now prior art. The scope of prior art was also expanded to art that is ‘otherwise available to the public’ for these applications. 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. The AIA eliminated failure to disclose the best mode as a defence. Recently, the Supreme Court broadened the invalidity defence of claim indefiniteness.13 Previously, a patent

13 Nautilus, Inc v. Biosig Instruments, Inc (decided 2 June 2014) (Supreme Court).
claim was only indefinite if it was not amenable to construction or insolubly ambiguous. Finding these standards too forgiving, the Supreme Court adopted a standard of reasonable certainty to those skilled in the art. This broader standard may invite potential infringers to assert this defence more readily.

**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.\(^\text{14}\) 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 laches 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 AIA expanded prior user rights from covered business methods to all patentable subject matter. The 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**

The AIA also creates procedures to allow someone who claims to be the true inventor to assert rights to a patent over another who has ‘derived’ the invention. The AIA creates both a procedure within the Patent Office for patent applications, as well as jurisdiction of the federal courts for derivation civil actions of 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 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.

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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.

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 wilful may also be able to receive up to treble damages.

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. A prevailing party who can show the case is exceptional may also be awarded attorneys’ fees, although this type of relief is discretionary and traditionally was rarely granted. However, it is likely that, because of the increase in vexatious litigation by non-practising entities (i.e., patent ‘trolls’), the Supreme Court recently decided two cases involving the standard to be awarded attorneys’ fees. In the first case, the Court unanimously held that the current standard for attorneys’ fees was too rigid and the standard must be applied on a case-by-case basis and considered under the ‘totality of the circumstances’. In the second unanimous decision, the Court held that a grant of attorneys’ fees must be reviewed under the more deferential ‘abuse of discretion’ standard.

For ITC complaints, the principal remedy available is an exclusion order prohibiting importation.

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.

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 AIA also significantly expanded the procedures within the Patent Office to allow for review of patent applications and issued patents independently of court proceedings:

Pre-issuance submissions
The AIA created a new procedure for third parties anonymously, and for a modest fee, to 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. Approximately 9,900 documents have been filed with the Patent Office as part of pre-issuance submissions since this process came into effect on 16 September 2012.\(^{15}\)

Supplemental examination
The AIA also creates a new procedure for 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
A new post-grant review procedure was introduced by the AIA. Under this procedure, a third party may petition the Patent Office to review a patent or broadening reissue patent based upon patents, published 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. Since its inception, only 21 petitions for post-grant review have been filed.\(^{16}\)

Inter partes review
The AIA also introduced inter partes review (IPR) as a replacement for inter partes re-examination. The procedure for conducting inter partes review took effect on 16 September 2012, and


applies to any patent issued before, on or after 16 September 2012. 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 post-grant review, whichever is later. For a defendant already involved in an infringement action, the defendant has one year from the filing of the infringement lawsuit to file an IPR petition.17

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 post-grant petition, and the petition, if granted, will be decided by the PTAB. 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.18

Since taking effect, about 4,200 IPR petitions have been filed. Of the approximate 2,700 completed petitions, about 50 per cent were instituted for trial by the PTAB.19 For the petitions that were not instituted, over 60 per cent were denied outright, with the remainder otherwise terminated (i.e., settled or patent claims voluntarily cancelled). For the instituted petitions, the PTAB has completed approximately 800 trials with written decisions, with the vast majority (approximately 73 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 14 per cent) and no claims found unpatentable (approximately 13 per cent).

V 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 the provisions of the AIA, and in particular, the use of IPR petitions to challenge the validity of issued patents. While it does not appear that IPR petitions have supplanted traditional patent litigation in district courts, these petitions appear to be filed concurrently with a large number of traditional litigations. As the IPR petition process has been developing, the Patent Office and the Federal Circuit have continued to develop and refine the rules and procedure for these petitions.

The Supreme Court has also been very active in the area of patent law. Over the past several years, the court has addressed several important aspects of patent law, including patentable subject matter, divided infringement, patent invalidity, and fees and damages. This trend appears to be continuing, with several important cases currently pending before the court.

17 See 35 U.S.C. Section 315(b).
18 See 35 U.S.C. Section 315(e).
19 See n. 16, supra.
Chapter 30

VIETNAM

Tran Manh Hung

I FORMS OF INTELLECTUAL PROPERTY PROTECTION

i 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.2

Related rights are granted to individuals or organisations for the protection of their performance, sound recordings, video recordings, broadcast programmes and encoded satellite programmes.3

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 from the date of fixation, the term is 100 years running.

1 Tran Manh Hung is the managing partner at BMVN International LLC, a member of Baker & McKenzie International.
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.4

ii Trademarks
The IP Law defines a trademark as any sign distinguishing 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.5

This definition of a trademark under the IP Law means that Vietnam accepts for protection all types of traditional trademarks, but does not protect non-traditional marks, such as motion, sound, colours, scent, taste 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 can 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 of 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

- products dictated by their technical features;
- civil or industrial construction works; and
- products that become invisible during their use.

In order to obtain protection, an industrial design must be registered with the NOIP, and must meet the requirements for novelty, inventiveness and industrial application.8

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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).

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 upon 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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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.

In order 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:

- **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.

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 can use this form of protection, must be:

- **a** a trade secret as mentioned in subsection iv, supra;
- **b** a result of significant investment and effort; and
- **c** requested for protection by its owner.

The period of time for the protection duration of clinical test data runs from the date of data submission, and five years from the date of approval for the circulation of a new drug.

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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.
Protection for pharmaceutical test data shall be terminated in the following cases:\textsuperscript{14} 
\begin{enumerate}[a]
\item the data no longer meets the protection requirements set out in subsection vi, \textit{supra};
\item there is clear evidence that the owner of the protected data does not have the legal right of use thereof;
\item an authority’s decision of approval for a new drug circulation becomes invalid;
\item a withdrawal of a new drug registration for approval;
\item an authority’s decision for a compulsory licence of a right of use of a patent containing the protected data;
\item an authority’s decision to settle an appeal terminating the validity of a data protection decision; and
\item such termination is necessary for the protection of public health and to meet other urgent public issues.
\end{enumerate}

\section*{II RECENT DEVELOPMENTS}

\subsection*{i TPP Agreement}
In 2015, the symbolic Trans-Pacific Partnership Agreement (TPP) was officially reached. When the official TPP takes effect, Vietnam will have to adopt significant amendments to its IP legal framework to comply with new requirements, including the following notable changes:
\begin{enumerate}[a]
\item Copyright and related rights: the copyright protection term may be extended from the author’s life plus 50 years\textsuperscript{15} after the author’s death to the author’s life plus 70 years\textsuperscript{16} after the author’s death.
\item Trademark: the new IP legislation shall protect not only visually perceptible marks but also scent and sound marks.\textsuperscript{17}
\item Patent: the patent protection term may be compensated where there are unreasonable delays in the granting of patents\textsuperscript{18} or there are unreasonable delays in the granting marketing approval in respect of pharmaceutical products.\textsuperscript{19}
\end{enumerate}

\subsection*{ii Patent Prosecution Highway Agreement}
In October 2015, the National Office of Intellectual Property of Vietnam (NOIP) signed its first Patent Prosecution Highway Agreement (PPH) with the Japanese Patent Office (JPO) to enable accelerated patent examination process. The JPO agreed with the NOIP on the implementation of the PPH on a trial basis starting on 1 April 2016. The PPH is expected to significantly reduce patent examination time as a result of early examination of patent applications. If the trial yields successful results, the NOIP will consider signing additional PPHs with other patent offices.

\textsuperscript{14} Article 14 of the Circular No. 05/2010/TT-BYT.
\textsuperscript{15} Article 27 of the IP Law 2005, amended 2009.
\textsuperscript{16} Article 18.63 of the TPP Agreement.
\textsuperscript{17} Article 18.18 of the TPP Agreement.
\textsuperscript{18} Article 18.46 of the TPP Agreement.
\textsuperscript{19} Article 18.48 of the TPP Agreement.
III OBTAINING PROTECTION

i Business methods\textsuperscript{20}

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, principles, resolve any technical problems, or create any technical improvement. Thus, they cannot be considered as technical solutions. As a result of this, they are not applicable for patent protection. Some examples of business methods include methods or systems for manufacture 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\textsuperscript{21}

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,\textsuperscript{22} are various types of biotechnology inventions, 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 result or effect of the claimed process, it shall not deem to be of an essential biological nature.

\textsuperscript{20} Article 5.8.2.4 of the Rules of Examination for Patent Applications attached to the Decision No. 487/QD-SHTT dated 31 March 2010 of General Director of the National Office of Intellectual Property.

\textsuperscript{21} Article 5.8.2.5 of the Rules of Examination for Patent Applications.

\textsuperscript{22} 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 a substance by using microbiology (i.e., fungi, viruses). These inventions may be protected under a patent if they are not contrary to morality, public order or do not constitute a threat to national security.

iii Methods for preventing, diagnosing and treating humans or animals

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:

- surgical procedures performed on humans or animals (dead bodies); and
- to collect information on bodies of live humans or animals, for further research, and not for obtaining a final diagnostic result (i.e., physical figures).

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 is not for the purpose of obtaining the final diagnostic result.

iv Treatment methods for humans or animals 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:

- methods for producing prosthetic appliances;
- 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);
- methods of butchering animals;
- methods of treating dead humans or animals for specific purposes (i.e., for the purpose of sanitary disposal);
- methods of non-surgical cosmetic treatment;
- methods for exterminating germs, viruses, lice, etc., in humans or animals; and
- methods for maintaining the well-being of healthy humans or animals.

23 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.

In respect of 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 such 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 an 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, which means 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 Criminal Code)\textsuperscript{24} allows for criminal proceedings to be taken against infringers who violate trademarks and geographical indications.\textsuperscript{25} 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\textsuperscript{26} also depends on the seriousness of the case, the consequences of the violation and whether the offences are repeated. From 1 July 2016, in addition to individual infringers that have been subject to criminal prosecution under the current Criminal Code, the amended Criminal Code 2015 of Vietnam\textsuperscript{27} will also criminalise infringing acts against intellectual property rights conducted by commercial legal entities.\textsuperscript{28} Pursuant to the amended Criminal Code 2015, sanctions for individuals may include loss of certain civil rights, monetary fines upwards of 1 billion dong and imprisonment for up to 20 years and even capital punishment; whereas, sanctions for legal entities may include loss of certain civil rights, fines of between 1 billion and 15 billion dong, business suspension for up to three years and even permanent suspension.\textsuperscript{29}

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 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.

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.

\textsuperscript{24} The Criminal Code has been amended and supplemented by Law No. 37/2009/QH2 issued by the National Assembly of Vietnam on 19 June 2009, which entered into force on 1 January 2010.
\textsuperscript{25} Article 171 of the Criminal Code, amended in 2009.
\textsuperscript{26} Articles 156–158 of the Criminal Code, amended in 2009.
\textsuperscript{27} The amended Criminal Code has been promulgated on 27 November 2015 and will take effect from 1 July 2016.
\textsuperscript{28} Article 76.1 of the amended Criminal Code 2015.
\textsuperscript{29} Articles 192–195, 225-226 of the amended Criminal Code 2015.
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:\textsuperscript{30}

\begin{itemize}
  \item \textbf{a} an act of IP infringement causes damage to authors, rights holders, consumers or the public;
  \item \textbf{b} manufacturing, importing, transporting or trading in IP counterfeit goods or assigning others to do so; and
  \item \textbf{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.
\end{itemize}

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 period 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.

\paragraph*{Civil procedures}

In order 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 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 from 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.

\paragraph*{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. As the case may be, 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).

\textsuperscript{30} Article 211.1 of the IP Law 2005, amended 2009.
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

The dispute arising from the field of IP rights is a specific form of civil dispute, which is usually complex, and involves technical factors to an in-depth degree. Therefore, the assessment over 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. In addition 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.31

v Structure of the trial

In the course of a trial on an IP rights dispute, the plaintiff and the defendant in the litigation, bears the burden of proof.32 Evidence may be gathered from the following sources:33

a readable, audible or visible materials;

b exhibits;

c involved parties testimonies;

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’ is no longer considered a source of evidence.34

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.

34 Article 94 of the amended Civil Procedure Code 2015.
The hearing shall be conducted orally.\textsuperscript{35}

Within three working days after the conclusion of a court session, involved parties, agencies or organisations initiating the lawsuits shall be supplied with judgment extracts by the court.\textsuperscript{36}

Within 10 days from the date of the judgment pronouncement, the court shall hand over or send the judgment to involved parties, agencies or organisations initiating the lawsuit and the procuracy of the same level.\textsuperscript{37}

\textbf{vi} \textbf{Infringement}

A lawsuit petition must include the following principal contents:\textsuperscript{38}

\begin{itemize}
  \item[a] date of its inception;
  \item[b] name of the court receiving the lawsuit petition;
  \item[c] name and address of the litigator;
  \item[d] name and address of the IP rights owner to be protected;
  \item[e] name and address of the person who is sued;
  \item[f] name and address of persons with related rights and obligations, if any;
  \item[g] specific matters requested to be settled by the court against the defendant, by persons with related rights and obligations;
  \item[h] names and addresses of witnesses, if any;
  \item[i] documents and evidence proving that the petition is well-grounded and lawful;
  \item[j] other information, which the litigator deems necessary for the resolution of the case; and
  \item[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.
\end{itemize}

Litigators must send lawsuit petitions, together with accompanying documents or evidence, proving that their claims are well-grounded and lawful.\textsuperscript{39} In case of lack of documents or evidence for objective reasons, claimants are entitled to supplement during the process of the case.\textsuperscript{40}

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.

\begin{flushright}
40 Article 189.5 of the amended Civil Procedure Code 2015.
\end{flushright}
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 as an infringer and be subjected to the imposition of sanctions from competent authorities.

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:41

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 of 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 upon 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: 42

a compulsory termination of the infringing acts;

b compulsory public apology and rectification;

c compulsory performance of civil obligations;

d compulsory payment of damages for loss; or

e 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.

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. 43

The application, change and cancellation of provisional emergency measures before the opening of a court session shall be considered and decided by a judge. 44

The application, change and cancellation of provisional emergency measures at court sessions shall be considered and decided by the trial panels. 45

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 a court’ legally effective judgments or decisions, which are appealed owing to alleged serious law violations, detected in the settlement of cases.46

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.47

Pursuant to the Civil Procedure Code, the cassation or reopening trial panels of the provincial-level people’s courts, shall consist of members of the judges’ committees of the provincial-level people’s courts.48 The cassation or reopening trial panel of the Supreme People’s Court shall consist of members of the judges’ committees of the Supreme People’s Court.49

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.

V TRENDS AND OUTLOOK
In the next five to 10 years, Vietnam’s legal framework will certainly witness significant changes, especially in the intellectual property environment as all the Free Trade Agreements are coming into full effect. Vietnam shall allow the registrability for scent and sound trademarks, not to mention the wider ranges and higher standards of patent protection in general and of pharmaceutical protection in particular. These new regulations are among the most highlighted and controversial issues in the TPP since they restrict Vietnamese companies from accessing and marketing new products. Consequently, Vietnamese people may have to pay higher prices for their medical needs. With regard to the enforcement of IP rights, the TPP 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.

Facing these difficulties, Vietnam must provide and implement effective economic and legal strategies appropriate to its development level and enforcement capacity. In other words, it appears that Vietnamese IP legislation will have to undergo material changes to align itself with the international standards set forth by the TPP. Some possible solutions could be (1) promoting research activities, (2) raising legal awareness, and (3) implementing

regulations step by step in accordance with the TPP and other international treaties. Changes in the law may take some time, but the implementation of international IP standards will indicate that Vietnam is ready to be a strong contender in the global economy.
Appendix 1

ABOUT THE AUTHORS

FRANCISCO BRITO E ABREU

*Uria Menéndez – Proença de Carvalho*

Francisco Brito e Abreu joined Uria Menéndez in 2001 after working as in-house counsel in the Portuguese subsidiary of a multinational corporation, a privately owned holding company and a listed Portuguese company, and as a lawyer in another prestigious Portuguese law firm. He was made partner of Uria Menéndez in January 2005.

He focuses his practice on commercial and corporate law issues and has extensive experience in corporate restructuring, M&A and private equity transactions. Francisco also has vast experience in the pharmaceutical sector, focusing on regulatory, distribution and advertising matters.

He is recognised by major publications (*Chambers Global, IFLR 1000, PLC Which Lawyer?,* etc.) for his work in M&A and private equity.

PRAVIN ANAND

*Anand and Anand*

Pravin Anand 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.

ROBERT L BAECHTOLD
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Robert Baechtold is one of the founding partners of Fitzpatrick, Cella, Harper & Scinto, and is widely recognised for his experience and accomplishments in patent litigation. Over the past 40 years, Mr Baechtold has prepared, tried and argued intellectual property cases primarily in the fields of pharmaceuticals, biotechnology, chemistry and polymeric materials. He has argued numerous appeals before the Court of Appeals for the Federal Circuit and has served as President of that Court’s Bar Association. He has appeared as lead counsel in litigation for major international companies such as Bristol-Myers Squibb, Warner-Lambert, Merck, Pharmacia, Astellas Pharma, GD Searle, Novartis, AstraZeneca, Sanofi-Aventis, UCB, American Cyanamid, Takeda Chemical Industries, SC Johnson & Son, Hoechst Celanese, American-Maize Product, DuPont, Union Carbide, Emory University and Bausch & Lomb.

Mr Baechtold was recognised as New York Intellectual Property Lawyer of the Year by The Best Lawyers in America (2011), and as a top practitioner in every edition since 1995. He was listed as a leading individual in Tier 1 of the 2003–2011 editions of Chambers USA: America’s Leading Lawyers for Business and the 2003–2011 editions of Chambers Global: The World’s Leading Lawyers for Business, where client comments include: ‘He has everything you need – he knows how to try cases, counsel and direct strategies. In pharmaceutical patent litigation, he’s the greatest that ever was,’ and ‘a top trial lawyer – he’s quick on his feet, elegant and thorough in presentation, possessing excellent judgment and tremendous gravitas’. Mr Baechtold is listed in the current and past editions of the Patent Practitioners section of Legal Media Group’s Expert Guides. He was also listed as a top New York City intellectual property litigator in the 2006–2011 issues of ‘New York Super Lawyers’ – Metro magazine, and as a Tier 1 litigator in IAM magazine’s guide ‘Patent Litigation 250: The World's Leading Patent Litigators (2011)’. He was recognised in the 2012 edition of Who’s Who Legal: Patent Lawyers and in PLC Which Lawyer? (2011) as an endorsed attorney. Mr Baechtold was named Seton Hall University School of Law’s 2009 distinguished graduate.

He received a JD degree, magna cum laude, granted by Seton Hall University School of Law, and a BS in Chemistry granted by Rutgers University. He is a member of the bars of the states of New York and New Jersey, and of several federal district courts and courts of appeal.

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Francesco Banterle is an associate of Bonelli Erede in the Milan office.

He practises intellectual property, information technology, unfair competition and data protection law, focusing on opinions, negotiations and litigation before the courts.

He is the author of several publications and contributes to the review Annali italiani del diritto d’autore.
Mr Banterle received his law degree, *cum laude*, from the University of Milan, and obtained a PhD in intellectual property at the University of Milan, writing his final thesis about copyright in the social network environment. He was admitted to the Italian Bar in 2015 and he is qualified as trademark attorney.

**PHILIPPE BHERING**

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Philippe Bhering is a graduate of the Candido Mendes University of Rio de Janeiro, Brazil (LLB) and holds a master’s degree (LLM) from the Ludwig Maximilian University of Munich, Germany. He has worked as a guest researcher at the Max Planck Institute for Intellectual Property, Competition and Tax Law, and as a research assistant at the International Max Planck Research School for Competition and Innovation. He is a current PhD candidate at Ludwig Maximilian University. Mr Bhering specialises in trademarks, copyright, licensing, enforcement against unfair competition and counterfeiting, and litigation.

**BRIGITTE BIELER**

*Wenger Plattner*

Brigitte Bieler is an associate with Wenger Plattner, practising in the firm’s Basle office in the fields of intellectual property and IT, fair practices law and private clients. She advises companies and private individuals on national and international intellectual property law, especially in the area of trademark and copyright law. The second focus of her activity is advisory services on national and cross-border property law and estate planning. Prior to joining Wenger Plattner, Brigitte Bieler worked as a research and teaching fellow for civil law and civil procedure law of the University of Basel and as a law clerk at the Court of Appeal of Basle-Country.

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Dana Blaer is senior associate at Ţuca Zbârcea & Asociaţii, specialising in intellectual property, corporate and commercial, as well as mergers and acquisitions. She has practised law for the past 11 years, and regularly assists clients from a variety of industry sectors as regards the protection of technology and intellectual property rights as part of mergers and acquisitions, franchising, financings, joint ventures and divestitures etc.

**MARTINA BRAUN**

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Martina Braun is a senior associate and member of the IP & IT and the life sciences and health law teams. She advises and represents clients on all aspects of intellectual property law and information technology, with a particular focus on copyright, trademarks and data protection. One of her key areas of expertise is advising on contract law. She also deals with a wide range of health law matters and the related regulatory issues.

**AILSA CARTER**

*Gowling WLG*

With an undergraduate degree in chemistry, Ailsa has specialised in advising and representing clients in the pharmaceutical, biotech and consumer products sectors. This has focused on acting in litigation and wider disputes concerning patents, confidential information and
trademarks. Ailsa has also collaborated with lawyers in many other jurisdictions, coordinating and assisting in the context of multi-jurisdictional disputes and projects involving litigation outside the UK.

At Gowling WLG, Ailsa is in a professional support role focusing on the development of knowledge, the production of material for publication and the training of fee earners in the intellectual property team.

**XENIA CHARDALIA**  
*Christos Chrissanthis & Partners Law Firm*

Xenia Chardalia LLB (University of Leicester), LLM (University of Bristol), LLM (University of London) is a member of the Athens Bar, as well as a patent and trademark agent. She administers large patent and trademark portfolios on behalf of multinational firms. Her practice also specialises in patent and trademark litigation before both the Greek courts and the European Union Intellectual Property Office. She focuses on famous marks and luxury goods, food and beverage branding, ‘lookalike’ and trade dress cases, parallel trade, licensing and pharmaceuticals. She has also studied Accounting and Negotiation Strategies and, in addition to Greek law, she is also very familiar with English law.

**MARIA CHETCUTI CAUCHI**  
*Chetcuti Cauchi Advocates*

Dr Maria Chetcuti Cauchi is a co-founding partner at Chetcuti Cauchi Advocates. As a senior partner, Maria is in charge of the corporate and regulated business units of the firm. The former comprises all advisory work on trading and holding companies that are set up in Malta and that need merger and acquisition advice, restructuring assistance and a various types of corporate legal work. The latter refers to all clients that seek Malta as a regulated environment. This would include clients hailing from the ICT, gaming, financial services and investment fields.

Maria developed the firm’s practice in the corporate, commercial and finance areas with clients ranging from banks, funds, financial services companies, asset management companies and large corporates and institutions. Transactions include setting up of funds, assisting investment services companies, involvement in major private acquisitions and capital market projects, M&A transactions, securitisations and corporate finance ventures.

On a day-to-day basis, Maria’s team advises an array of clients on regulatory issues, compliance matters, commercial and finance transactions and corporate governance issues in general. Maria has vast experience of start-ups, corporate restructurings, takeovers, mergers, privatisations, and equity and debt financing structures. Maria’s team regularly advises banks and financial services companies on the procedure to set up in Malta, the compliance and regulatory aspects of their business, including client intake and due diligence, compliance procedures, reporting and general regulatory observance matters.

Maria’s main interest centres on the application of traditional notions of intellectual property, technology and financial services law to the online world, as well as the conversion of brick and mortar notions to cyberspace. These mostly include projects with a fusion of technology law and investment and finance law, such as payment gateways, gaming operations, e-money institutions, payment services and fintech companies and ICT online operators.

Maria has been described as ‘extremely professional and I fully trust her advice and suggestions’ (Cecilia Emanuelson, trademark manager Ikea), she is considered ‘a
first rate attorney in any jurisdiction’ (David L Bradfute, PhD, JD, IP law) and possesses ‘professionalism, punctuality and trustworthiness’, while being ‘a true expert and (with) a great personality’ (Ilgar Neymatov, Tri-On GmbH).

CHRISTOS CHRISSANTHIS  
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Christos Chriissanthis LLM (University of London), PhD (University of Athens) is a professor of commercial law at the University of Athens, Faculty of Law, and a fully practising attorney-at-law specialising in IP matters and complex commercial litigation. He has published extensively on Greek trademark law. In addition to law, he has also studied Accounting and Negotiation Strategies. His professional practice covers fields such as pharmaceutical patents, trademark litigation, parallel trade, anti-counterfeiting measures and unfair competition before the Greek courts, as well as trademark litigation before the European Union Intellectual Property Office and the General Court of the EU. During the past years, he has successfully led some of the more important IP litigation cases before the Greek courts and has greatly contributed to some of the most notable recent court precedents in Greece regarding IP matters, such as parallel trade, famous marks and trade dress litigation.

REBECCA COSTEN  
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Rebecca assists clients with managing and protecting their intellectual property rights from misuse, and with developing strong brands to strengthen their corporate image and add value to their business.

Rebecca specialises in contentious intellectual property matters and has particular expertise in cross-border disputes – she has been recognised for her management and success in cross-border litigation. Rebecca provides practical and effective advice to clients on the mechanisms that can be put into place to protect or enforce clients' intellectual property rights. By devising and implementing effective brand protection strategies, Rebecca helps clients to deal with the challenges they face in identifying and dealing with infringement on a worldwide basis.

Rebecca also has experience in High Court litigation, arbitration and mediation and other alternative dispute resolution procedures. Rebecca is recognised as a ‘diligent, perceptive and effective’ lawyer (*Chamber and Partners 2014*) and she is identified as one of only seven associate lawyers in the City of London as being ‘one to watch specialising in intellectual property’ matters (*The Legal 500 2012/2013*).

CIPRIAN DRAGOMIR  
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Ciprian Dragomir is a partner at Ţuca Zbârcea & Asociaţii and heads the firm’s IP and personal data protection practice groups. For the past 17 years he has advised an impressive roster of clients on all legal matters associated with the protection of their IP rights, including copyright, trademarks, design rights and patents. He also focuses on IP-related transactional work, such as licensing and major IP due diligence issues. In particular, he is highly reputed for advising on anti-counterfeiting issues – including product counterfeiting, product contraband and illegal use of trademarks – especially in mass-market industries such as cigarettes, beverages, food and clothing. His expertise covers data protection, consumer protection, unfair competition and misleading advertising. Mr Dragomir is a certified IP counsellor and a member of the International Trademark Association, World Customs Organization and the
European Communities’ Trade Mark Association. As well as being a partner at Țuca Zbârcea & Asociații, Mr Dragomir coordinates Țuca Zbârcea & Asociații IP, the firm’s specialised IP practice division, which comprises lawyers and certified IP counsellors.

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Tommaso Faelli is a partner of Bonelli Erede in the Milan office. He practises IP, unfair competition, data privacy law (particularly with reference to transnational data management and flow) and risk management, focusing on negotiation and litigation before the courts, and assistance with independent supervisory authorities.

He is the author of several publications, and is a member of the editorial staff of the review *Giurisprudenza Annotata di Diritto Industriale*.

Since 2005, Mr Faelli has been an adjunct professor of intellectual property law at the faculty of law at the University of Insubria (Como and Varese).

In 2007, he obtained a PhD in commercial law – intellectual property and competition from the University of Parma, writing his final paper on trade dress protection under trademark, industrial design and copyright law.

He taught on the postgraduate specialisation course on intellectual property organised by the WIPO Worldwide Academy at the ONU Centre in Turin, and on the master’s degree course in intellectual property organised by Il Sole 24 Ore.

Mr Faelli was admitted to the Italian Bar in 2002.

**VICTOR GARRIDO**

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Victor Garrido is manager of the technical department at Dumont Bergman Bider SC. He is an industrial chemical engineer, with specialisation in polymers and in intellectual property law. He has been involved in patent matters for 15 years, working for some of the most prestigious firms in Mexico. He has handled both the administrative and technical aspects of patents, industrial designs and utility models, including prior art searches, drafting and filing applications, counselling in both formal and substantive examinations, technical opinions on patentability, clearance analysis, and opinions for litigation. He has published articles in some of the most renowned international IP magazines and has participated as a panelist in international events. He is member of professional national and international organisations, such as the AMPPI, AIPPI and AIPF. He speaks Spanish and is fluent in English.

**ALEKSANDRA GUCWA**

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As senior associate, Aleksandra Gucwa’s practice is primarily focused on data protection, privacy, counselling clients on European data privacy, e-commerce and technology transactions. She is used to working with clients for whom data privacy plays an active role.

She specialises in intellectual property law, mainly in copyright and trademark matters, both contentious and non-contentious. In addition, Aleksandra regularly advises clients in all aspects of Luxembourg employment law, where she advises and litigates in individual and collective dismissals, restrukturings and harmonisation of employment conditions, and also regularly drafts employment contracts that meet the standards of today’s workplace.
NICOLAS GUT
Wenger Plattner
Nicolas Gut is an associate with Wenger Plattner, practising in the firm’s Basle office in the fields of intellectual property, litigation and arbitration. His focus is on litigation in all areas of commercial and business law, especially intellectual property law. His activity also extends to all areas of intellectual property law, with a particular focus on copyright, trademark, design, and fair practices law. Prior to joining Wenger Plattner, Nicolas Gut worked as a research and teaching fellow for civil law and civil procedure law of the University of Basel and as a law clerk of the Commercial Court of Argovia.

BOGDAN HALCU
Ţuca Zbârcea & Asociaţii
Bogdan Halcu is a managing associate at Ţuca Zbârcea & Asociaţii, having practised law for the past 12 years. He covers trademark registration and licensing, European Union trademark regulations, software copyright, trademarks enforcement and counterfeiting claims, including criminal prosecution for counterfeiting and unlawful competition. In addition, Mr Halcu offers legal advice on data protection issues related to intellectual property rights, as well as on data protection, franchise and know-how issues. He is a member of the International Trademark Association.

ADAM HALLER
Norton Rose Fulbright Canada LLP
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.

GORDON HARRIS
Gowling WLG
Gordon 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.

He 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.

He 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 Organisation, Gordon also pursues alternative dispute resolution both on behalf of clients and as a mediator.
EDITHA R HECHANOVA

Hechanova Bugay Vilchez & Andaya-Racadio

Attorney Editha R Hechanova is the managing partner of Hechanova Bugay Vilchez & Andaya-Racadio law offices, which specialises in intellectual property, corporate, immigration law and taxation. She is also the chief executive officer of Hechanova & Co, Inc, a corporation handling trademark and patent prosecution, copyright and domain name registrations, trademark valuation, searches and other non-contentious intellectual property matters. Hechanova & Co, Inc was awarded by the IPOPHL ‘Top Patent Filer’ for the period 2010–2014, ranking No. 2, and ‘Top Trademark Filer’ for the same period.

Ms Hechanova graduated from the University of the East with a business degree, majoring in accounting, magna cum laude. She is a certified public accountant. She obtained her law degree from the Ateneo de Manila University, and has a certificate in business economics from the University of Asia and the Pacific. She passed the Intellectual Property Office's Patent Agent Qualifying Examination in 2008 and is an alumna of SEAD, the Southeast Asian patent drafting course run by the FICPI. Her experience covers both contentious and non-contentious intellectual property matters, including border control, intellectual property enforcement, due diligence, licensing, trademarks and patents prosecution and copyright, patent and trademark litigation. Hechanova is an accredited court-annexed mediator at the Court of Appeals, and is an accredited IPOPHL mediator and arbitrator. She has been cited as a leading lawyer in the field of intellectual property law in the Philippines (2002–2015) by international publication Asialaw.

RAUNAQ KAMATH

Anand and Anand

Raunaq Kamath is a senior associate in the litigation department of Anand and Anand. With a background in business and law, he handles contentious intellectual property matters with a strong focus on trademark litigation and regularly undertakes advocacy appearances before the Delhi High Court.

CHIE KASAHARA

Atsumi & Sakai

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 and Entertainment Lawyers Network. Chie leads the IP/IT, Media and Entertainment teams at Atsumi & Sakai, and advises many leading non-Japanese and Japanese corporations on protecting their IP rights in respect of cutting edge technology.

ANNE KIUNUHE

Anjarwalla & Khanna Advocates

Anne is an advocate of the High Court of Kenya with over 10 years of experience in intellectual property law, competition law, mergers and acquisitions, and IT and telecommunications.
About the Authors

Law. She is a partner and the head of IP at Anjarwalla & Khanna where she advises and assists a diverse spectrum of large Kenyan and international clients on various aspects of IP rights protection and enforcement.

Anne is ranked in the Chambers Global legal directory, which has described her as being a ‘very positive and sparky’ lawyer and as receiving client praise for her drafting skills and contract analysis. In addition, Anne has been voted one of Kenya’s best M&A lawyers by Best Lawyers International, the oldest and most respected worldwide legal peer review. Recently, Anne won the CIC Stanbic Rising Star Award 2015 in the Professional Services Category. The award celebrates and recognises young, talented people in the work place, aged 28–40, who have a capacity for achievement, success and make a valuable difference.

STANLEY LAI, SC
Allen & Gledhill LLP
Dr Stanley Lai, SC leads the intellectual property practice at Allen & Gledhill.

Stanley specialises in all forms of IP litigation and information technology disputes, and is also a commercial litigator. He maintains a strong advisory practice for IP management and strategy, serving a broad spectrum of clients. Stanley has appeared in many significant intellectual property cases before the Singapore High Court and Court of Appeal.

He is an Adjunct Associate Professor in the Faculty of Law at the National University of Singapore and currently the Chairman of the Intellectual Property Office of Singapore. He is the first Singapore-born lawyer to have been conferred a PhD in law from the University of Cambridge, UK and was appointed senior counsel in 2010.

Stanley is recommended as a leading individual in Chambers Asia-Pacific, The Legal 500 Asia Pacific and other leading legal publications. According to World Trademark Review 1000 (2016), Stanley ‘deftly steers the IP practice while simultaneously serving as Chairman of the Intellectual Property Office of Singapore. A dexterous all-rounder, there is little he cannot do’. IAM Patent 1000 (2015) described Stanley as the “pioneer figure in Singapore litigation”, [he] knows what it takes to prevail in the toughest of pharmaceutical skirmishes”.

JASON A LEONARD
Fitzpatrick, Cella, Harper & Scinto

Jason Leonard is a partner in the New York office of Fitzpatrick, Cella, Harper & Scinto. Jason has experience in all aspects of intellectual property law, with a focus on complex pharmaceutical patent litigation. Jason has extensive experience litigating pharmaceutical patents in federal court, including appeals to the Court of Appeals for the Federal Circuit. Jason’s technical expertise includes new drug compounds, enantiomers, polymorphs, drug formulations, and methods of use. He has litigated patents covering oncology drugs, antifungal agents and oral contraceptives. He has also advised clients regarding regulatory exclusivities at the US Food and Drug administration, including patent term extensions, new chemical and product exclusivities, and Generating Antibiotic Incentives Now exclusivity. Jason is listed as a Rising Star in Intellectual Property Litigation in the 2015 and 2016 issues of Super Lawyers: New York Metro Edition. He is admitted to practise law in New York, New Jersey, several US district courts, the US Court of Appeals for the Federal Circuit and the US Supreme Court.

Before practising law, Jason worked for six years as a solid-state and analytical chemist at Pfizer. His work included development of analytical methods for drug formulations and synthesis of novel polymorphs and salts of pharmaceutical compounds. He also specialised
in conducting investigations of complex scientific problems encountered during drug development. Jason is a co-inventor on several solid-state pharmaceutical patents, including patents covering atorvastatin.

Mr Leonard received his BS degree, cum laude, in chemistry from the University of Connecticut in 1998. Mr Leonard received his JD degree, cum laude, from Franklin Pierce Law Center (now the University of New Hampshire School of Law) in 2007, where he was advised by Prof Emeritus Karl F Jorda.

EDWARD LIU
*Chen & Lin Attorneys-at-Law*

Edward Liu has been practising law for almost a decade. He primarily focuses on cross-border dispute resolution. He had handled many cases involving commercial disputes, patent infringement, patent licensing, prosecution against violation of the Trade Secrets Act, etc. He is well experienced in management of transnational cases and coordination with clients and counsels from different jurisdictions.

Edward Liu graduated from the National Taiwan University in 2002 and got an LLM degree from New York University School of Law in 2008. He is admitted to the Taipei Bar Association and had passed the New York State Bar Examination.

MONTSERRAT LÓPEZ-BELLOSTA
*Clifford Chance*

Montserrat obtained her law degree in 1992 from the Autonomous University of Barcelona and her master's diploma in European Community Law in 1995. From 1993 until 1996, she lectured on private international law, taking doctorate courses in Law and researching at the Autonomous University of Barcelona, the University of Louvain-la-Neuve, the Hague Academy of International Law and at the London School of Economics. She was admitted to the Barcelona Bar Association in 1997 when she began practising as a lawyer and joined Clifford Chance.

Montserrat has 20 years’ experience in intellectual property, regulatory, litigation and arbitration. She regularly publishes articles in specialised journals and participates in seminars, conferences and courses on private international law, litigation, regulatory and intellectual property.

ANDREW MAGGS
*Gowling WLG*

Andrew has significant expertise working with a range of technology clients, particularly US corporations active in the telecommunications field, in resolving their disputes in the UK, often as part of broader, multi-jurisdictional action.

Andrew is involved in the technical preparation of the case, interviewing and liaising with experts and counsel, as well as advising on tactical and legal considerations.

Andrew helped establish Gowling WLG’s Guangzhou office and assists clients to resolve their technology disputes in China.

KOSTADIN MANEV
*Manev & Partners Ltd*

Kostadin Manev is attorney-at-law, industrial property representative before the Bulgarian Patent Office, a European trademark and design attorney and a European patent attorney
with 25 years’ practice in the field of intellectual property protection. Mr Manev was the founder of Manev & Partners in 1993 and by 2005 had led it to its position as a leading law firm specialised in intellectual property protection and enforcement.

From November 2005 to May 2011 Mr Manev served as president of the Bulgarian Patent Office, including acting as a participant in the governing bodies of the Office for Harmonization in the Internal Market (Trade Marks and Designs) and the European Patent Organisation and for a time as the Deputy Chairman of the Budget Committee of OHIM.

Mr Manev returned to Manev & Partners in 2012, representing and defending the interests of small and large economic entities and individual inventors at a national and international level.

Since 2012, Mr Manev has been an IP law instructor at the Bulgarian National Institute of Justice – a non-profit entity engaged in professional training of magistrates.

JIULIANO MAURER
Bhering Advogados

Jiuliano Maurer is a graduate of the Federal University of Paraná (LLB), and holds a master's degree (LLM) from the University of Southern California, United States. Mr Maurer is a member of the Brazilian and New York Bar Association. His areas of practice are trademarks, copyright and neighbouring rights, advertising and entertainment law.

ELLA MIKKOLA
Bird & Bird Attorneys Ltd

Ella Mikkola is head of Bird & Bird’s intellectual property group in Finland.

She has gained extensive experience in intellectual property and life sciences law, including licensing, assignment, supply and distribution agreements; M&A-related IP agreements; patent, trademark and design litigation; customs seizures; media and entertainment-related copyright issues; and regulatory proceedings concerning pricing and reimbursement of pharmaceuticals among others.

In addition to her Finnish law degree from the University of Turku in 1995, Ella Mikkola has a US master's degree (LLM) in intellectual property law from the George Washington University Law School where she studied as a Fulbright Scholar in 1997–98.

Apart from working at law firms since 2001 she has also experience as a university lecturer and researcher focusing on patenting of biotechnological inventions and as a lobbyist for the Finnish industry.

Ella Mikkola has served as a member of the national Copyright Council and Employee Inventions Board. She has also participated in legislative work as a member of legislative committees reforming the Design Act and Trademark Act in Finland.

She has been acknowledged as one of the leading intellectual property law practitioners in Finland in the most notable international directories and is a well-known practitioner in the market and is highly acclaimed by rivals and clients. She has been listed in the editions of Best Lawyers since 2009 for Finland in the field of intellectual property. She is a frequent and popular lecturer in seminars, too.

She served as the president of the Finnish Association for Industrial Property Rights from 2012 to 2014 and has served as a board member in other IP associations, including the Finnish AIPPI Group and Finnish Information Technology Law Society.
MARK MORDI
Aluko & Oyebode

Mark is a litigation partner at Aluko & Oyebode. He is one of the core members of the firm’s dispute resolution team. He is a seasoned litigator who has successfully carved a niche for himself in intellectual property and maritime enforcement matters, as well as negotiating out-of-court settlements in favour of clients in this area.

His areas of specialisation include admiralty matters, commercial litigation and arbitration, and general civil litigation matters. He also represents a number of international pharmaceutical companies, international brand owners and Nigerian companies in intellectual property disputes.

In the course of his intellectual property enforcement practice, Mark has prosecuted several class actions and IP enforcement matters ranging from trademark infringements and enforcement of rights to letters of patents, copyright enforcement actions, unlawful interference with the performance of contract cases for major multinational and local pharmaceutical and manufacturing companies, as well as opposition proceedings before the Trademark Registry. In the course of prosecuting these cases he has successfully obtained and enforced, in every case, pre-emptive remedies in the nature of Anton Piller orders, temporary restraining orders or injunctions against counterfeit producers, parallel importers and passers-off. He also renders anti-counterfeiting advice.

Mark has been involved in some significant disputes over the years, including trademark infringement actions on behalf of multinational companies, admiralty actions, advising and representing oil and gas majors in arbitration proceedings on EPC projects, and advising on and prosecuting matters of debt recovery for a number of banks.

Mark’s expertise has been recognised in publications such as Who’s Who Legal: Nigeria 2012, in which he was recognised for his ‘astute legal mind’. He is a member of the Lagos State Public Interest Law Partnership responsible for the drafting of a pro-bono manual for Lagos state and his publications include ‘Towards Trademark Law Reform in Nigeria: A Practitioner’s Note’ in NIALS Journal of Intellectual Property (2011).

Mark Mordi acted as lead counsel in an ad hoc arbitration under the Nigerian Arbitration and Conciliation Act in a number of disputes in the food and beverages sector, as well as transport and logistics disputes, charter party disputes in the downstream oil and gas sector and a retail outlet contract dispute.

Mark obtained a bachelor’s degree in law (LLB honours) from the University of Benin, Benin City, Nigeria, in 1988 and is a barrister and solicitor of the Supreme Court of Nigeria (admitted 1989). He is a fellow of the Chartered Institute of Arbitrators and a member of the Nigerian Bar Association, the Anti-Counterfeiting Group and the International Trademarks Association (INTA). He presently serves on INTA’s alternative dispute resolution committee.

ANNE MOREL
Bonn Steichen & Partners

Anne is a partner at Bonn Steichen & Partners where she heads IP/IT, data protection, privacy and the employment, compensations and benefits practice.

Anne has a proven track record in providing specialist advice on data protection law and data privacy matters, and brings a wealth of experience in dealing with Luxembourg and EU data protection regulators.
Her IT and data protection and privacy experience includes advising on complex high-value IT procurements, long-term outsourcing projects and developing strategies and procedures for European data protection compliance.

Another focus of Anne’s is employment law. She regularly assists companies looking to establish themselves in the Luxembourg in relation to employment and business immigration matters, and supports them as they grow. She often assists clients in information and consultation procedures, negotiations with employees’ representatives and trade unions and entering into collective bargaining agreements, but also in the setting up of whistle-blowing systems and advises clients on non-discrimination issues. She has extensive experience in structuring schemes or alternative forms of remuneration for large international companies.

Anne is vice-president of the Luxembourg Employment Law Specialists Association and a member of the European Employment Lawyers Association, the International Bar Association and the Industrial Relations and Social Affairs Committee of the Luxembourg Bankers’ Association.

JOANA MOTA
*Uría Menéndez – Proença de Carvalho*
Joana Mota joined Uría Menéndez as a junior associate in February 2012 and became a senior associate in February 2014. Between 2006 and 2012 Joana worked as a lawyer in other prestigious law firms.

Joana focuses her practice on the acquisition, protection and maintenance of national and international IP rights and has represented parties in related litigation proceedings. She has also advises companies on personal data protection issues.

Joana has a postgraduate qualification in IP law, taught by the Portuguese Association of Intellectual Property Law in conjunction with the Faculty of Law of the University of Lisbon. She also has an advanced qualification in data protection law from the University of Lisbon.

MIKKO NURMISTO
*Bird & Bird Attorneys Ltd*
Mikko Nurmisto is an associate in Bird & Bird’s intellectual property group in Finland. He specialises in a broad range of intellectual property related issues advising both domestic and international clients across various sectors. He joined Bird & Bird in 2013 after completing his LLM degree at the University of Turku.

TAKAFUMI OCHIAI
*Atsumi & Sakai*
Takafumi Ochiai was admitted to the Japanese Bar in 2006. He was educated at Keio University (B.S., 2004) and the Legal Training and Research Institute of the Supreme Court of Japan. He was based at Mori Hamada & Matsumoto from 2006 to 2015, before joining Atsumi & Sakai. He is a member of the Dai-ni Tokyo Bar Association, the Japan Association of Arbitrators, the Research Committee on Business Recovery in Asia and the Japanese Association for Business Recovery. Takafumi has extensive experience in acting as counsel and an arbitrator in domestic and international arbitrations (including for the International Chamber of Commerce, China Economic and Trade Arbitration Commission and Japan Commercial Arbitration Association) involving a wide array of issues.
NGO-MARTINS OKONMAH

*Aluko & Oyebode*

Ngo-Martins holds a law degree from Delta State University, Nigeria and was admitted to practise law in Nigeria in 2008. He is a senior associate in the law firm of Aluko & Oyebode, where he advises clients on a range of commercial transactions including arbitration, tax appeal disputes, commercial litigation and intellectual property law.

Notable among these transactions is a tax appeal dispute involving an engineering, procurement and construction contract regarding the fabrication of a Nigerian liquefied natural gas plant at Bonny Terminal in Nigeria; an arbitration connected to a Canning Agreement involving an international brewing company and a local entity; and a resulting commercial litigation arising from a third-party intervention in an ongoing arbitration relating to a Production Sharing Contract in respect of oil and gas development in Nigeria. Ngo-Martins has also been involved in a number of notable intellectual property arbitrations in respect of brand franchise and distribution agreements in Nigeria and has assisted a number of foreign clients in protecting their brands locally. He is a member of the Chartered Institute of Arbitrators UK (Nigerian Branch), the International Trade Marks Association and an alumnus of International Lawyers for Africa. He presently serves on the International Trademarks Association's committee on parallel imports.

SHEM OTANGA

*Anjarwalla & Khanna Advocates*

Shem is a specialist IP lawyer who joined Anjarwalla and Khanna from Hamilton Harrison & Mathews, Advocates in January 2016. He brings with him a wealth of experience in intellectual property law and practice. He has successfully represented Fortune 500 companies, Ivy League Universities and large multinational proprietors of well-known marks in opposition and cancellation proceedings before the Registrar of Trade Marks. Shem has also advised numerous clients on trademark protection in Kenya and has vast experience in facilitating cross-border registration of trademarks as well as portfolio maintenance. His past practice experience also covers anti-counterfeiting procedures and transactional IP work, such as assignments and franchising.

In addition to trademarks, Shem’s IP expertise also stretches to patent, utility model and industrial design prosecution. He has also advised a wide array of clients on copyright and domain name protection, as well as on plant breeders’ rights.

MARINO PORZIO

*Porzio, Ríos & Asociados*

Marino Porzio studied law at the Law School of the University of Chile in Santiago and was admitted to practise in 1963.

He also attended the New York University Law School, where he obtained a master’s degree in 1965.

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.

He speaks Spanish, English, French, Italian and Portuguese.

FELIX T RÖDIGER

*Bird & Bird LLP*

Felix T Rödiger is an experienced specialist in all technical IP matters, with a focus on patent litigation both nationally and multinationally. He is known for handling technically complex matters. His major-figure clients come from the electronics, pharmaceutical, medical devices and automotive sectors. Felix was and is involved in several major patent infringement battles with parallel litigations throughout Europe and the US. Felix successfully handled the German litigation in 2007 in which the FRAND defence was applied for the first time ever worldwide and confirmed by court (4a O 124/05 – Zeitlagenmultplex) and which was widely reported.

Felix Rödiger was promoted to partner in 1999 and is a founding partner of Bird & Bird’s first German office, opened in Düsseldorf in 2002.

He regularly holds lectures on cross-border patent litigation issues at international conferences (e.g., at the IBA meetings in Dubai, Cancún, San Francisco and Auckland, at the Annual Intellectual Property Law Conference in Washington, DC, and at the LESI meetings in Amsterdam and Copenhagen). He has been a permanent lecturer at the IP Summer Law School in Cambridge on patent infringement issues for 10 years. He is co-author of a commentary on EC trademark regulation.

The main German legal directory JUVE Handbook German Commercial Law Firms named him a ‘frequently recommended’ patent litigator. Felix is the winner of the 2007 World Leaders International IP Awards for Patent Excellence.

STANISLAS ROUX-VAILARD

*Hogan Lovells (Paris) LLP*

Stanislas Roux-Vaillard is the partner in charge of the patent litigation team in the Paris office of Hogan Lovells LLP. 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 also advises and assists clients on matters such as negotiating and drafting contracts related to intellectual property rights (licences, assignments, R&D, coexistence agreements and securities).

Stanislas Roux-Vaillard was 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, APEB and he is the Secretary of EPLAW.
THOMAS SCHÄR
Wenger Plattner
Thomas Schär is a senior associate on the IP, private clients and litigation teams. He advises private clients as well as national and international companies, primarily in relation to IP, licensing and contract law. Another focus of his activity is insolvency and restructuring. Mr Schär also represents clients in court, having built an impressive track record as a litigator.

ALEXANDRA SEMERDJIEVA
Manev & Partners Ltd
Alexandra Semerdjieva is a Bulgarian attorney-at-law and industrial property representative with almost 10 years’ experience in the area of trademarks, geographical indications and industrial designs.

As former legal adviser to the Bulgarian Patent Office (the Office) (2005–2011), she has participated on behalf of the Office in more than 400 administrative proceedings per year, relating to registration, revocation and cancellation of industrial property objects and has represented the Office before the Bulgarian courts in more than 50 proceedings per year. She has lectured at numerous training seminars on industrial property for judges, entrepreneurs, marketing professionals and industrial property representatives.

Currently working as a lawyer at Manev & Partners, she defends industrial property rights of various foreign and local trademark and design owners in proceedings before the Office and the courts in Bulgaria. Since 2012 she has been an IP law instructor at the Bulgarian National Institute of Justice – a non-profit entity engaged in professional training of magistrates.

JAY SHA
Liu, Shen & Associates
Mr Jay Sha is a US patent attorney, admitted in Illinois and registered with the USPTO, and a qualified Chinese patent attorney for over 30 years since the beginnings of Chinese patent law. He obtained JD and LLM degrees from John Marshall Law School and a BSEE degree from Zhejiang University. He started his IP career in China in 1982, and worked at major Chinese and US patent firms. He joined Liu, Shen & Associates in 2008 along with his team.

Mr Sha has extensive experience in various aspects of intellectual property laws, including patent and trademark prosecutions, litigation, administrative enforcement, licensing and transactions. He is a frequent speaker on patent, trademark and other IP laws. He is a member of ABA, AIPLA, FICPI, AIPPI, LES, INTA.

AMANDA SOON
Allen & Gledhill LLP
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 matters.
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 expertise also includes advising on registered designs, copyright and domain names.

Amanda graduated from the National University of Singapore with an LLB (Hons) degree in 2008.

ARE STENVIK
Advokatfirmaet BA-HR DA
Are Stenvik first joined Advokatfirmaet BA-HR DA in 1990 and returned as partner in 2011, having spent 15 years as a research fellow and professor at the University of Oslo. His own practice covers both contentious and non-contentious issues and a wide spectrum of technologies, including pharmaceuticals, oil and gas technology, and information technology. Mr Stenvik has acted for major Norwegian and international corporate clients in high-profile cases and is regarded as a leading academic and practitioner in the field of intellectual property law. He has published numerous articles and several books on intellectual property law, including *Patent Law* (3rd ed. 2013), *Patent Scope of Protection* (2001), *Design Law* (2003), *The Law of Trade Marks and Trade Names* (2010) and *Tort Law* (2015). He is chairman of the Intellectual Property Law Committee of the Norwegian Bar Association.

KUNIHIRO SUMIDA
Atsumi & Sakai
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. Kunihiro is recognised as a top-class IP/IT expert with high levels of expertise in IP litigation and arbitration cases. He handles cross-border IP matters, including contentious mandates.

TRAN MANH HUNG
BMVN International LLC, a member of Baker & McKenzie International
Tran Manh Hung’s practice covers both contentious and non-contentious aspects of IP law, including trademarks, copyright, design, unfair competition, anti-counterfeiting, anti-pricy, domain names, commercial intellectual property including franchising and licensing arrangements, trade secret and technology laws. Hung has been ranked as the Strongly Recommended IP Lawyer by *Global3000*, and received high recognition by *Asialaw, Managing IP Asia*, and featured as the leading lawyer by Vietnam Central Television. He received an award ‘Lawyer of the Year (2009)’ awarded by the Vietnam Lawyers’ Federation, the Ministry of Justice and *Legal Magazine*. He has also been ranked as the leading lawyer by *Chambers Asia 2010*. He was the Chairman of the Legal Committee of Hanoi American Chamber of Commerce in 2012. He has given lectures at the Hanoi University of Law and the Diplomatic Academy of Vietnam and IP laws at the Professional Training School of the Vietnam Ministry of Industry and Trade and teaches law at the Hanoi Foreign Trade University and an international MBA course (CFVG).

He initiated the IP Vocational training courses for the top law students at Hanoi Law University. With 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.

**CHAVALIT UTTASART**
*Chavalit & Associates Limited*

Mr Chavalit Uttasart is managing and founding partner of Chavalit Law Group, which consists of Siam Law City Offices Limited (SCL), Chavalit and Associates Limited (CA), SCL Tax Consultants Limited (SCL Tax), SCL International Limited (SCLI), Chavalit & Partners Limited (C&P), SCLH Legal & Tax Consultants (Myanmar) Ltd (SCL Myanmar), SCL Laos Law Office Limited (SCL Laos), and SCL Law Offices (Cambodia) Limited (SCL Cambodia). Each firm provides a specific area of legal services to serve the specific needs of clients. SCL provides legal services for labour, taxation, mergers and acquisitions, litigation and real estate. CA provides intellectual property, information technology and telecommunications legal services. SCL Tax provides a full range of Thai and international taxation, accounting and customs services. SCLI focuses on international business aspects and foreign investment. C&P is our office in Hua Hin (Thailand) and focuses upon work for land and property buyers and developers, as well as providing corporate and tax advice. SCLH, SCL Laos, and SCL Cambodia provide full legal services in Myanmar, Laos, and Cambodia, respectively.

Mr Uttasart is a long-time legal practitioner who is recognised by *Chambers Asia Pacific: Asia Pacific's Leading Lawyers for Business* (2011) as being ‘highly talented and respected in the IP community’. He is also a recommended dispute resolution lawyer in the *PLC Cross-border Handbook on Dispute Resolution* (Which Lawyer?), is ‘highly recommended for contentious work’ by *The Legal 500 Asia Pacific* and is considered a ‘leading individual’ in the Thai intellectual property industry.

**ANTONIA VASILOGAMVROU**
*Christos Chrissanthis & Partners Law Firm*

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 emphasis mainly on aspects relating to sectors such as pharmaceuticals, and food and beverage. In addition to law, she has studied economics and management. She handles cases both before the Greek courts and the European Union Intellectual Property Office.

**CHRISTODOULOS G VASSILIADES**
*Christodoulos G Vassiliades & Co LLC*

Christodoulos G Vassiliades is the founder and managing director of Christodoulos G Vassiliades & Co LLC. He has been practising law since 1984 and specialises in intellectual property, corporate law and M&A, contract law, commercial law, tax and international tax planning, banking and finance law, and shipping law.

He is a law graduate of the University of Athens (1980). Immediately after completing his pupillage in 1984, he set up Christodoulos G Vassiliades & Co (as the law firm was named at the time) in Nicosia, Cyprus.

Christodoulos G Vassiliades is an appointed Deputy Registrar of the International Merchant Marine Registry of Belize (IMMARBE) for Cyprus and Greece and has been acting as the Honorary Consul of Belize in Cyprus since 1999.
He is also an active member of numerous professional associations including the Cyprus Bar Association, Nicosia Bar Association and Institute of Trademark Attorneys.

OURANIA VRONDOUT

*Christodoulos G Vassiliades & Co LLC*

Ourania has achieved an LLM in commercial law from the University of Bristol in 2012 and an LLB from the University of Leeds in 2011. She was admitted to the Cyprus Bar in 2013 and has since been working for Christodoulos G Vassiliades & Co LLC.

Christodoulos G Vassiliades & Co LLC is one of the leading law firms in Cyprus, offering a variety of commercial and corporate services since 1984, with affiliates around the world in Athens, Belize, Hungary, Malta, Moscow, Seychelles and most recently London. The firm's intellectual property department, founded in 2008, currently accommodates a large number of portfolios, predominantly for clients of national and international reach.

KRISTIN WALL

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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.

BRIAN WANG

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Brian Wang has practised law since 2006 and joined Chen & Lin in June 2013. He specialises not only in litigation and general corporate counselling, but also in patent, copyright, trade secrets and trademark laws. He mainly focuses on IP-related matters and litigation in recent years, especially patent litigation in pharmaceutical and electronics industries.

After passing the Taiwan Bar Exam and being admitted to the Taipei Bar Association, to learn more about IP law, he applied for the IP LLM programme at the University of Washington and received his master’s degree in 2010. He served as in-house counsel at the Taiwan Industrial Technology Research Institute where his practice focused primarily on IP-related matters. He was assigned to manage contracts, disputes and negotiations in various cases, and he was also in charge of cross-border patent litigation.
Appendix 2

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