



Global Patent Litigation

2023

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A treasure trove for readers with a special interest in SEP and FRAND licensing matters, with dedicated analysis of SEP litigation in the United States, China, Germany and Europe generally - the jurisdictions where the most important developments in the most important current FRAND cases are playing out today.

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Explore on [IAM](#) 

Contents

Special focus

Mexico Supreme Court opines on compensatory time and patent effective term

[Adolfo Athié](#)

[Basham, Ringe y Correa SC](#)

Key questions for patent owners to ask their law firms before asserting their rights

[Gottfried Schüll](#)

[COHAUSZ & FLORACK](#)

SEPs: Overview of jurisprudence in India

[Saya Choudhary Kapur](#), [Vrinda Bagaria](#)

Recovering damages after patent litigation in Mexico

[Saúl Santoyo Orozco](#), [Jose Luís Ramos Zurita Altamirano](#)

Challenges in drafting a dispute resolution clause

[Robert P Parker](#)

Key Questions for Defendants to Ask Law Firms Before Choosing Who to Hire

[Indranil Mukerji](#), [Stephen Marshall](#)

Country Q&As

Brazil: Patent litigation

[Claudio Barbosa](#), [Viviane Trojan](#)

[Kasznar Leonardos](#)

China: Patent litigation

[Wenwen Sun](#)

[Shenzhen Zhongyi Union Intellectual Property Agency Co, Ltd](#)

Germany: Patent litigation

[Gottfried Schüll](#)

[COHAUSZ & FLORACK](#)

Greece: Patent litigation

Maria Athanassiadou

Dr Helen G Papaconstantinou and Partners Law Firm

India: Patent litigation

Manisha Singh, Varun Sharma

LexOrbis

Italy: Patent litigation

Davide Luigi Petraz, Daniele Giovanni Petraz, Davide Pilati

GLP Intellectual Property Office

Japan: Patent litigation

Hirofumi Tada

Ohno & Partners

Mexico: Patent litigation

Saúl Santoyo Orozco, Jose Luís Ramos Zurita Altamirano

Poland: Patent litigation

Krystyna Szczepanowska-Kozłowska, Marcin Ziarkowski, Jakub Zabraniak

Allen & Overy, A. Pędzich sp. k.

United States: Patent litigation

Gregory J Lundell, James F Haley Jr, Joshua Van Hoven, Richard T McCaulley

Haley Guiliano LLP

United Kingdom: Patent Litigation

Rachel Fetches, Christie Batty

HGF Limited

Mexico Supreme Court opines on compensatory time and patent effective term

Adolfo Athié

Basham, Ringe y Correa SC

Summary

RESOLVING UNCONSTITUTIONALITY

ARTICLE 126 LPIP

BAYER

COMMENT

The author first commented on patent validity in the magazines *El Foro* and *La Barra* in an article titled “Dilación en el Otorgamiento de Patentes y su Regulación en el TLCAN” (“Delay in the Granting of Patents and the Regulation under the North American Free Trade Agreement”) in 2018.

The article reflected an initial point of view that, at the time, was an incomplete idea of the unfair system that had prevailed and still exists in Mexico on patent validity under the then Industrial Property Law (IPL) and the new Law on the Protection of Industrial Property (LPIP), which came into effect on 5 November 2020.

This idea, albeit with a more precise and developed approach, was taken up in a constitutional action the author filed, and later by the Second Chamber of Mexico’s Supreme Court. In light of those developments, this chapter presents part two of the author’s comments in this exciting area of law.

RESOLVING UNCONSTITUTIONALITY

For many years, it was common practice to assume that a patent would be valid for 20 years from the filing date of the patent application, and some relevant Mexican statutes governing this area of law prescribe a 20-year term from the filing date.

No one seems to have ever questioned whether this rule was fair, or whether it was in line with the Constitution: it was generally accepted that since this was what the regulations said, there was no option but to unequivocally comply with the law.

Was it right to simply accept this rule as the norm? Arguably, not everything provided for by statute should be accepted without question: when a rule appears to conflict with common sense, an issue of unconstitutionality may be present.

In the past, it was common to find that the effective term of a patent would differ from one patent to another, depending on how long each examiner took to study the application; in other words, under the 20-year filing date rule, a patent could be granted at any time between two years to 17 or more years after filing, and there have been cases in which either the patentee would enjoy only a single year of protection or the patent would be invalid upon issue – a result that is totally preposterous, unfair and unconstitutional.

Contrary to what supporters of the system may claim, a pending patent application is not the same as a patent that has already been granted. For example, legally granted patents, not pending patent applications, are required to take legal action against infringers or to obtain the benefits from supplying pharmaceutical drugs to the government under no-bid contracts.

The Second Chamber of Mexico’s Supreme Court understood the issue and sought a legal solution based on a systematic interpretation of the law. It targeted the unconstitutionality of Article 23 of the IPL, finding a solution to the unfair but prevailing patent validity system thereunder and establishing a historical and transcendental principle.

In doing so, the Second Chamber substantially eliminated the possibility of extending the effective term of a patent and established a different theory with equally different consequences: the purpose of providing extra time to compensate for process delays (compensatory time) is not to extend the validity of the patent, but to give to the patentee a period of effective protection.

ARTICLE 126 LPIP

Article 126 of the LPIP introduced a supplementary certificate pursuant to the United States-Mexico-Canada Agreement (USMCA) that, under certain circumstances, allows for the provision of compensatory time to offset the excess time taken by the patent process when there are delays of more than five years between the filing date in Mexico and the granting of the patent, the patent date being the date on which the granting of the patent is communicated to the patentee. One day of compensatory time is provided for every two days of delay.

However, the following question arises: does 'communicated' refer to a notice that is attached to the patent certificate or a notice to pay the required fee to issue the certificate? The courts must clarify the answer to this question

BAYER

On 12 January 2000, Bayer Corporation (later Bayer Healthcare LLC) applied for the protection of an oncological substance invention under an international Patent Cooperation Treaty application, which was granted on 26 July 2006 ("ω-carboxyaryl substitutes diphenyl ureas as raf kinase inhibitors").

The Mexican Institute of Industrial Property (IMPI) took six years and six months to grant the patent and eight months to notify the invention certificate under Patent No. 238942. In both Mexico and internationally, the average time to grant a patent is three years; however, in this case, IMPI took twice as long, which shortened the validity term of the patent by three years and six months.

Article 1709(12) of the North American Free Trade Agreement (NAFTA), to which Mexico was a party, recognised this type of delay and opened the possibility for the patentee to obtain compensatory time for delays in the process to grant the patent, therefore giving effective protection to the patentee.

When compared with the systems of its US and Canadian trading partners, the patent protection system in Mexico is unfavourable: the Mexican system is prone to legal uncertainty because the patentee cannot ascertain how long IMPI will take to grant the patent or whether the protection sought will be effective. This places Mexico at a disadvantage in patent rights when compared with those granted by its trading partners.

Article 126 of the LPIP regulates the issuance of supplementary certificates that are limited in scope and follow an unfair formula for compensation (one day of compensatory time for every two days of delay). The logic behind the formula is unclear, especially since it would seem to be more rational to offer one day of compensatory time for every day of delay. The lack of rationality means that it is difficult to see the rule as fair.

In the *Bayer* case, Bayer was entitled to three years and six months of additional exclusive exploitation of its patent. This entitlement is a benefit contemplated under NAFTA, which supersedes federal law (as provided by Article 1 of Mexico's Constitution), including the IPL, and is a civil right that should be given the broadest interpretation for the benefit of private parties. The government improperly interpreted the rule to the detriment of the patentee and refused to grant compensatory time for the validity of the patent, without analysing the provisions of NAFTA or those that the IPL omitted.

Under NAFTA, member states must establish a protection period of at least 17 years from the granting of the patent or, alternatively, 20 years from the filing application date. Taking

into consideration what the NAFTA parties intended when they negotiated and agreed on this wording, it can be concluded that their aim was to establish a protection period of not less than 17 years, given that the review and administrative process of an application will usually take three years. They also recognised that there may be situations in which the government requires more time to grant a patent. In those cases, the notion of compensatory time could be used to offset the excess time required for the patent to be granted.

It is unfair and unreasonable that some patentees are granted an exclusive right to exploit the patent for 17 years, whereas others are granted only 14 years or less, based only on administrative and red-type issues. The fact that patentees often make enormous investments and conduct expensive research for their inventions only exacerbates the unfairness of this treatment.

Given the above, in addition to the fact that the exclusive protection bestowed by a patent is a right recognised both under international treaties and by Article 28 of the Constitution, it follows that the ideal period of protection is 17 years, after subtracting the customary three-year processing time by the respective patent office.

ANALYSIS OF THE SUPREME COURT'S OPINION

On 14 October 2020, the Second Chamber of Mexico's Supreme Court, in respect of the *amparo* action under Review No. 257/2020 and the draft opinion authored by Justice Yasmín Esquivel Mossa, adopted a systematic interpretation of Article 23 of the IPL and Article 1709(12) of NAFTA and reaffirmed that in all cases, the effective term of a patent may not be less than 17 years from the grant date of the patent. According to page 76 of the opinion:

We find that, regardless der the Administrative Rulings [issued by IMPI], and as mentioned above, the interpretation of Article 23 of the Industrial Property Law, read in conjunction with the applicable provisions of Article 1709(12) of the North American Free Trade Agreement, allows us to conclude that the effective term of patents cannot be less than either twenty years from the filing date or seventeen [years] if the granting date is considered; consequently, if it is proven that there was a delay in the administrative approval process, the protection period must be extended in order to offset such delay, thereby preserving the effective term of the patent which, we insist, cannot be less than seventeen years.

The Second Chamber of Mexico's Supreme Court opted for a systematic interpretation (ie, for all patents, the effective term may not be less than 17 years from the grant date) of the legal provisions under review instead of either:

- directly holding that Article 23 of the IPL was unconstitutional, since there were no accurate parameters to determine what a uniform effective term for all patents should be; or
- potentially applying the notion of compensatory time contemplated by Article 1709(12) of NAFTA, as a result of the failure by the legislature to enact a statutory rule on a minimum term for the validity of all patents or a maximum term for a delay in the granting of a patent.

The Supreme Court's systematic interpretation fails to resolve the unconstitutionality issue of Article 23 of the IPL as it does not establish either a maximum term for the delay in the

granting of a patent or a compensatory mechanism for the time lost in the patent approval process. This situation restricts the actual effective term of a patent.

Furthermore, the maximum terms set by IMPI under its administrative rulings do not remedy the statutory oversight; on the contrary, they go beyond what the law allows. Article 126 of the LPIP, therefore, now provides that a supplementary certificate may be issued by IMPI, at the request of the patent holder, if the delay has exceeded five years and is both unreasonable and attributable to the government; however, it provides that only one day of compensatory time will be granted for every two days of delay.

On the other hand, the Supreme Court's systematic interpretation resolves the legislative error of Article 23 of the IPL, as well as the historical problem of the patent system whereby the patentees could not ascertain the exact duration of their patent rights, leading to complete legal uncertainty. Unfortunately, this clarification could not have come soon enough for some patentees, some of whom may have missed out on two, three, four or more years of effective term for their patents.

The recent Supreme Court opinion is much more benign and favourable for patent holders than the provisions of the new LPIP. This is because it mandates a minimum effective term of 17 years from the grant date and not the use the formula providing for one day of compensatory time for every two days of delay from the filing of the patent application in Mexico.

AFTERMATH OF BAYER

In the aftermath of the *Bayer* case, on 8 January 2021, the Second Chamber of the Supreme Court released an opinion (Digital Registration No. 2022603) in the Federal Judicial Weekly gazette (Book 82, Volume I, January 2021) with the following heading:

Patents. When Delays in the Approval Process Are Attributable to the Administrative Agency, the Effective Term of a Patent May Not Be Less than Seventeen Years from the Granting Date (Systematic Interpretation of Article 23 of the Now Repealed Industrial Property Law).

According to page 662 of the opinion, the Supreme Court appears to have recognised that there may be disparity in patent effective terms. Although it wrote that Article 23 of the IPL does not give rise to legal uncertainty, the truth is that should the government be responsible for any delay in the granting of a patent, the patent effective term may not be less than 17 years, according to Article 1709(12) of NAFTA.

The rationale for this opinion is that there are two systems – one of 20 years from the filing application date and the other of 17 years from the patent grant date – with the proviso that in the event of any administrative delays, patents must have a minimum effective term of 17 years from the grant date, not 20 years from the filing application date.

The above interpretation has a direct impact on patents that take more than three years to be granted. This opinion corrects the flawed patent system that, for many years, had prevailed in Mexico under Article 23 of the IPL and prior statutes and that, unfortunately, negatively impacted patentees who sought effective protection for their inventions but were completely unaware of the unfair shortening of the effective term of their patents as a result of unreasonable delays by the government. This had been overlooked both by patent holders and their IP advisers.

COMMENT

According to Ulpiano, justice is “the constant and perpetual will to render each his due”. The interpretation embraced by the Supreme Court fully upholds the desire to follow this principle of justice expressed by Ulpiano by providing to patentees the effective term to which they are entitled, without declaring that Article 23 of the IPL was unconstitutional.

The recent opinion of the Supreme Court is applicable only to patent applications filed before 1 July 2020 while NAFTA was in effect; however, any patent applications filed between 1 July 2020 and 4 November 2020, before the new LPIP came into effect, may be caught in an interpretation limbo. This is because, on the one hand, they are subject to the USMCA while, on the other hand, the former IPL continued in full force and effect, the latter constituting the legal grounds taken by the Supreme Court to issue its opinion. It will be interesting to see how federal courts will react when considering this issue of timing in a conflict of laws situation.

Finally, the principle of real and effective validity of the patents that emerge from the aforementioned criterion could transcend the regulatory procedures before the Federal Committee for Protection from Sanitary Risks, since they further limit the real and effective validity of patents; however, this topic deserves a special analysis, which will be rendered in a separate article.



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Key questions for patent owners to ask their law firms before asserting their rights

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Summary

[TIMING](#)

[REAL WORLD IMPACT](#)

[COSTS](#)

[EXPERTS](#)

[PATENT INFRINGING ACT](#)

[PATENT](#)

[STATISTICS MATTER](#)

[COMMENT](#)

When it comes to patent owners asserting their patent rights, there is a wide spectrum of possibilities. On one hand, patent owners may, as a basis for negotiation, aim to obtain a decision by an independent institution regarding whether their patents have been infringed, and their schedule may not be time-sensitive.

On the other hand, there may be patent owners that seek judgments by an experienced and independent legal and technical institution within one year on one small to mid-size budget per patent, with direct effect on the opposing party's business.

To navigate this spectrum, patent owners should raise the following key issues with their law firms before asserting their patent rights.

TIMING

The question of timing is usually crucial for many reasons, including the following:

- the patented technology is only commercially relevant for a limited time;
- the patent could soon expire; or
- the patent infringement takes place only for a limited time (eg, at a trade fair).

Timing has several aspects. The most important ones are about how quickly the law firm can prepare the case and the court's timetable until judgment.

The time needed for the law firm to prepare the case is, on its face, a question of capacity. At the fastest court locations, preparation times of a few days to four to six weeks from order to filing of a patent infringement action are often feasible.

Indirectly, the time needed for the law firm to prepare the case is connected to the budget required to handle the whole case. If the budget is low, some preparatory steps may be omitted because of the limited risk they carry when they are not carried out. In particular, an in-depth assessment of the prior art comprising a full search for relevant documents may be omitted as, statistically, such searches are rarely a game changer. Accordingly, considerable time and money in view of the low statistical and financial risk can be saved by omitting such steps.

Court schedules are strictly dependent on the venue. Any time frame from a few days (in preliminary injunction cases) to a few years (for first-instance decisions in patent infringement cases) are possible. The timelines depend on the workload of the courts and are, therefore, not invariable; however, they can be easily predicted by the respective courts prior to the filing of an action.

In some courts, the timetable also heavily depends on the complexity of the proceedings. This can be observed especially in courts with statistically short procedural durations.

REAL WORLD IMPACT

What will be the immediate impact of enforcing a decision? Will the opposing party have to seize sales, pay damages or render accounts, and within what term after pronouncing a decision? When will those actions occur? Are there any preconditions for those actions (eg, providing security bonds to secure damages claims of the opposing party in cases of unjust enforcement)? Is the leverage of the impact sufficient to set the opposing party in motion?

In addition to the impact of a decision, the size of the business affected by the decision is critical to the leverage that can be achieved. The size of the business impact is influenced by the market size, especially the number of the adversaries' customers feeling the impact. Accordingly, countries with small populations and economic activities on a small scale are typically not the first venue to target, whereas the G7 countries are worth careful consideration.

COSTS

Patent owners will inevitably ask their law firms about fees. In some jurisdictions, fixed fees – based on statutory minimum fees – for the attorneys' work are possible. Another option beyond fixed fees and billing by the hour are contingency fees. Patent infringement proceedings can rarely be pursued within a five-figure budget.

In addition to attorney's fees, court fees and claims for reimbursement of costs in the event of losing must be taken into account. Further, costs for technical experts may be substantial and dependent on the venue.

EXPERTS

A lawyer who is specialised and experienced in patent infringement proceedings is indispensable. Patent infringement proceedings constitute a separate field of law, and adequate handling of the case is not guaranteed unless the lawyer has a satisfactory understanding of the technical issues.

How experienced is the court in handling similar cases? Can the decision-making body always understand the technical issue at stake in a patent case?

The number of patent infringement cases handled by a decision-making body is a good indicator of the experience and technical grasp of the panel. Case numbers of more than 100 patent infringement cases per year and decision-making body are achievable. Large court locations with several panels, for example, achieve case numbers of up to 500 patent infringement cases per year and city in the first instance.

Patent cases undoubtedly need technical experts. In that regard, there are basically two options:

- Independent technical experts are usually recruited from appropriately renowned research and teaching institutions. The bridging between the technical expertise of independent experts and the naturally rather limited technical expertise of the lawyer specialised in patent infringement proceedings and the decision-making body is one of the biggest problems in patent infringement proceedings. Combining the knowledge bases of the external experts, the technical experts in the patent owner's company and the lawyers specialised in patent law entails high costs.
- On the other hand, in many countries, especially the G7 countries, there are patent attorneys, who have both a university technical education and a legal education specialised in patent law. In Germany, for example, every patent attorney has at least a technical or scientific master's degree. In many other countries, a bachelor's degree is a prerequisite.

Patent attorneys are mainly involved in patent application proceedings, but there are also patent attorneys who deal extensively or exclusively with patent infringement proceedings.

Patent attorneys can effectively support both the lawyers who are specialised in patent infringement proceedings and the technical expertise available in the company owning the patent.

A combination of patent attorneys experienced in patent infringement proceedings and an experienced decision-making body provides a good basis for answering the relevant technical questions correctly.

PATENT INFRINGING ACT

The most important question is whether there is patent infringement. For the law firm to be able to answer this question, detailed information about the opposing party's products or processes is required.

One possibility is that the patent owner will provide this information. Another possibility is that the lawyer, the patent attorney and the other technical experts will assist the patent owner in obtaining this information. Reverse engineering companies specialising in the analysis of technical objects or processes can also be helpful.

The next question to ask the law firm would be about which countries are possible venues in view of the patent infringing act. Only if the patent infringement has a connection to a country will a patent infringement action in that country be considered. Whether this connection between the country and the patent infringement justifies an action in that country will vary depending on the jurisdiction.

In some countries (eg, Germany), this connection is affirmed, for example, if a patent-infringing object is sold in any state by the opposing party to a third party, and it is expected that this patent-infringing object will reach Germany, including through further intermediate stops in other countries. In this case, the opposing party can be prosecuted in Germany, even though they are not directly active in Germany.

PATENT

In addition to the obvious question of whether the patent is in force in a selected jurisdiction, including payment of the relevant renewal fees, another question is whether there are any relevant points in the patent's file history that may affect enforcement.

In the file history, statements may have been made by the owner during communication with the patent office that may be interpreted, for example, as a withdrawal of partial rights. These may affect the actual patent infringement in a way that was not considered when those statements were made.

Amendments to the patent specification made by the patent proprietor or proposed by the patent office and approved by the patent owner may also affect the scope of the patent. Even formal issues such as proper transfer of ownership may become key because such issues can affect the priority date (ie, the date that is decisive for the prior art that is considered when evaluating patentability).

The bottom line is that there are several reasons to ask the law firm whether the file history has been analysed in detail before asserting a patent. It regularly pays to have the prosecution handled by patent law firms that are familiar with the essential aspects of enforcing a patent.

Considering the prior art before starting patent infringement proceedings can be a very costly and time-consuming part of preparing patent infringement proceedings. The nature and scope of a prior art analysis should, therefore, be carefully considered. There are cases in which the grant by the competent patent office can be considered as sufficient indication of the validity of the patent.

If a deeper analysis of the skilled person's knowledge prior to the date of the invention is desired, the next step is to ask the law firm whether a review of the prior art from grant proceedings, which are frequently conducted in parallel in other countries, may be useful. Patent offices in different countries regularly decide on the grant of a patent on the basis of their own searches and without consultation with each other.

The most far-reaching possibility is to check, in addition to the above steps, whether carrying out an additional search yourself – in addition to the search by specialists, as is the norm – would be helpful. In addition to the costs of the search, there are also costs for assessing the results of the search with regard to the current patent infringement.

The question of the validity of the patent in respect of what was known at the time of the invention is probably the most difficult question in patent infringement proceedings. Moreover, it is one that can never be answered conclusively since, at any stage, previously unknown documents may emerge that stand in the way of validity.

Regarding the question of the validity of the patent, it can be helpful to check whether the patent offers fallback options (ie, whether the patent is also infringed in versions that are restricted compared to the granted version of the patent).

Patents are almost always formulated in such a way that such possible fallback options are already taken into account in the form of dependent claims when they are formulated by the patent attorney and granted by the patent office. If the opponent infringes not only the non-restricted independent claim but also several dependent claims, the chances of success increase considerably.

STATISTICS MATTER

To win a patent infringement case, many questions must be answered with a 'yes', as can be seen in the material covered in this chapter so far; however, the most important question is how likely a patent owner is to ultimately win in the relevant court. The law firm should answer that question in the context of historical case statistics.

Statistically, it is fair to assume that one-third of patent infringement suits are dismissed for lack of infringement owing to, for example, misjudgement of the patent owner, and another third are stayed for lack of validity of the patent owing to, for example, newly discovered prior art; therefore, a reasonable probability for the patentee to win the patent infringement case is statistically about one-third. If the statistical probability is significantly lower than this value for the court under consideration, other good reasons must speak in its favour.

In addition to the probability of winning a patent infringement case as the patent owner, which is determined on the basis of historical cases, another important question is the probability that the decision of the court of first instance will also be confirmed at the second instance – or the third instance, if applicable.

To enforce a judgment (ie, implement the court decision in the patent owner's business world), confirmation of the first-instance decision by a court of second instance is often

at least helpful; in other words, the risk of unjust enforcement of the judgment is higher based on the first-instance decision alone. If there is a high probability of confirmation of the first-instance decision at the second instance, this will significantly increase the reliability of the first-instance decision and will, therefore, decrease the risk connected with the enforcement.

In any case, a low probability of the first-instance judgment being overturned (ie, a high confirmation rate) is of quite considerable importance. A good value for the confirmation rate is about half of all cases that go to second instance. Higher confirmation rates are not to be expected since with a high confirmation rate, many first-instance judgments are no longer appealed by the losing party in anticipation of the low chance of success at the second instance.

All these figures are known for established court locations.

COMMENT

This chapter covered a list of crucial issues that patent owners should raise with their law firms before asserting their rights. Obtaining responses to those issues will give patent owners a good basis for assessing the likelihood of success of their patent infringement actions.

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SEPs: Overview of jurisprudence in India

Saya Choudhary Kapur and Vrinda Bagaria

Summary

[INTRODUCTION](#)

[SMARTPHONE MARKET IN INDIA](#)

[SEPS IN INDIA](#)

[SEP LITIGATION IN INDIA](#)

[GOVERNMENT POLICY INITIATIVES REGARDING SEPS AND STANDARDISATION](#)

[COMMENT](#)

INTRODUCTION

Technologies and their applications as we understood them took an unprecedented upturn with the development of the internet and the telecommunication ecosystem. The signing of the World Trade Organization agreements in 1994 resulted in a boom in international trade and commerce, along with the globalisation of technologies as markets in various countries opened up.

This increase in trade was coupled with the digital revolution, which was centred around the higher dependency and greater commercial use of the internet in the early 1990s. More specifically, there was constant development and innovation in areas such as communication and data sharing and processing. Accordingly, such technologies and IPR protections, specifically patents related to the same, started to enter the limelight.

To promote efficient and better communication, a need was felt to standardise technologies to bring about global interoperability and ease of handling for customers, especially in the telecom industry; therefore, innovators whose technologies formed part of a standard developed by a standards development organisation or a standards setting organisation (SSO) declared their patents as standard-essential patents (SEPs) and made a voluntary commitment to license their patents to all willing implementors of such standardised technology on FRAND terms.

SMARTPHONE MARKET IN INDIA

In India, the concept and enforcement of SEPs came only with the growth of the mobile phone market. Presently, India is the second largest smartphone market in the world. This growth in the smartphone market was through the continued efforts of both overseas handset manufacturers and the sudden rise in domestic smartphone brands in India.

In 2007, Apple introduced its first smartphone to the world, at which time the Indian market was primarily dominated by feature phones with Nokia at the helm. At around the same time, however, India saw growth in the sales of feature phones and smartphones in the market sold by several home-grown Indian brands, such as Micromax, Spice, Lava and Intex.

The aim of all those Indian brands was to make smartphones and mobile phones with the best of the technology available at affordable prices to the masses. By 2010 to 2011, the demand for smartphones had grown exponentially, which was fulfilled by those homegrown brands offering good technology at relatively lower prices as compared to Apple, Samsung, etc.

The success and disruption caused by the homegrown brands in the mobile phone market is attributable to their business model. They had entered into white labelling contracts with original design manufacturers (ODMs) in China, pursuant to which the finished product was being manufactured by a Chinese manufacturer but bore the label of one of the homegrown brands. This meant multiple companies with no research and development (R&D) background or manufacturing facilities were able to launch new phones in the market every four to five months.

The aim and focus of those companies was not innovation *per se* but facilitating greater access at reasonable prices; however, in this endeavour, the costs attributable to technologies implemented in the devices were not accounted for because of the complete absence of licensing arrangements.

In 2014, Micromax and Intex dominated the smartphone market in India, holding more than a 50% share of the market; [however, the Chinese ODMs were closely observing the progress of the market in India during that period and by 2014, realising the potential unlocked by those homegrown brands, they started flooding the Indian market with their own brands, such as Gionee, Vivo and OPPO, at prices lower than those of the Indian homegrown brands they had collaborated with earlier.](#)

By 2018 to 2019, the Indian homegrown brands became all but non-existent in the smartphone market, and Chinese smartphone brands such as Xiaomi, OPPO and Vivo dominate the global market today.

SEPS IN INDIA

The above trend and the exponential growth of the Indian mobile phone market was watched closely not only by the Chinese ODMs but also by innovators and SEP proprietors across the globe, who now sought enforcement of their SEPs in India and due compensation for the use of their technologies.

The growth of the smartphone market also led to greater awareness of the concept of SEPs in India. The Indian courts and the government have also undertaken several initiatives to help develop the jurisprudence and law regarding SEPs in India.

SEP LITIGATION IN INDIA

The history of SEP jurisprudence can be traced back to 2009, when Philips filed suits for infringement against local Indian vendors for using their SEPs pertaining to decoding technology in DVD players. The concept of SEPs was virtually unheard of in India at the time, and even the international jurisprudence on complex questions involved in SEP litigation was at a nascent stage of development.

SEP litigation in India saw its first boom when Ericsson, a Swedish Company, filed several suits for infringement of its SEPs relating to 2G and 3G technologies against a myriad of companies, both Indian and Chinese, such as Micromax, Xiaomi, Lava, Intex and Gionee, in the High Court of Delhi. All the aforementioned suits were filed between 2013 and 2015, when the smartphone market had been completely disrupted by the above-mentioned players.

Ericsson, contending the essentiality of its patents, sought to claim its dues from all the aforementioned manufacturers and sellers of mobile phones in India, arguing that it should be sufficiently compensated for investing in the necessary R&D of the technologies that were standardised and were being exploited unfettered by those entities.

The Indian courts, while dealing with those issues in the early 2010s, recognised the defendant's need to secure the interest of a SEP proprietor against the exploitation of its technology during the course of litigation, especially in view of the transient nature of the brands and models that were claimed to be infringing in nature.

Accordingly, the concept of *pro tem* deposits and arrangements was developed while the courts assessed the final issues related to the infringement and validity of the patents. *Pro tem* deposits are a form of *pro tem* orders passed at an ad interim stage to secure the interest of the SEP proprietor and to balance equities. In the past, the courts have, as a *pro tem* arrangement, (1) directed payments to the SEP proprietor directly, (2) submitted fixed deposits and bank guarantees in court, (3) kept money in the bank account of the

implementor in India along with comfort letters from the bank, and (4) attached immovable properties of the implementors as security.

The High Court of Delhi was one of the first courts to pass a conditional interim injunction order, wherein the parties were directed to either make money deposits or be subject to injunctions, thereby recognising that the primary issue in SEP matters is licensing and licensing fees; therefore, the courts were mindful of the peculiarities of SEPs and ensured that unwillingness to obtain a licence is not rewarded.

The Indian courts have continued to favour this legal position whereby they attempt to secure a plaintiff while recognising that issues raised by various defendants related to over-declaration, licensing fees being excessive in nature, etc, also need consideration. For example, orders for deposits of bank guarantees continued to operate throughout the dispute initiated by Dolby against Vivo, even until the final stage. Even in recent cases filed by Philips, the courts have deemed it appropriate to secure its interest as against various defendants by passing orders for security in the form of land and also for deposits of bank guarantees.

Over time, the courts have seen infringement suits be filed pertaining to various technologies, including audio coding, video coding and telecommunications, against both Indian and multinational companies. In all those matters, the courts have attempted to strike a balance between proprietors and implementors while also dealing with aspects of anti-suit injunctions, confidentiality clubs, etc, which arise because of the global and portfolio nature of FRAND licences.

In addition to addressing issues of *pro tem* and interim deposits, the High Court of Delhi, based on its experience of dealing with SEPs for 10 to 15 years, came out with the High Court of Delhi Rules Governing Patent Suits, which provide for the following:

- confidentiality club provisions made for sharing confidential licence agreements;
- recognition of portfolio-based negotiations and licensing in SEPs; and
- establishment of infringement through claim charts in SEP cases;

Another initiative that has been undertaken by the High Court of Delhi is the promulgation of the IP Division Rules 2022. Under the Rules, dedicated IP courts have been created in the High Court of Delhi and are tasked with adjudicating all manner of IP disputes. This has helped to streamline the judicial process and has helped in reducing the pendency of IP matters before the High Court of Delhi to a large extent.

GOVERNMENT POLICY INITIATIVES REGARDING SEPS AND STANDARDISATION

In parallel with patent litigation and the evolution thereof, even the government has been conversant about the important role standardisation plays in trade and industry, especially in the telecom industry. The government recognised that the telecom industry is a substantial contributor to India's gross domestic product and, in view thereof, released the National Telecom Policy 2012 (NTP).

A key objective of the NTP was to "promote development of new standards to meet national requirements, generation of IPRs and participation in international standardization bodies to contribute in formation of global standards, thereby making India a leading nation in the area of telecom standardization."

To achieve this, Part IV, Clause 2 of the NTP seeks to promote R&D in India and enable various entities to develop technologies that could, in future, become contributors to various telecom standards. Another key objective was the establishment of an autonomous body to act as facilitator for all stakeholders in the industry: the International Standard Development Organisation.

Pursuant to the NTP, the Indian telecom industry – including operators, manufacturers, government public sector undertakings, academia, R&D organisations and other relevant stakeholders – came together to form the Telecommunications Standards Development Society, India (TSDSI) in January 2014, with the aim of contributing to the next generation of telecom standards and driving “the eco-system of IP creation in India”.

The TSDSI works closely with the International Standard Development Organisation and is tasked with contributing to the development of international standards. The purpose of the TSDSI is to ensure that Indian requirements are reflected in international telecom/ICT standards. The TSDSI also aims to ensure that Indian intellectual property is incorporated into global standards.

To foster better collaboration and enable the TSDSI to emerge as one of the global leaders in the development of standards, the TSDSI has entered into several partnerships, collaboration agreements and memoranda of understanding with SSOs, such as the IEEE Standards Association, the Advanced Television Systems Committee, the European Telecommunications Standards Institute (ETSI) and the Open Connectivity Foundation.

The government has also entered into a regional cooperation agreement called the India-EU Cooperation on ICT-Related Standardisation, Policy and Legislation 2016. The agreement was enabled by both ETSI and the TSDSI with the objective of facilitating closer alignment between the region on standardisation activities.

In 2018, the government promulgated the National Digital Communications Policy 2018 (NDCP) with the objective of fulfilling the information and communication needs of citizens by creating a robust and affordable digital communications infrastructure. Under the policy, the government undertakes to promote IP creation and aims to foster and create better R&D opportunities for innovation-led start-ups. It also aims to enable the development of SEPs in the field of digital communication technology.

To do this, the government plans to roll out financial incentives for the development of such SEPs and to promote Indian IPR through international collaboration and greater participation in the standard development process.

In pursuit of the above, in August 2022, the Department of Telecommunications created a facilitation cell for promoting “ease of doing business and R&D” for start-ups and micro, small and medium-sized enterprises (MSMEs) with regard to the objectives of the NDCP, as well as a robust system of Digital Communication Technologies.

Another body called the Telecommunication Engineering Committee (TEC) (incorporated under the aegis of the Department of Telecommunications) formulates standards and technical specifications for various telecom technologies to be deployed in the Indian telecom network and to ensure that the same are in line with international standards. The Department of Telecommunications also undertakes the certification and ratification of standards proposed by international SSOs and the TSDSI to check their viability for implementation in India.

COMMENT

Several steps have been taken in India for the preservation and promotion of standardisation and SEP enforcement. Recognising the importance of standardisation, the government and trade bodies have undertaken multiple initiatives to affirm the status of standardised technologies in India.

Several steps have also been taken by the government to facilitate the development of those standards. Under its Make in India initiative and other policies, the government is encouraging several industry players and start-ups/MSMEs in pursuit of deep technology development. The objective is to put India and its industry on the global map as not only implementors but developers of SEPs.

The courts are mindful of the need to balance the rights of SEP proprietors to be rewarded for their innovation with those of implementors that have a right to use the SEPs. Although a conscious attempt is made not to pass interim injunctive orders against an implementer until a final decision has been taken on all relevant issues, the courts have provided appropriate monetary security/protection to SEP proprietors as it is in the interests of the consumers to have access to the best technologies that have been developed worldwide.

With the continued support of the government, judiciary and several research organisations, India is on its way becoming one of the global leaders in support of standardisation and SEP technology not only in the digital communication and telecom space but also future technologies, such as internet of things and artificial intelligence.

Recovering damages after patent litigation in Mexico

Saúl Santoyo Orozco and Jose Luís Ramos Zurita Altamirano

Summary

OVERVIEW

LFPPi

STATUTORY 40%

OBSTACLES

POTENTIAL SUSPENSION AND INEXPERIENCE

CRITERIA

AMOUNT

COMMENT

OVERVIEW

Mexico is a civil law country with a peculiar unified system wherein both infringement and invalidity actions are filed before the same government agency as the one that grants patents: the Mexican Institute of Industrial Property (IMPI).

Decisions issued by IMPI (concerning both infringement and invalidity actions) can be challenged before a specialised federal tribunal: the [Specialised IP Chamber of the Federal Tribunal of Administrative Justice \(SEPI-TFJA\)](#).

Judgments rendered by the SEPI-TFJA can be challenged through a constitutional appeal known as an *amparo* trial. This is undertaken before a federal circuit collegiate tribunal (CCT), where the three magistrates that comprise each tribunal examine whether the decision issued by the SEPI-TFJA is compliant with constitutional parameters.

In some – albeit sporadic – cases (ie, only when an issue involves a direct interpretation of a constitutional principle or when the implication and reach of the relevant constitutional rights are not clearly decided), an action known as a ‘constitutional revision recourse’ can be lodged, in which case the Supreme Court is requested to review the case.

As is the case in other jurisdictions outside the common law tradition, Mexico has no jury trial for patent litigation: every case is decided by bench trial, first as an administrative procedure before IMPI, and subsequently before a federal tribunal (either the TFJA or a CCT).

As patent matters are industrial property issues, they are only handled by courts at the federal level, with the exception of civil claims regarding the recovery of damages or losses, which can be filed before local (state) courts in each of the 32 states after a firm and definitive ruling has been obtained by the federal authorities.

LFPPI

In the past, the amounts pertaining to damages and loss of profits used to be calculated after a final and definitive ruling had been obtained following administrative infringement procedures (ie, a resolution that had exhausted all available appeals and recourses, which generally also included reaching and exhausting an *amparo* trial), in accordance with a minimum statutory parameter established in the Industrial Property Law, after which an entirely new procedure could be initiated before a civil court, either at the local or the federal level.

This mechanism for accessing the possibility of recovering damages has changed significantly since the enactment of the Federal Law on the Protection of Industrial Property (LFPPI), which entered into force on 5 November 2020.

One of the key points contained in the legislation refers to the fact that patentees are now able to request the recovery of damages either in parallel before civil courts, even if an administrative infringement declaration is yet to be issued, or immediately after a patent infringement claim has been declared through a unique administrative mechanism that is part of the infringement proceedings.

This is a significant change, considering that before the LFPPI entered into force, a typical patent administrative infringement case involved litigation procedures that usually lasted between five and seven years just to obtain a final and definitive resolution, and that once

such a definitive infringement resolution was issued, the patent owner had to endure yet another litigation procedure (a civil trial) to recover damages and losses.

According to Article 396 of the LFPPI, patentees now have the right to:

- pursue both an infringement action before IMPI and, in parallel, a civil action to recover damages, even if no infringement declaration has been issued; or
- wait for an infringement resolution and then file a request to recover damages before the same authority as the one determining whether infringement has occurred.

Article 397 of the LFPPI establishes that once the patentee has obtained a favourable declaration of infringement, it is possible to file a request for the recovery of damages before the same administrative authority as that before which an infringement is being examined.

Consequently, it is no longer necessary to wait until a final and definitive resolution is issued, nor is it necessary to start a new procedure before a civil court, as IMPI now has the legal power to determine the issues pertaining to the recovery of damages. This arises because the LFPPI provides for a specific procedure that can be brought immediately after the main infringement proceedings have determined the existence of infringement.

STATUTORY 40%

Notwithstanding the above, it is essential to bear in mind that patent litigation in Mexico is a relatively unexplored field: only a handful of matters involving patent rights have ever arrived before the higher courts to be judged; therefore, judicial criteria concerning patent damages cases are virtually non-existent.

This is even more so the case when considering the judicial guidelines regarding determination of how to quantify the amounts equivalent to the liability of an infringing party, even if the LFPPI contains a generic statutory provision (article 396) that grants patent owners the right to pursue at least the equivalent of 40% of the public sales price of each of the products that resulted from the infringement of the patent.

In this regard, once the patent owner obtains a resolution declaring infringement of the patent, it can request the recovery of damages of at least 40% of the sales price of each product manufactured or derived from the declared infringement.

OBSTACLES

Considering the above, and although these new provisions may facilitate and expedite the recovery of damages for the patent owner, there are still several obstacles that the patent owner must overcome, especially if the primary goal of an infringement action is to recover the damages and lost profits resulting from the infringement.

POTENTIAL SUSPENSION AND INEXPERIENCE

The new provisions of the LFPPI are not overly clear regarding the possible suspension or stay of any determination to award damages until a final and definitive resolution regarding the main infringement is reached; therefore, even if a damages procedure can now be started in parallel with the infringement claim before a civil court or through an administrative action immediately following a declaration of infringement issued by the administrative authority, any of those procedures could be suspended until a final and definitive resolution concerning the main infringement action is reached.

Accordingly, and while a typical patent infringement matter could see a significant reduction in the time needed to effectively recover damages despite the fact that a definitive infringement resolution may still be needed before a damages ruling is passed, a reasonable expectation of being awarded indemnification for damages and losses in parallel with the main infringement resolution could serve as motivation for patent owners to start participating in these new mechanisms, as long as they bear in mind that neither IP practitioners nor the authorities have much experience in these cases at present.

CRITERIA

Mexican law provides for a system for the different criteria adopted by the courts and judges, which are collectively called '*jurisprudencias*'. According to the Organic Law of the Federal Judicial Power, *jurisprudencias* can only be created by the higher federal courts (the Supreme Court or the CCTs) when the criteria adopted originates from the resolution of at least five different cases involving similar rights or matters. The criteria can be invoked in subsequent matters that fall within the scope of that criteria, as lesser courts are obliged to follow *jurisprudencias*.

However, this is not very helpful with regard to specific patent damages because patent litigation in Mexico is a relative unexplored field: only a handful of matters involving patent rights have arrived before the higher courts for judgment; therefore, the '*jurisprudencias*'-concerning patent damages cases are virtually non-existent.

This is particularly so when taking into consideration the judicial guidelines that determine how to quantify the amounts equivalent to the liability of an infringing party, other than the 40% minimum mentioned above, and the actual moment when a patent owner has the right to effectively be awarded the amount derived from the infringement to its patent rights.

AMOUNT

According to articles 2108 to 2110 of the Civil Code, the concept of damages is strictly defined as "the loss or damage in the patrimony or assets of any individual or corporation that is a direct result of the actions and/or omissions of another party", and the concept of losses is strictly defined as the "inability to receive a lawful earning or profit, that an individual or company was both entitled and reasonably expecting to receive or obtain, as a consequence of the actions or omissions of another party".

Taking into account the above, it is essential to point out that in Mexican law, there are no provisions concerning consequential, or collateral or punitive damages; therefore, the amount of the damages obtained in litigation in Mexico are almost always considerably lower than those obtained in jurisdictions such as the United States. Not only is this because of the restrictions arising from the definitions of damages and losses, but the plaintiff must also fully credit the basis of its claim (ie, an infringement to its patent) as well as the direct relation (cause-effect) between the amount claimed and the action or omission of the defendant.

This leaves little discretion to the judge to interpret the particular situation and award an amount that is much higher than the actual damage or loss that was evidenced, despite the statutory 40% amount foreseen in article 396 of the LFPPI. More specifically, the existence of the minimum 40% amount does not supersede the need to fully demonstrate the cause-effect relation between the claimed amount and the actual evidence to support the existence of the causation relation.

COMMENT

The two main aspects that are most important when trying to substantiate a claim to recover damages derived from or part of patent infringement litigation are:

- the evidence needed to support an administrative infringement resolution that will serve as the basis of the damages claim, which is different from the action that may be brought in parallel before a civil court or if it is tried as an incident within the same administrative infringement procedure – in either case, the evidence should ideally also be helpful in determining the extent of the infringement, the causation link and the amount of the damages; and
- the time needed to obtain a resolution in each procedure, regardless of whether the patent owner chooses to (1) file administrative infringement proceedings and bring a damages claim in parallel before a civil court or (2) await a first infringement declaration in the administrative arena before lodging a damages claim before the same administrative authority as the one determining whether infringement has occurred (ie, IMPI) – the patent owner should bear in mind that obtaining a resolution ordering the payment of damages may be delayed until a final and definitive resolution concerning the actual infringement is issued, which would affect the provisions made and the budget needed to arrive at the desired goal.

Although there have been a handful of patent matters involving damages and losses litigation in the past 15 years, such cases have almost always been settled before a court issued a final resolution; therefore, there are no open public records to review the case, nor has the relevant information been systemised in a way akin to the system created by the American Bar Association in the United States.

Other than the general information provided in this chapter, there are unfortunately no general guidelines or more specific information available regarding the recovery of damages and lost profits in patent litigation. This is even more so the case with regard to the new damages mechanisms foreseen in the LFPPI.

Challenges in drafting a dispute resolution clause

Robert P Parker

Summary

[INTRODUCTION](#)

[HENRY SCHEIN: THE NEED BE CLEAR](#)

[ZF AUTOMOTIVE: THE NEED TO BE THOROUGH](#)

[FILLING THE GAPS](#)

[CHOICE OF FORUM](#)

[CHOICE OF PROCEDURES](#)

[CONCLUSION](#)

INTRODUCTION

Many parties give little thought to the dispute resolution clauses in their contracts. Often, they operate on certain assumptions – for example, that arbitration is preferable to litigation in national courts because arbitrators are neutral, that the process is cheaper or quicker than judicial procedures, and that an arbitration will progress along a fairly well-defined path according to a somewhat predictable timetable.

Based on those assumptions, dispute resolution clauses often get short shrift – even in agreements that cover the parties’ most important business dealings. Often, parties incorporate the standard dispute resolution clause that the International Chamber of Commerce (ICC) recommends, which provides:

All disputes arising out of or in connection with the present contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.

The clause says nothing about the conduct of the arbitration, and the ICC Rules of Arbitration offer few specifics; they are primarily guidelines regarding how the parties and the arbitrators should decide on how the proceedings should be conducted. The standard clause and the Rules postpone the parties’ discussion of the conduct of the proceedings until a dispute has already arisen – when tensions can be high and agreement elusive.

Recent decisions from the US Supreme Court are a reminder that standard dispute resolution provides little more than a rough framework, and that arbitration can veer in different directions depending on the nature and location of the parties, the subject matter and the evidence. This flexibility to address a wide variety of circumstances may be an advantage, but it comes at the expense of clarity and completeness. Time and effort devoted to a discussion of how a potential dispute will be resolved and incorporation of that understanding in a contract, will be worth the investment.

This chapter will discuss two recent US Supreme Court decisions that highlight the importance of clear and comprehensive dispute resolution clauses, especially when the stakes are likely to be high. It will then offer a few clauses that have been useful in a variety of contexts.

HENRY SCHEIN: THE NEED BE CLEAR

Like most countries that account for the lion’s share of global commerce, the United States has a statute that sets out general arbitration rules: 9 US Code (USC) Chapter 1, Sections 1 to 16. The main principle is that agreements to arbitration are valid and enforceable according to their terms (Section 2). A party may engage a court to enforce an arbitration agreement and to confirm or enforce an arbitration award (Sections 2 and 9). In very limited circumstances, a party may ask a court to vacate an arbitration award (Section 10).

Because arbitration is a matter of contract, US courts generally construe a dispute resolution clause according to its terms, as they would any other contract (see *Rent-A-Center, West, Inc v Jackson* (2010) 561 US 63 at 67).

That said, certain unique principles apply to arbitration agreements. Most importantly, the agreement will be construed in light of the “liberal federal policy favoring arbitration

agreements, notwithstanding any state substantive or procedural policies to the contrary” (*Moses H Cone Memorial Hospital v Mercury Construction Corp* (1983) 460 US 1 at 24). In other words, although contractual issues are usually resolved in accordance with state law or common law principles, federal policy gives an advantage to the party that wants to arbitrate the dispute.

This principle carries even greater weight in the international context. In *Mitsubishi Motors Corp v Soler Chrysler-Plymouth, Inc* (1985) 473 US 614 at 629 to 630, the US Supreme Court emphasised the particular importance of arbitration clauses in international commerce:

Concerns of international comity, respect for the capacities of foreign and transnational tribunals, and sensitivity to the need of the international commercial system for predictability in the resolution of disputes, all require enforcement of the arbitration clause in question even assuming that a contrary result would be forthcoming in a domestic context. . . . [A]greement in advance on a forum acceptable to both parties is an indispensable element in international trade, commerce, and contracting.

The pro-arbitration policy that guides US courts does not mean that all issues are resolved in favour of arbitration, much less that all issues are decided under clear rules. A US Supreme Court decision in 2019, *Henry Schein, Inc v Archer & White Sales, Inc* 139 SCt 524, focused on one muddled issue: who decides whether the parties agreed to arbitrate an issue in the first place – the court or an arbitrator?

In accordance with the general principle that the agreement is paramount, the Court held that:

parties may agree to have an arbitrator decide not only the merits of a particular dispute but also ‘gateway’ questions of ‘arbitrability,’ such as whether the parties have agreed to arbitrate or whether their agreement covers a particular controversy.

As subsequent events showed, this decision merely bucked the question of whether the parties delegated decisions on gateway issues to the arbitrator; the Supreme Court did not answer the question but left that to the lower courts. In its instructions, however, it said that the lower courts “should not assume that the parties agreed to arbitrate arbitrability unless there is clear and unmistakable evidence that they did so.”

The answer to that question proved so elusive that it returned to the Supreme Court for review. After agreeing to hear the case for a second time, the Supreme Court balked and dismissed the case “as improvidently granted” (*Henry Schein, Inc v Archer & White Sales Inc* (25 January 2021) No. 19-963 (*per curiam*)).

The parties in *Henry Schein* therefore litigated for years, through three levels of the US judiciary, on the question of whether the court or an arbitrator should decide whether the dispute was subject to arbitration. In the end, they were no closer to resolving their dispute.

The lesson from this case is that a dispute resolution clause should be clear and comprehensive. It should reflect the parties’ expectations regarding the forum, scope and conduct of the proceedings. The more detailed the agreement, the less likely it is that the parties will repeat the *Harry Schein* experience.

ZF AUTOMOTIVE: THE NEED TO BE THOROUGH

Another recent Supreme Court case, *ZF Automotive, Inc v Luxshare, Ltd* (13 June 2022) Slip op, No. 21-401, highlights the fact that a party may not have all the tools it needs to prove its case. The case concerned a US statute that allows a US court to aid a party to proceedings in a “foreign or international tribunal” in the collection of evidence found in the United States.

The statute, in 28 USC Section 1782(a), states:

The district court of the district in which a person resides or is found may order him to give his testimony or statement or to produce a document or other thing for use in a proceeding in a foreign or international tribunal, including criminal investigations conducted before formal accusation.

The provision seems clear on its face, and at least this much is fairly well settled: the statute allows a party to proceedings to ask a US district court for an order compelling discovery – including the production of documents or deposition testimony – from a person or other entity in the United States. The dozens of published decisions construing or applying the statute confirm its importance as a tool in legal proceedings around the world.

Less clear is the statute’s reference to a “foreign or international tribunal”. That phrase clearly covers a country’s national court system, but beyond that, the certainty drops off quickly. What about administrative or regulatory agencies, or multinational tribunals? Why does the statute use “or” in the phrase “foreign or international tribunals”, and is there a difference between the two? And finally, what of private proceedings before arbitration tribunals that are conducted pursuant to national arbitration statutes that offer legal support and encouragement, even if the proceedings are not under the government’s auspices as a formal matter?

The Supreme Court tried to clarify the statute in *Intel Corp v Advanced Micro Devices, Inc* (2004) 542 US 241, which involved proceedings before the European Commission’s Directorate-General for Competition (DG Competition). Advanced Micro Devices, Inc (AMD) lodged a complaint with DG Competition against Intel Corp, and in due course AMD recommended that DG Competition seek information available in the United States.

DG Competition applied for judicial assistance under 28 USC Section 1782(a), which the district court denied on various grounds. Ultimately, the case ended up before the Supreme Court to resolve, among other things, the question of whether the DG Competition investigation qualified for assistance.

The Court answered in the affirmative, relying primarily on the fact that, before 1964, the statute applied only to a “judicial proceeding”. It reasoned that the new phrase “foreign or international tribunal” covers more than just judicial proceedings, and the legislative history of the change confirmed the intention of Congress to cover cases before quasi-judicial agencies.

The Court held that DG Competition’s investigation qualified for judicial assistance in the collection of information in the United States. In other words, Section 1782(a) “authorizes, but does not require, a federal district court to provide assistance” and rejected “the categorical limitations Intel would place on the statute’s reach” (*Intel Corp* at 255).

Efforts to apply the Supreme Court’s decision to other situations, including private arbitration, floundered. Lower courts drew different conclusions, even in cases involving the same arbitration.

A dispute between Servotronics, Inc and The Boeing Company illustrates the point. While the companies were engaged in arbitration in England, Servotronics sought information in the United States pursuant to Section 1782(a). Because the statute says that an application must be filed in the district court in which “a person resides or is found”, Servotronics filed applications in two different district courts in two different appellate circuits.

One of the appellate courts decided that the statute applied to private arbitration and held that Servotronics could obtain the information (*Servotronics, Inc v Rolls-Royce PLC*, 954 F3d 209, 213 (4th Cir 2020)); the other appellate court reached the opposite result (*Servotronics, Inc v Rolls-Royce PLC*, 975 F3d 689 (7th Cir 2020)). The case went to the US Supreme Court, but the parties settled their dispute before the Supreme Court heard the case.

The Supreme Court quickly found two more cases that raised the same issue. Perhaps concerned that the parties in one of the two cases might settle their dispute, the Supreme Court decided to hear both cases together, under the caption *ZF Automotive US, Inc v Luxshare, Ltd.*

The common issue in both cases was whether private arbitration qualifies as a “foreign or international tribunal” under Section 1782(a). For reasons that are not very persuasive, the Court decided in the negative. It concluded that the statute “requires a ‘foreign or international tribunal’ to be governmental or intergovernmental”, that a “‘foreign’ tribunal” is one that exercises authority conferred by a single nation” and that “an ‘international tribunal’ is one that exercises governmental authority conferred by two or more nations.” (*ZF Automotive* at 11). Because most arbitration arises by private agreement between contracting parties, the Court held that private arbitration does not fall into either of these narrow categories.

That decision effectively resolved one of the two cases before the Court. The other case was not as clear because the arbitration involved a private party against a sovereign government, and the arbitration was conducted pursuant to a treaty between two nations.

That did not change the outcome, however. According to the Supreme Court: “What matters is the substance of the agreement: Did these two nations intend to confer governmental authority on an ad hoc panel formed pursuant to the treaty?” (*ZF Automotive* at 13). The Court concluded that the answer was no, so that case also ended with a decision against the provision of assistance under Section 1782(a).

The point of this discussion is not just to highlight this new decision, although the fact that the statute does not apply to private arbitration may be a relevant factor in deciding on a dispute resolution forum. The broader point is that the selection of a dispute resolution process carries with it a series of assumptions, ancillary procedures and collateral rules or practices that often receive little consideration when drafting a dispute resolution clause.

The published decisions on Section 1782(a) before *ZF Automotive* indicate that the provision is useful for many parties involved in disputes outside the United States, but it no longer is if the parties opt for arbitration. Many dispute resolution provisions ignore the question of pretrial discovery or information exchange entirely.

Whatever the parties’ assumptions about the procedures that would be available in those situations, parties to private arbitration now have one less tool at hand.

FILLING THE GAPS

As discussed above, and as litigators around the world know, the choice of dispute resolution method carries baggage that is often not spelled out in a dispute resolution clause but that may be important if a dispute arises.

When the parties choose arbitration in the expectation that it will be relatively quick and inexpensive, they may be pleased if everything runs like clockwork. But often everything is left to further discussion once a dispute arises, in which case all bets are off. One advantage of judicial resolution over arbitration is that courts have standard pleading, pretrial and trial procedures on which the parties can rely. And very importantly, nearly all judicial decisions are subject to at least one level of review if the initial court makes a significant error.

This is not to suggest that judicial resolution of disputes is perfect or even a better alternative. There will often be questions of neutrality, confidentiality, expertise and similar matters that can be readily addressed in the arbitration context but that raise complications in national courts. Moreover, even if judicial procedures are usually fairly detailed and settled, that does not mean that they are always clear; often, they give substantial discretion to the presiding judge, meaning that even a detailed code of rules and procedures does not guarantee smooth, predictable and efficient proceedings.

To summarise, the selection of a dispute resolution procedure is an important issue that should not be ignored. It is not a one-size-fits-all proposition, with one approach suited to every agreement or even to all possible disputes under one agreement. At the very least, the parties should consider whether a particular approach is the best they can do given the circumstances.

A search online (see Law Insider) for a standard dispute resolution clause calling for judicial resolution offers this:

This Agreement shall be governed by and construed in accordance with the laws of the state of New York without regard to its conflict of laws provisions. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the United States District Court for the Southern District of New York, and the parties waive any objection to that court's jurisdiction and to the venue, whether based on convenience or otherwise.

As noted above, the ICC's standard arbitration clause reads:

All disputes arising out of or in connection with the present contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.

The first clause implicitly provides that the dispute will be resolved according to the laws and rules applicable in that court, including laws and rules regarding pleading, discovery, trial and appeal. The second clause provides for arbitration under the ICC's auspices, but as stated above, the rules generally call on the parties and the tribunal to set procedures themselves.

Each of these provisions could be modified to make the proceedings more efficient, cheaper and ultimately more conducive to a satisfactory resolution. Within certain bounds, there are no hard and fast limits on the parties' creativity in designing a dispute resolution process that is appropriate to their case. As examples, consider the possibilities available on two important issues: choice of forum and exchange of information.

CHOICE OF FORUM

Parties that choose to arbitrate their disputes often choose the ICC as their forum. The ICC is an excellent arbitration organisation, but a simple reference to its rules shows that it offers at best a bare-bones approach to deciding how the dispute will be resolved. One possibility is to consider another arbitration forum that has a different profile that is more conducive to resolution of a likely dispute.

One possible arbitration forum is the International Arbitration Center in Tokyo (IACT). The arbitrators who are affiliated with IACT include retired judges from around the world with experience in handling disputes involving commercial, intellectual property, competition and a wide variety of other claims.

Another advantage of IACT is that its rules provide for appeal of an arbitration decision to a panel of judges. This solves one of the biggest drawbacks to arbitration: an arbitration decision is not appealable, even if it is based on an obviously incorrect legal or factual error. Specifically, Article 40 of the IACT Arbitration Rules provides that a party may ask for review by providing the following:

(i) a detailed explanation of any alleged material and prejudicial error of law or fact that the requesting party seeks to be corrected by the tribunal, and (ii) a specific identification of the modification sought by the requesting party.

A dispute resolution clause directing arbitration under IACT auspices that also addresses some of the important procedures the panel will apply will go a long way to providing for efficient, effective and dependable proceedings.

The same ideas apply if the parties choose to have their disputes resolved in court. Agreement to resolve a dispute in a particular country may constitute only the first step. Often, the parties will be able to pinpoint a particular court.

In the United States, the parties may have several options, with the courts in Delaware, New York, and California being popular choices. These courts have excellent judges, experience with complex cases and favourable locations from a logistics standpoint.

On the other hand, these are also some of the busiest courts in the United States, and the congestion on the courts' dockets can result in delays. Other courts, such as the United States District Court for the Eastern District of Virginia, have the same advantages as the courts in the more familiar districts, without some of the disadvantages. In fact, the Eastern District of Virginia was the original "Rocket Docket".

CHOICE OF PROCEDURES

The fact that the parties have chosen a particular forum does not mean that they are required to follow all the forum's procedures verbatim. In most cases, the forum will allow the parties to modify the procedures by agreement.

This is especially the case in arbitration, where the rules offer little detail on matters such as information exchange and hearing procedures, with the understanding that the parties will address these matters in their dispute resolution agreement or during the arbitration itself. Parties often agree, for example, to exchange specified information relating to the dispute by a given deadline. They may also agree to the exchange of briefs (or 'memorials') outlining their legal and factual arguments. They can set the terms for a hearing, including

the identification of factual and expert witnesses, and whether direct witness testimony will be presented live at the hearing or in writing.

These provisions not only set out the type of proceedings that the parties agree will be appropriate, but also save the parties the time, effort and expense of negotiating those issues after a dispute arises, when they may be less likely to agree, and time and resources would be required for the discussion and memorialisation of their agreement if they do agree.

If the parties opt for judicial proceedings, the court's rules and procedures will govern by default. In many cases, however, the rules allow the parties to modify the procedures. So long as the agreement does not impose additional burdens on the court, the court will usually allow the parties to agree to certain pretrial procedures, including discovery procedures.

For example, at the outset of a lawsuit in the United States, the parties are often required to discuss ways to expedite the proceedings and to submit to the court a proposed order incorporating their ideas. The order may include the scope and content of an initial information exchange and modifications to the default discovery rules, and it may provide for a proposed pretrial schedule. If the proposed terms seem likely to expedite resolution of the case, most courts will adopt the parties' approach.

In the United States, the parties may also consider an agreement in which they waive their right to a jury trial and agree that the trial will be held before a district judge without a jury. This has several advantages, such as reducing an out-of-town party's concerns about local bias. It also reduces costs as a bench trial is almost always shorter than a jury trial (in terms of total court time), less expensive to prepare and likely to move forward more quickly on the court's docket.

CONCLUSION

The time spent to discuss and draft a clear and thorough dispute resolution clause is well worth the effort. If a dispute arises after the agreement is signed, the parties will have to address procedural issues that could have been addressed earlier during a time when the parties were more apt to agree. Within certain broad limits, courts will enforce these provisions and allow the parties to resolve their disputes according to their agreement. This is one area where attention and creativity can pay substantial dividends.

Key Questions for Defendants to Ask Law Firms Before Choosing Who to Hire

[Indranil Mukerji](#) and [Stephen Marshall](#)

Summary

HOW WILL OUTSIDE COUNSEL LITIGATE THE CASE TO MEET THE COMPANY'S BUSINESS GOALS?

WHO WILL RUN THE DEFENCE TEAM DAY TO DAY?

WHO ELSE IS ON THE PROPOSED TEAM, AND WHY HAVE THEY BEEN PROPOSED?

THE PROPOSAL INCLUDES A DIVERSE TEAM, BUT WILL THEY ALL HAVE MEANINGFUL ROLES?

HOW, SPECIFICALLY, DID YOU ARRIVE AT THE PROPOSED BUDGET FOR THE CASE?

In the classic movie *Field of Dreams*, Shoeless Joe Jackson says to farmer Ray Kinsella, “if you build it, he will come”; so too, if you build a successful company, litigation is sure to visit upon it. Whether long expected or entirely out of the blue, the company is often forced to make quick decisions about how to defend in the face of a lawsuit. A key part of that initial reaction obviously involves picking the right outside lawyers.

Many considerations influence counsel selection: cost of representation, litigation exposure, pre-existing relationships, past performance and experience pertinent to a given lawsuit. We will not belabour those common considerations here. Instead, we focus on the more subtle, yet arguably even more important questions, that defendants should be asking their prospective lawyers.

Law firms put their best foot forward during any client pitch. They trot in their most polished representative to present, who will say all the right things and recount compelling war stories. Promises and prognostications abound. Ultimately, though, litigation is won in the trenches through leadership of a strong team, executing a clear path to victory from the outset, and always with the needs, concerns and goals of the company in mind.

To identify this team, in-house counsel should ensure that several key questions are addressed during the counsel selection process.

HOW WILL OUTSIDE COUNSEL LITIGATE THE CASE TO MEET THE COMPANY’S BUSINESS GOALS?

The answer to the question posed is not ‘just win’. Of course, outside counsel will want to win – but how would they define a win? And, does that definition coincide with the company’s?

Defendants are not in the business of litigation, so at the core of every case must be a common understanding of the company’s ultimate business goals. Some cases pit industry competitors against each other with market share on the line, while others may simply be a nuisance calling for quick resolution. At bottom, however, defence-side litigation is a cost centre in the company, and every case detracts from the bottom line.

The contours of a ‘win’ will, to a certain degree, be worked out after hiring counsel, as client and lawyer are able to communicate and collaborate more freely. Yet, even at the selection stage, outside counsel should have at least an initial view on this critical question. Litigation success can range from prompting a plaintiff to abandon its case to creating leverage to reach a favourable settlement. It may also call for a jury verdict and beyond. It may call for a principled stand against troll-like plaintiffs. It may require demonstrating to one’s customers that the company stands behind its products. Regardless of what flavour is chosen, outside counsel must be able to articulate at least some coherent vision of what a win looks like from the outset; if they cannot, rest assured they have put little effort into understanding the company’s business, the threat posed by the litigation, and the market in which the company operates –no matter how good the glossy pitch materials may look.

Does this sound elementary? It is most assuredly not. The unfortunate reality remains that law firm partners are rewarded at their firms for generating fee revenue. Even though ethics and professionalism demand that attorneys act first in the best interest of the client, outside counsel can easily lose sight of the fact that litigation defence is expensive and unsettling to the company, especially when that nearsightedness is lucrative to the law firm. Selected counsel must work hard not to unnecessarily disrupt executive and engineer time or waste

resources on pointless discovery disputes and tenuous legal theories. A scorched-earth campaign is typically not the best approach for every case; rather, the ideal team picks their battles and can separate relevant from irrelevant issues. Ivory tower legal issues, which may sound fabulous for an appeal of first impression, are not usually of great interest to the client's business.

The parade of horrors is prevented by outside counsel understanding and embracing the company's business goals for a particular litigation. If a candidate firm has not considered these goals even at the selection stage, inefficiency and disruption are likely to follow.

WHO WILL RUN THE DEFENCE TEAM DAY TO DAY?

All too often, after the pitches and 'beauty pageant' are over, and the engagement letter signed, in-house counsel receives a call not from the senior partner who delivered the pitch, but from another partner on the defence team. This is unsurprising; complex litigation takes a village. Though it is often said that a client hires a lawyer rather than a firm, cases are generally handled by multiple partners overseeing a team of attorneys and support staff. Yet, too many times, defence counsel is selected by the marquee lead counsel on the pitch and not the team who will actually do the work. This is a mistake.

For both practical and strategic reasons, a division of labour in case management between lead counsel and their vice (case managing partner) is not necessarily undesirable. Expecting the first chair trial attorney to take on day-to-day discovery tasks, for example, is usually not cost-efficient, and may serve to distract the lead counsel from the broader mission of the team. Thus, the case managing partner is not unlike a naval executive officer responsible for all day-to-day activities, freeing the captain to concentrate on strategy and planning the ship's next move. The case managing partner is typically the first and most available point of contact for the in-house team and oversees the defence team in executing the case strategy. They may also act to insulate the credibility of lead counsel by handling non-dispositive motion practice, including discovery disputes. They must be a leader in their own right, and not a mere subordinate.

Beyond the fit of the case managing partner to the case and the in-house team, the relationship between lead counsel and the case managing partner is another important consideration during counsel selection. Have they worked well together in the past? Can they hand off responsibilities seamlessly between them? Do they trust each other's judgement and share a common view of the case strategy? Are their skills complementary? This is where vision and execution must meet. When the first chair trial attorney appears for hearings and trial, they will be presenting a case they may or may not have been closely involved in developing – from the nuances of the technology in patent litigation, to the details of the factual record, to the overall tenor of dealings with opposing counsel. A unified case management team is essential to achieving a defendant's goals, which is why understanding who will direct the defence team day to day is a key consideration in hiring counsel.

WHO ELSE IS ON THE PROPOSED TEAM, AND WHY HAVE THEY BEEN PROPOSED?

Complex litigation is undoubtedly a team sport, and one that reaches well beyond the senior attorneys. Rarely, if ever, does a championship team succeed with a single superstar and a full bench of minor league talent. In an appropriately leveraged defence team, the bulk of hours logged on the case will necessarily come from the associate corps rather than the one or two partners at the pitch. Some staffing models focus on availability of associate time without regard for case fit; team staffing may be glossed over at the pitch stage, but these are

the attorneys producing the company's documents, watching out for the company's interests in discovery disputes, and working each day to meet case deadlines. Accordingly, during counsel selection, it is critical to determine the capabilities of the team and how they match the needs of the particular litigation.

The life cycle of a case requires many talents. On a successful team, the associates will offer a mix of subject matter, writing and organisational skills (and experience). Taking a patent litigation case as an example, a defence team must comprise attorneys with an appropriate technical background to understand the nuances of the patented invention, analyse and assess technical defences and speak the language of the company's engineers. But patent litigation is not just about patents; it is also a contentious dispute with many moving parts. Persuasive writing, often to an audience not versed in the technical subject matter remains a critical requirement. The subject matter must be conveyed simply yet accurately. Organisational skills also cannot be overlooked in any complex litigation. A carefully selected associate team should cover all these skills, as well other factors important to the company.

While the law firm must make an investment in training junior associates, the client too benefits from introducing junior attorneys to the company, its operations and its litigation philosophy. This will yield efficiency in the long run, as today's defendant is often tomorrow's defendant as well. Experience gained by associates in one case will help them better approach the mechanics and particularities of a company in future litigation, as well as leverage lessons and information learned, and better appreciate the priorities and concerns of the company. Investing in junior attorneys also helps to deepen the relationship between the law firm and the company so that the two can truly partner in the future. Finally, recognising the generational nature of defence teams, appropriately pairing proposed associates with the needs of the lawsuit and client helps today's junior attorneys feel invested in the company and the case.

The litigation team as a whole should also represent the values and culture of the company. Again, beyond just the defence team leadership, outside counsel acts as an extension of the company, both in the courts and the marketplace. The team should not only be built to win but to project the core values and mission of the company; the proposed associate team carries this mantle just as the senior attorneys do.

THE PROPOSAL INCLUDES A DIVERSE TEAM, BUT WILL THEY ALL HAVE MEANINGFUL ROLES?

Law firm clients expect diverse defence teams in proposals, and firms are happy to oblige, but a critical question is whether all team members will have meaningful roles in the litigation. A law firm aiming to staff a truly diverse team needs to go beyond targets and laws, and put into practice what is proposed in a case pitch.

Beyond social considerations, defence team diversity ensures that problems are approached with a variety of perspectives and experiences. Research shows that inclusive teams perform up to 30% better in high-diversity environments. Diverse teams boost innovation, meaning diverse teams do better work. This requires the meaningful contribution of all team members, and that the law firm proposes appropriately qualified and trained attorneys. As a corollary to the notion that outside counsel should project the values and culture of the company, counsel selection should look beyond a law firm proposal to ensure that a law firm delivers on its representations.

HOW, SPECIFICALLY, DID YOU ARRIVE AT THE PROPOSED BUDGET FOR THE CASE?

Cost of representation is unquestionably, and appropriately, an important factor in selection of defence counsel. With procurement practices for representation in some types of litigation becoming more commoditised, law firms increasingly face pressure to be the lowest bidder (though the fallacy that lowest cost equates to greatest value is a fallacy that will be the subject of a future article).

More than that, litigation pricing has long been a mystical art drawing on experience, prediction and case factors such as venue and opposing counsel. While some law firms today leverage historical data to assist in pricing, there remains a tension between the law firm's desire to land work and the client's desire for it to be done well and at a fair price. For this reason, some firms resort to 'gambling', by offering cut rate budgets based on an expected outcome (eg, settlement or favourable court ruling) rather than pricing the matter with a comprehensive budget for the entirety of the case. When it works, the firm looks brilliant; when it doesn't, it's an awfully nasty surprise for the client.

In-house counsel should press candidate law firms not simply for a defence budget, but also for how it was calculated. In addition to the size of a case and the exposure faced by the company, the budget should account for local rules and typical schedules. It should also factor in an anticipated division of labour between attorneys at different band levels at different phases of the case. Outside counsel's proposal should expressly set forth which services or issues are included or excluded from the budget.

Pricing is not just a spreadsheet exercise. The company should also ask if the law firm is pricing the case with any externalities embedded. For example, is the law firm taking the case as a loss leader to create a relationship with the company? Or, is the firm simply looking to price with a discounted opportunity cost, such as when there are too many associates and not enough work? In short, litigation budgeting should not be a thumb-in-the-wind exercise – no matter how seasoned the attorney – but should be based on clear assumptions that can be stated with particularity and clear communication of each side's interests.

Outside counsel's explanation of a budget should demonstrate more than just experience and eagerness to be hired. It will reveal how much thought has been put to the proposed case strategy, outside counsel's commitment to efficiently yet effectively staff the proposed defence team and the firm's sensitivity to meeting the company's business goals for the litigation, all of which warrant inquiry during the selection process.

Brazil: Patent litigation

Claudio Barbosa and **Viviane Trojan**

Kasznar Leonardos

Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

INJUNCTIONS AT A GLANCE

<p>Preliminary injunctions – are they available, how can they be obtained?</p>	<p>To obtain a preliminary injunction (restraining order and search and seizure), the plaintiff must prove the likelihood of success of the complaint and the need for an urgent decision. The judge must also weigh the impact caused by the decision granting the injunction, as opposed to the impacts of not granting it.</p>
<p>Permanent injunctions – are they available, how can they be obtained?</p>	<p>Permanent injunctions are granted only when the case is finally resolved at first instance, and it is decided that the defendant infringed the patent under discussion. When the judge closes the case and orders the defendant to stop the infringement and pay damages, they can also grant a permanent injunction with immediate effect.</p>
<p>SEP injunctions – are they available, how can they be obtained?</p>	<p>Brazilian courts still do not entirely differentiate SEP litigation from regular patent infringement lawsuits; therefore, SEP injunctions are typically granted in accordance with the same requirements adopted by regular patent infringement lawsuits. However, SEP case law is accumulating, and in some situations, judges will grant injunctions ordering the defendant to deposit a royalty before the court instead of determining the cessation of the alleged infringing activity.</p>
<p>Is payment of a security/deposit necessary to secure an injunction?</p>	<p>The payment of a security/deposit is not entirely necessary to secure an injunction; however, the plaintiff can be ordered to provide a bond or fiduciary guarantee if the judge deems it necessary.</p>
<p>What border measures are available to back up injunctions?</p>	<p>Regular administrative border measures are typically oriented to trademarks; however, courts may order customs officials to arrest a specific shipment or even all shipments from one defendant. A broad court order towards general importation because of the lack of official control concerning the characteristics of the commercialised goods may be ineffective if the patent holder does not cooperate with customs officials.</p>

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Patent infringement is both a criminal offence and a civil tort; however, because IP infringement is considered a less serious crime, patent owners usually file civil lawsuits

instead of criminal ones. In civil lawsuits patent owners can obtain preliminary restraining orders and other measures to stop the infringement while the case is pending a final decision.

Material and punitive damages can also be awarded. In cases where the patent is a process, a preliminary action can be filed by the patentee to have the process used by the offender inspected by a court-appointed expert. If the expert confirms the infringement, the patent owner can file a lawsuit for damages based on this technical evidence.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Although the Law of Civil Procedure encourages parties to settle before initiating any lawsuit, mediation and arbitration in patent disputes remains uncommon in Brazil. In most cases, the patent owner first sends a cease-and-desist letter to the offender to tentatively settle the dispute. If this is not possible, the next step is usually a lawsuit, where the judge can schedule a preliminary conciliatory hearing, so that the parties can try to settle before a mediator (not the judge).

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Patent infringement cases are brought before the state courts. The cases are filed at the first-instance court, and it is up to the judge to make decisions during the entire prosecution of the dispute (there are no juries in patent disputes); however, considering that the judges have no technical background, a technical expert is always appointed to examine the case and issue an opinion.

Although the judges are not obliged to follow the expert's opinion, in most cases the final decisions on the merits are based on the expert's conclusions. After the decision, the losing party can file an appeal with the State Court of Appeals. A panel of three judges re-examines the case and delivers a decision on the appeal. This second decision can also be challenged through a special appeal to the Superior Court of Justice; however, because of the restrictive proceedings of the Law of Civil Procedure, such appeals are not usually accepted and do not reach the Superior Court of Justice.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Brazilian judges have been increasing their IP-rights knowledge, especially regarding patents, because of the high number of disputes that have been brought by patentees. Additionally, there are courts specialised in IP matters, such as the state courts of Rio de Janeiro and Sao Paulo, where most litigation is filed.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Under article 56(1) of the IP Law, the validity of a patent can be argued as a matter of defence in an infringement lawsuit. In 2020, the Superior Court of Justice stated that any discussion regarding the validity of a patent could be discussed incidentally (ie, a decision would be limited to the parties involved in the infringement lawsuit); however, such incident should be taken before a federal court. In other words, the infringement would be litigated before a state court, and the validity incident would be discussed before the federal jurisdiction. Considering the controversy surrounding this matter, it is still advisable to consider filing an independent lawsuit at the federal courts to contest the validity of the patent if the defendant has arguments to do so.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Only lawyers duly and validly registered at the Brazilian Bar Association can represent parties engaged in judicial disputes, and powers of attorney signed by empowered officers of the parties must be attached to the case files. Notarisation and legalisation are required.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

The general rule is that any lawsuit must be filed before the court where the defendant is located; however, the Law of Civil Procedure also contains a specific rule that says that infringement claims can be brought to the court where the violation is taking place. This means that even if the defendant is in a certain city, the patent infringement lawsuit can be filed anywhere where the violation is occurring. This is important because in many circumstances (eg, when the infringing product is being advertised or offered for sale online), the patent owner can decide to initiate the lawsuit before a different court from the one where the infringer is based. It is based on this specific provision that most of the patent infringement lawsuits are filed either in Rio de Janeiro or Sao Paulo, where there are specialised IP courts.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

There is no pretrial discovery phase in Brazil. The parties are not obliged to disclose evidence, documents or information requested by the opposing party.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

According to the Law of Civil Procedure, the litigating parties can produce any kind of evidence admitted by law, including written and oral evidence. Despite this, oral evidence is rare in patent disputes. In most cases, parties present their technical allegations and support their thesis with technical documents. It is common for parties to present technical opinions issued by experts. Such evidence is important when the patent owner asks the judge to grant a preliminary restraining order or when the alleged infringer wishes to challenge the plaintiff's request.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Expert witnesses are common and important in patent disputes, particularly because judges have no technical background and must rely on independent expert opinion. Typically, the parties file their arguments along with technical opinions issued by their own experts.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Article 186 of the IP Law serves as the basis for the introduction of the doctrine of equivalents regarding infringement characterisation. Even if the exact elements of a given claim are not found in a given product or process, infringement can still be characterised when equivalent elements are found.

However, although such modality of infringement is expressly foreseen in the Law, there is sparse case law where it has been applied. This is because Article 186 does not establish a precise and clear method or criteria for determining whether a product or process infringes by equivalence another party's patent.

For the doctrine of equivalents to be duly applied in Brazil, it is important to check:

- the main idea behind the invention;

- whether the alleged infringing product would be equivalent to the one claimed in the patent; and
- if the modifications would be obvious for a person skilled in the art, having in mind the teachings in the allegedly infringed patent.

Accordingly, the doctrine of equivalents could be used in support of the patent owner's right. If the equivalency is clearly stated by evidence (and based on expert opinions), judges will be more willing to accept it, as typically Brazilian courts are reluctant to grant protection to elements not expressly claimed, so the exclusive effect would not be extended beyond the wording of the patent claims.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Case law precedents are important elements in legal disputes in Brazil. Although the courts are independent and the decisions are not binding, they are often taken into consideration as important precedents or at least as guidance, especially if they are issued by higher courts.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Case law precedents are not binding. This also includes rulings handed down in other jurisdictions; however, just like any other case, they can be important to demonstrate to the judge that the matter is being discussed in other jurisdictions and that decisions are being delivered in certain ways. Foreign and local rulings are not binding but they can influence Brazilian judges.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

In a patent infringement dispute, the defendant can argue that there is no infringement because:

- the defendant's product or process is different from the one covered by the patent;
- the defendant has been using the product or process since before the filing date of the patent (prior use); and
- the plaintiff's patent is null and should be declared invalid, so there is no infringement.

Accordingly, the defendant may adopt the first two lines of defence to delay a case, adopting lengthy expert analysis. The same can be replicated with additional expert analysis by filing an independent validity lawsuit before the federal jurisdiction. If this happens, the defendant may ask the infringement trial court to suspend the infringement lawsuit until the nullity action is ruled. In some situations, this strategy may delay a case.

The plaintiff may overcome such delays by preparing clear and convincing expert opinions demonstrating the infringement and the validity of the patent, as well as filing for declaratory judgment lawsuits concerning the validity of the patent. Such strategy is not typically adopted but could be used, adopting the same jurisdiction of the patent infringement lawsuit.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Preliminary injunctions are provided in both the IP Law and the Law of Civil Procedure. To be entitled to obtain such measures (restraining orders and search and seizures), the plaintiff must prove the likelihood of success of the complaint and the need for an urgent decision.

The judge must also weigh the hardship caused by the decision granting the injunction, as opposed to the hardship caused by not granting it. The plaintiff can be ordered to provide a bond or fiduciary guarantee if the judge deems it necessary. An injunction in patent disputes (both infringement and nullity actions) is not commonly granted because cases always involve a high degree of technical discussion between the parties, and it is difficult for the judge to confirm whether a product or process infringes a certain patent, which will be possible only after a long technical discussion between the parties and a technical opinion by a court-appointed expert.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Patent disputes usually take more time than other IP cases because of the technical aspects involved. Given that Rio de Janeiro and Sao Paulo are cities where there are courts specialised in IP matters and the judges are experienced in IP issues, a patent infringement lawsuit usually takes around four to five years to be ruled on by the first-instance trial court and about one to two years to be judged by the State Court of Appeals.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

The court fees associated with a patent infringement lawsuit are around \$2,000. This does not include the court-appointed expert fees, which can be around \$20,000. If more than one expert is appointed by the court, this sum can be higher.

Considering that it is advisable to file along with the complaint or defence technical opinions drafted by specialists hired by each party, the litigating parties should be ready to spend another \$20,000 for each technical opinion. During the expert-opinion phase, the parties can appoint their own technical assistants, who will interact with the court-appointed expert, participate in meetings and present their technical opinion. Usually, for this task, parties should expect another \$20,000. Companies considering litigating in Brazil should be ready to spend about \$60,000 in court fees and technical opinions alone.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

According to the Law of Civil Procedure, the losing party must reimburse the totality of the expenses incurred by the winning party. This restitution does not comprise attorney's fees, only court fees (fees for filing the case, expert fees and technical assistant fees).

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Plaintiffs may seek both moral and patrimonial damages. The basis for calculating any award of patrimonial damages is established by Article 210 of the IP Law and may be summarised as follows:

- the benefits that would have been gained by the patent owner if the infringement had not occurred;
- the profits made by the infringer through the undue use of the patent; and

- the remuneration that the infringer would have paid to the patent owner had the parties signed a licensing agreement.

The court usually appoints an expert to establish the final amount of the damages. The civil compensation proceedings are often time consuming, and their success depends on the evidence of damage and the defendant's financial situation.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Permanent injunctions are granted only when the case is finally resolved at first instance, and it is decided that the defendant infringed the patent under discussion. This is done after an in-depth technical discussion between the parties and the court-appointed expert. When the judge closes the case and orders the defendant to stop the infringement and pay damages, they can also grant a permanent injunction with immediate effect.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Yes, the losing party can challenge the first-instance decision by filing an appeal at the State Court of Appeals. The judge will notify the winning party to present a reply, and the case will be addressed to the higher court for analysis and a decision by a three-judge panel.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

In Sao Paulo and Rio de Janeiro, appeals are decided in about 12 to 18 months.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

It is possible to take cases beyond the second instance. Whenever a party believes that a second-instance decision violates an infra-constitutional law provision or differs from the jurisprudence in a similar case, it may lodge a special appeal to the Superior Court of Justice. The Superior Court of Justice has its seat in Brasilia and oversees standardising infra-constitutional law. Although the rulings of the Superior Court are not generally binding in other cases, they are influential and provide guidance to the lower courts. In recent years the Superior Court of Justice has been narrowing the window for special appeals to be accepted and decided, which is why it is crucial to the parties to win the case at second instance.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

The Brazilian courts are known for respecting IP rights, regardless of whether it is a domestic or foreign entity disputing the case, although some judges may take a more anti-patentee approach, especially in the pharmaceutical field.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

No, the only way to assert patents in Brazil is by initiating lawsuits, arbitration or mediation.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Before the covid-19 pandemic, almost all hearings and judgment sessions were held in person; however, this has changed completely and almost all hearings are held remotely.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

Patents are fully enforceable in Brazil, and each year the quality of the court decisions increases. Furthermore, preliminary injunctions are provided under the Brazilian legal system (although they are difficult to obtain). Additionally, damages can be awarded, and permanent injunctions can be granted at the end of the first instance, should the case be ruled in the patentee's favour. Finally, the losing party must reimburse the court expenses incurred by the winning party.



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China: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

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Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	If the judgment may become impossible to enforce, the conduct of one party may damage the other party or another compelling reason exists, the court may, upon the request of the party, order the preservation of the property of the other party, specific performance or injunction. In the absence of such request, the people's court may also, where it deems necessary, order property preservation measures.
Permanent injunctions – are they available, how can they be obtained?	There is no specific regulation on permanent injunctions, but the Patent Law, the Copyright Law, the Trademark Law and the Anti-Unfair Competition Law, among similar legislation, have provided for cessation of infringement, which is essentially a permanent injunction.
SEP injunctions – are they available, how can they be obtained?	China has no separate legal provisions for SEPs; only the Civil Procedure Law has provided for preservation and preliminary execution. See <i>Huawei v Conversant</i> .
Is payment of a security/deposit necessary to secure an injunction?	The applicant shall provide security. If the party refuses to provide such security, the court shall reject the application.
What border measures are available to back up injunctions?	The applicant can register their intellectual property at the customs office or directly apply to the customs office for detention of imported and exported infringing goods.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

After discovering an infringement, the patentee can file a civil lawsuit before a court, requesting cessation of the infringement and compensation for economic losses, etc. Alternatively, it can file a complaint with or report to an administrative body to request the administrative body to take administrative measures and impose penalties after investigating and verifying the existence of the infringement.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Courts and administrative authorities actively advocate mediation between the parties, and almost all cases have corresponding mediation procedures; therefore, the parties could settle their dispute through mediation conducted by a court or an administrative body, especially in patent infringement cases in which the infringer is only a seller. If the infringer is the manufacturer, the two parties may have very different opinions on the amount of compensation, in which case it would be difficult to settle their dispute through mediation.

The Patent Law does not explicitly stipulate that patent infringement disputes can be settled through arbitration; therefore, to date, there is no case precedent regarding resolution of a patent infringement dispute by arbitration.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Since there are people's assessors – not juries – in China, patent cases are generally heard by a panel of judges, by a mix of judges and technical experts, or by judges and people's assessors, depending on the complexity of the case.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

The courts openly recruit full-time technical investigators from different fields to deal with technical issues encountered in patent cases. For difficult cases, the courts may also recruit and consult experts from institutions such as universities and research institutes to deal with technical issues in patent litigation.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

The court does not rule on validity in an infringement case; however, if the plaintiff abuses the patent right or there is an obvious defect in the right, the court may reject the plaintiff's claim.

In addition, because the Supreme Court is the court of last resort for both utility model and invention patent infringement litigation and patent invalidation administrative litigation, in some cases in which one patent is involved both in a patent infringement litigation and in a patent invalidation procedure and its corresponding patent invalidation administrative litigation, the Supreme Court may hear the patent infringement case of second instance and the patent invalidation administrative litigation case of second instance at the same time, and deal with the patent validity and the infringement at the same time, to improve trial efficiency and unify case judgment standards.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

In patent cases, generally a practising lawyer or a patent attorney recommended by the All-China Patent Attorneys Association will appear in court to participate in the litigation, and others cannot represent the parties in the litigation.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

District jurisdiction is generally based on the location of the defendant and the place where the infringement occurred. Regarding jurisdiction by forum level, the law clearly provides that, in addition to the IP courts of Beijing, Shanghai, Guangzhou and the Hainan Free Trade Port, the intermediate people's courts in provincial capital cities can try patent cases.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

There is no corresponding pretrial discovery process in China. Both parties should provide evidence within the time limit specified by the court. Because of the complexity of patent cases, the time limit for producing evidence is relatively long, but all evidence must be submitted before the trial.

Before the trial, the two parties exchange evidence and issue cross-examination opinions on the authenticity, relevance, legality and probative force of the other party's evidence.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

According to the Provisions of the Supreme People's Court on Evidence in Civil Procedures and the Provisions of the Supreme People's Court on Evidence in Civil Procedures Involving IP Rights, both written and oral evidence can be used in litigation; however, in patent infringement litigation cases, the evidence used by both parties is mainly documentary evidence, and the oral evidence mostly concerns inviting experts to clarify specific issues or is auxiliary evidence for the case.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

A party may apply to invite one or two experts to appear in court to conduct cross-examination of the expert opinions on behalf of the party or propose opinions on the specialised issues involved in the facts of the case, before the deadline for adducing evidence. Opinions put forward by experts on specialised issues in court are regarded as statements of the parties. Experts are not allowed to participate in court proceedings other than in respect of the specialised issues.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Regarding balancing the publicity of claims and the doctrine of equivalents, the Judicial Interpretation stipulates that the determination of equivalent features must meet the requirements of "using basically the same means to achieve basically the same function and achieve basically the same effect" and "a person of ordinary skill in the art [being able to] think of it without paying creative labour".

At the same time, the doctrine of equivalents will be limited by the contribution rules, explicitly excluded solutions and background technology solutions, foreseeability rules and the principle of estoppel. In general, the courts are relatively cautious in applying the doctrine of equivalents, and both parties must actively provide evidence for this.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Owing to the rapid development of China's communications industry, Huawei, ZTE, Oppo and other companies have a relatively large market share, so China has gradually become one of the main battlegrounds for global SEP disputes in the communications industry.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Chinese courts generally adopt the principle of the same judgment for similar cases, especially the guiding cases issued by the Supreme People's Court. The effective judgments of the Supreme People's Court have a high reference value. Further, a court will often handle similar cases in the same way and will rarely make contradictory judgments.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Owing to differences in social and legal systems, the courts generally do not consider cases in other jurisdictions; however, for relatively cutting-edge patent litigation cases, such as SEP-related cases, reference will be made to relevant cases in the United States and Europe.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

The defendant can raise a jurisdiction objection to delay the lawsuit, but the effect is limited; the plaintiff can actively communicate with the court and request the court to dismiss it as soon as possible.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

When evaluating whether to order the respondent to cease a certain action or behaviour, the court will comprehensively consider whether the applicant is the patentee or a stakeholder, the possibility of the respondent's behaviour constituting infringement, whether the situation is urgent, and whether the legal rights and interests of the applicant may be irreparably damaged if measures are not taken immediately, as well as the balance of damage and the public interest, etc. There are relatively few cases in judicial practice in which a preliminary injunction has been successfully granted by the courts. It is very difficult, and the requirements for the applicant's evidence are very high.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Since the defendant in a patent case will often file a request for invalidation of the patent, the court will make the judgment after the invalidation decision is made and base it on the invalidation decision to protect the rights and interests of the parties. Given that the patent invalidation procedure generally takes more than six months and because of the complexity of patent cases, judges will spend more time analysing patent cases than other cases, so the first instance of a patent case will take around six to 10 months.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

The cost mainly depends on the monetary amount of the subject matter of the case and its complexity. Further, the agency fees charged by lawyers vary greatly. In patent infringement cases, the infringer often files a request for invalidation of the patent, and both parties must entrust an agent to participate, which costs a lot of money. In general, the overall cost for an ordinary patent infringement case will generally not exceed Rmb150,000, whereas the cost for a design patent infringement case will be a little lower.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

The losing party in a patent case pays the winning party's reasonable expenses for rights protection. The reasonable expenses generally include attorney's fees, notarisation fees and other investigation and evidence collection fees, audit fees, transportation, board and lodging expenses and printing fees for litigation materials. The court reviews the rationality and necessity of the above expenses. Overall, it is possible for all the winning party's costs to be recovered from the losing party.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

The defendant must stop the infringement immediately and compensate the plaintiff for its loss and reasonable expenses for defending its rights, including attorney's fees and notarisation fees. The court may also let the defendant bear a corresponding part of the case acceptance fee, depending on the circumstances of the case.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

According to the provisions of the Patent Law and related judicial interpretations, the amount of compensation for the damage caused by infringement of the patent right shall be assessed on the basis of the loss actually suffered by the patentee or the profits that the infringer earned through the infringement. If it is difficult to determine the losses that the patentee has suffered or the profits that the infringer has earned, the amount may be assessed by reference to the appropriate multiple of the patent licence fee.

For wilful patent infringement, if the circumstances are serious, the compensation may be calculated as the amount equivalent to more than one time and less than five times the amount calculated by the above methods. If it is difficult to determine the losses that the patentee has suffered, the benefits that the infringer has earned or the exploitation fee of patent licence, the people's court may award compensation of no less than Rmb30,000 and no more than Rmb5 million, depending on factors such as the type of patent right, and the nature and gravity of the infringing act.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

There is no permanent injunction in China, but if the court determines that the defendant's infringement is established, the infringer must stop the infringement; therefore, in terms of actual legal effect, an order to stop infringement could essentially be considered a permanent injunction. This permanent injunction-like effect will not be achieved until the court's order to stop the infringement takes effect.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

No. If a party disagrees with a first instance judgment of a patent dispute case, the party has the right to lodge an appeal with a higher court within 15 days of the date on which the written judgment was served. If a party disagrees with a ruling made by a court, the party has the right to lodge an appeal with the higher court within 10 days of the date on which the written ruling was served.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Similar to the first instance trial, during the second instance appeal case, the defendant files a request for invalidation of the patent involved in the infringement litigation case, and this invalidation procedure takes at least six months. The judge assesses the possibility of the patent being invalidated. If the possibility is high, a trial is conducted after the invalidation decision has been made. In this case, the second instance lasts around six to eight months. If the possibility of the patent right being invalidated is low, the judge will hear the case as soon as possible, and the second instance will only take three months at least.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

A party can apply for a retrial within six months of the date on which the second instance judgment takes effect, under any of the following circumstances:

- the main evidence for determining the facts in the original judgment or ruling was insufficient;
- there is new evidence sufficient to overturn the original judgment or ruling;
-

the people's court violated legal procedures, which may affect the correct judgment or ruling of the case;

- the application of law in the original judgment or ruling was wrong; or
- the judicial officer was involved in corruption, bribery, malpractice for personal gain or perversion of the law when trying the case.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Chinese courts emphasise the protection of scientific and technological innovation; therefore, on the premise of neutrality and objectivity, when hearing patent cases, the courts are more inclined to protect the rights and interests of patentees. In particular, amendments to the Patent Law have introduced a punitive damages system, which will curb intentional patent infringement to a greater extent and will also greatly promote the transfer and licensing of patent rights.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

The patentee can request the administrative authority for patent affairs to handle patent infringement disputes. However, the administrative authority cannot judge whether patent infringement has occurred; it can only punish the infringer. Further, the patentee would have to conduct additional litigation to obtain compensation; therefore, few patentees resolve patent infringement issues through administrative means.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

In recent times, most second instances of patent infringement litigation cases, the oral hearings of patent invalidation cases, and the first and second instances of patent invalidation administrative litigation cases have been tried remotely. According to the latest information, remote hearings should continue to be a trend in the future, even if the lockdown-related restrictions are relaxed.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

In the latest amendments to the Patent Law, the upper limit of statutory compensation has been raised to Rmb5 million, and clear provisions on punitive damages have been provided. There have also been many reference cases regarding punitive damages, so the patentee can actively provide evidence and may obtain higher compensation.



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Germany: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	Preliminary injunctions are available if a change in the existing situation could substantially impede the realisation of the patent proprietor's claim, and infringement and validity are straightforward and beyond reasonable doubt. A corresponding request must be filed within a short period after the patent proprietor has become aware of the infringing act.
Permanent injunctions – are they available, how can they be obtained?	Permanent injunctions are available and can be obtained if infringement is confirmed and validity is established beyond reasonable doubt.
SEP injunctions – are they available, how can they be obtained?	SEP injunctions are available if the patent proprietor complies with FRAND requirements.
Is payment of a security/deposit necessary to secure an injunction?	An injunction is issued without payment of any security/deposit. As a prerequisite for enforcement of the injunction and at the request of the defendant, the payment of a security/deposit may be ordered in first-instance decisions.
What border measures are available to back up injunctions?	Border measures for imports from non-EU countries are possible at German borders if infringement has been confirmed in a German court case.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

The 'silver bullet' for patent owners is an infringement action on the merits, filed with one of the top German courts for patent infringement (ie, Dusseldorf, Mannheim or Munich).

An injunction will be granted when infringement is found. A preliminary injunction can be declared by the courts in as little as 24 hours. A verdict based on an infringement action on the merits takes between six and 18 months.

The basis of the available injunctive relief as a standard measure is that Germany is a patent venue with an incomparably detailed jurisdiction. Tens of thousands of actions have been filed before German courts in recent decades.

Patent litigation has always been affordable for small and medium-sized enterprises (SMEs), which have made fervent use of it. This has resulted in mutual benefits to both SMEs and the patent litigation system. In excess of 10,000 decisions with headnotes rendered by the first-instance courts, the appeal courts and the specialised X Senate of the Federal Court of Justice have been published and contribute to the system.

Recent amendments made to the Patent Law have confirmed that in very exceptional cases, enforcement of the injunction claim may be excluded insofar as the claim would lead to disproportionate hardship for the infringer. It is expected, and has been confirmed

by first-instance court decisions, that this clarification will result in no practical perceptible effect.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Given the number of cases, alternative dispute resolution is not presently seen as a popular or realistic alternative to patent litigation in Germany.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

There are 13 district courts elected by law that can hear patent infringement cases. Over 90% of the cases filed each year are filed before the ‘Big Three’ courts – Dusseldorf (which has been the clear leader in terms of cases heard for decades), Mannheim and Munich (which has gained traction over the past few years).

Each of the three first-instance patent litigation chambers in Dusseldorf, the two chambers in Mannheim and the three chambers in Munich are staffed by three legally trained judges. The same is true for the two patent litigation appeal senates in Dusseldorf and the appeal senates in Karlsruhe and Munich.

At the Federal Patent Court, validity cases are handled by six senates, each with a bench of two legally trained judges and three technically trained judges. The three technical judges – typically former members of the German Patent and Trademark Office (GPTO) – are assigned out of a pool of approximately 45 judges with complementary technical training. The X Senate of the Federal Court of Justice, competent for the infringement appeal proceedings on questions of law and appeal proceedings on validity, is staffed with five legally trained judges, as well as scientific staff.

There are no juries at these courts.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

The level of court expertise is one of the key assets of the German jurisdiction. Most of the approximately 100 German judges that have specialised in patent infringement and validity spend 90% or more of their work hours on those issues.

The total number of patent cases before German courts has been at a very high level for about a century, as a result of the proceedings being affordable for SMEs. The number of cases is also reflected by an enormous number of Federal Court of Justice decisions.

This infringement and validity-related case law in connection with the regularly updated Patent Act established at the end of the 19th century provide for unrivalled predictability regarding court decisions.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Although Germany is correctly considered as a country with a bifurcated system, this is only part of the story. The courts that hear infringement cases seriously consider arguments concerning validity: if there are convincing and relevant doubts in that regard, they will stay the infringement case. Typically, one-fifth of infringement cases are stayed owing to such doubts.

Validity cases are handled by the Federal Patent Court at first instance and the Federal Court of Justice at second instance. The specialised Patent Senate of the Federal Court of Justice

is competent to hear appeals on questions of law regarding infringement decisions handed down by the appeal courts, as well as appeals on validity decisions handed down by the Federal Patent Court. The Federal Court of Justice is, therefore, the connecting element in the bifurcated system.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

In patent infringement cases, the parties must be represented by attorneys at law who are members of the German Chamber of Lawyers. For validity proceedings, the parties can be represented by either a patent attorney admitted at the German Chamber of Patent Lawyers or an attorney at law.

In practice, in view of the legal and technical tasks to be dealt with, parties are in the vast majority of cases represented by an attorney at law and a patent attorney in both patent infringement and validity proceedings.

In infringement cases before the Federal Court of Justice, the parties must be represented by attorneys at law admitted before the Federal Court of Justice. This is not the case in validity cases, although it is recommended.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

In practice, forum selection within the 13 district courts elected is possible. Only in rare cases is the plaintiff bound to a subset of those courts owing to a regionally restricted infringement. The venue should be diligently chosen based on the case's complexity and any applicable time constraints.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

If there is a high likelihood of patent infringement but material evidence is unavailable, the patent owner may ask to inspect the alleged infringer's premises and infringing devices (eg, as exhibited at a trade fair). This is possible on an urgent basis.

Full pretrial discovery, to the extent known in the United Kingdom and the United States, does not exist in Germany.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

In an overwhelming number of cases, evidence is written in German patent infringement and validity proceedings. Oral expert testimony or witness cross-examination is extremely rare. The parties are invited to present written expert opinions.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Owing to the technical understanding of the judges, the specialised attorneys at law and the technically trained patent attorneys, the role of the expert witness is considerably restricted in practice compared to other jurisdictions.

German patent attorneys have a more active role in infringement and validity proceedings than elsewhere. This is because patent attorneys in Germany must have obtained at least a Master of Science.

In any event, an expert witness can be helpful in infringement and validity proceedings: when it comes to a dispute about the understanding of a person skilled in the art, an expert witness might be valuable.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Under the doctrine of equivalents, the scope of the patent also extends to solutions equivalent to those that have been claimed in view of function and quality. In addition, the solution must be available to a person skilled in the art without involving an inventive step. While this seems to be broad compared to other jurisdictions, infringement is, statistically, rarely found based on the doctrine of equivalents.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

As the German infringement courts accept patents granted by the EPO as they are, a patent's validity will become an issue only in cases of obvious invalidity based on new facts. The technological field concerned, as such, is no reason to reconsider the validity of a granted patent.

On the contrary, Germany is, thus far, the only jurisdiction in the world that provides protection for data generated based on a patent-protected method. Such protection is available in some jurisdictions for chemical products produced involving a patent-protected method.

Injunctions based on SEPs are granted on a regular basis. In 2015, the European Court of Justice (ECJ) issued a ruling (*Huawei v ZTE* (C-170/13)) based on a case pending in Germany on the enforceability of an injunction claim regarding the infringement of SEPs that grant market dominance. The main conditions are the patent owner's obligation to offer a reasonable licence and the licensee's obligation to make a reasonable counter-offer. The patent owner's reasonable licence offer may require worldwide coverage for the licensee and all the licensee's affiliates.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Owing to the high number of cases at all levels, unrivalled, rich precedents in the field of patent law are available in Germany. The Federal Court of Justice alone hands down more than 50 patent decisions every year. This means that a strong background can be built for each individual case, and accurate predictions can be made regarding the outcomes of cases.

The jurisdiction of the higher courts is binding on the lower courts; however, in general, previous decisions have no binding effect in Germany for the same court.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Yes, German courts are willing to consider the reasoning of courts in other jurisdictions. Convincing arguments in the reasoning will be not discarded in cases presented by the parties; however, there is no general tendency for any particular jurisdiction to produce more persuasive decisions than others.

By law, German courts may forward legal questions on the interpretation of EU law to the ECJ. The resulting ECJ decisions are binding on all national courts of the EU member states. The landmark SEP decision *Huawei v ZTE* (C-170/13) was issued by the ECJ owing to a request from the Regional Court of Dusseldorf.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

There is little opportunity to seek strategic delays in German patent infringement cases as there are only limited reasons to delay infringement proceedings. Delaying proceedings owing to an obvious lack of validity in view of new facts is the main option with practical relevance.

Depending on the venue, the complexity of the case may add considerable time to the schedule of the infringement proceedings.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

First, the infringement must inflict irreparable damage on the patent owner to justify the granting of a preliminary injunction. Both infringement and validity must be apparent. Validity can be assumed to be apparent if, for example, the patent has already been the subject of post-grant validity proceedings. Preliminary injunctions are immediately enforceable.

In practice, the patent owner must file a request for an injunction within four weeks of becoming aware of the patent infringement – the sooner, the better. The starting point of a typical preliminary injunction case is patent infringement by a non-German presenter on a German fair: dozens of such injunctions are granted each year.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

In the case of infringement actions on the merits, the ‘Big Three’ German courts – Dusseldorf, Mannheim and Munich – usually render decisions within six to 18 months, depending on the venue and the court’s workload. A decision based on a request for a preliminary injunction can be issued within a few days and definitely within six weeks. This process can be expedited depending on the venue.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Approximately 3% of the value of the litigation (ie, the value that the patent owner realistically ascribes to its claims) is generally a good guideline, with the minimum amount being around €50,000. These numbers are based on the statutory minimum fees under the Attorneys’ Remuneration Law. Depending on the circumstances, attorneys may ask for additional fees.

The 3% also includes the statutory court fees of about 1.25 %. The courts can critically appraise the value of the litigation proposed by the plaintiff.

Q: TO WHAT EXTENT ARE THE WINNING PARTY’S COSTS RECOVERABLE FROM THE LOSING PARTY?

The statutory minimum attorney’s fees – for both attorneys at law and patent attorneys – and court fees are fully reimbursable. The quotation of reimbursable fees accordingly depends on the ability of the attorneys to handle the case based on statutory fees.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

The remedies granted in Germany to a successful plaintiff are an injunction claim and a claim to render accounts. The court will also decide whether the plaintiff is entitled to claim damages.

Defendant's damages that arise owing to potentially unjust enforcement are reimbursed by the enforcing plaintiff. Accordingly, injunction claims granted by the first-instance court are enforceable based on the provision of a security bond to secure potential damages claims. The value of the security bond corresponds to the potentially considerable damages. Appeal decisions granting the injunction claim are enforceable without this constraint.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

The courts apply three methods to calculate damages:

- by analogy, an amount equal to royalty fees found in a licence between reasonable parties;
- loss of profits by the patent owner; and
- profits made by the patent infringer.

In practice, a calculation based on royalty fees is the most common way of calculating damages awards.

It is not possible to obtain punitive damages, at least to the extent of triple damages. The courts have confirmed that there are elements in the methods for calculating damages that have moderate punitive effects.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

The court will grant a permanent injunction if it confirms that:

- an infringement has taken place
- no convincing or relevant doubts – based on new facts – exist regarding the patent's validity; and
- the patent is in force.

This is also the case if the plaintiff is a non-practising entity.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

The losing party in a first-instance case will always be granted the right to appeal. Even on appeal, the successful party may enforce the first-instance decision if it issues a security bond to cover potential damages owing to enforcement of a decision that may be overcome on appeal.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Infringement appeals handled by the appeal courts typically take between six months and two years.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Yes. Decisions of the appeal court on infringement can be further appealed beyond the second instance on questions of law and taken to the Federal Court of Justice. This appeal must be admitted by the appeal court. Admission can be substituted by a decision of the Federal Court of Justice itself.

Decisions on validity by the Federal Patent Court can also be appealed to the Federal Court of Justice. A further appeal beyond the second instance is not possible in validity cases.

At the Federal Court of Justice, the X Senate is competent for appeals on questions of law in the infringement proceedings and appeals against validity decisions.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Statistically, patentees win about 40% of all patent infringement actions filed in Germany. Another 40% of the complaints filed are dismissed. The remaining 20% of cases filed are stayed owing to apparent validity issues. These are long-term trends. Compared to other jurisdictions, this might be seen as considerably pro-patentee.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

No, there are no other forums outside the court system in which it is possible to assert patents in Germany.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

In pandemic situations, all parties to the proceedings (except the bench) may participate from another location (eg, via videoconferencing). This provision may be used by one or both parties and all or some members of a party.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

The German patent enforcement system is considered to be one of the cornerstones of the German economy, being valuable not only for large industries but also for German SMEs. The German patent litigation courts clearly understand that a patentee is entitled to protection for patents granted by either the EPO or the GPTO. Accordingly, the courts are not only reasonably pro-patentee, but also apply strict punitive measures when necessary to enforce injunction claims once granted.

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Greece: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Q: ARE THERE OTHER FORA OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	The proceedings are heard before the Single-Member Civil Court of First Instance. A preliminary injunction will be granted if the petitioner proves the existence of serious and urgent infringement, as well as the novelty and inventive step of the invention if the defendant raises objections in this respect.
Permanent injunctions – are they available, how can they be obtained?	Permanent injunctions can be granted to a successful plaintiff in a main infringement action.
SEP injunctions – are they available, how can they be obtained?	Not applicable.
Is payment of a security/deposit necessary to secure an injunction?	No.
What border measures are available to back up injunctions?	The right holder can file a general request with Customs, which will notify it or its representative on interception of suspected infringing goods.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

The first and quickest way of acting against an infringer is to request a temporary restraining order. This will be granted if the petitioner proves the existence of a *prima facie* serious infringement as a matter of exceptional urgency.

Such request is filed concurrently with a petition for injunction and, if granted, is usually effective until the hearing of the injunction takes place. Within this framework, the patent owner may request cessation of the infringing act and removal of the allegedly infringing products from the market. The patent owner may also request delivery of information (eg, sales figures and channels of distribution of the infringing products) and measures to preserve evidence.

The next step is the main infringement action, in which the patent owner may request compensation and moral damages.

For the most effective patent protection, adopting a prevention strategy by establishing an efficient observation system is key. This can be achieved by filing a general request with the local customs authorities, which will notify the right holder or its representative on interception of suspected infringing goods.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

The Code of Civil Procedure provides litigants in infringement cases the option of seeking an out-of-court settlement. Mediation and arbitration are also available means for resolving IP rights disputes.

Articles 867 *et seq* of the Code of Civil Procedure provide for the rules on arbitrations; however, neither mediation nor arbitration have been sufficiently tested in Greece.

Law 4512/2018 initiated compulsory use of mediation in legal disputes that arise from patent, trademark and industrial design infringements. It introduced a compulsory initial mediation session before the hearing of the case. This, along with proof of the lawyer's compliance to the obligation to inform the client in writing about the option of mediation, is a prerequisite for the admissibility of the lawsuit.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Preliminary injunctions are heard before the Single-Member Civil Court of First Instance and main infringement actions are heard before the Full-Member Civil Court of First Instance. Greece has two specialised EU trademark and patent courts based in Athens and Thessaloniki respectively.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

The judges who serve in Greek specialised courts will have received special training in IP matters during their studies at the National School of Judges before their appointment to the bench; nonetheless, as they have only legal (and not technical) backgrounds, they have insufficient expertise to deal with complex technical issues. For this reason, expert opinions can play a key role in the assessment of the facts and in the outcome of a case.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Greece has a bifurcated system. The law provides for separate procedures before the competent civil courts for patent validity challenges and infringement actions. Consequently, full or partial nullity declarations can be made by means of an independent legal action or a counterclaim within the framework of the infringement proceedings. In practice, invalidity objections and nullity actions are the most common defences for infringers.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Only lawyers (ie, attorneys at law) who are members of a Greek bar association may represent parties before the Greek civil courts, without restriction. The complexity of most patent disputes makes it imperative that litigants entrust their cases to lawyers who specialise in IP protection.

Presidential Decree 31/2019 established the Hellenic Industrial Property Academy, whose aim is to introduce a system of education at the national level that will provide suitable training in the industrial property field and will lead to the acquisition of the title of 'patent attorney' or 'certified patent consultant'. Certified individuals will have the right to act on behalf of their clients before the Greek Patent Office, but not before courts.

The academy has not yet started fully functioning as it has still a long way to go in terms of organisational matters.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Forum selection is important to ensure that court proceedings take place before a court with sufficient expertise in patent law. Patent owners may wish to initiate court proceedings before specialised courts and not before the local courts.

According to legal theory and case law, the competence of the specialised courts in Athens and Thessaloniki is reserved for main patent actions (ie, main infringement actions and nullity actions against a patent), but not for temporary restraining orders or injunctions.

The competent courts for preliminary proceedings are the local courts. The local courts' lack of expertise in patent law may negatively affect the protection of patent owners' rights; therefore, patent owners generally try to file preliminary proceedings before the specialised courts in Athens or Thessaloniki.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Greek law does not provide for pretrial discovery; however, it gives the patent owner the right to take measures to preserve evidence and request the defendant to provide information (eg, invoices or the number of products that have been distributed) within the framework of a trial.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

For the most part, evidence is in writing. An introductory writ is filed with the court and served on the defendant. The civil action starts with the filing of the lawsuit with the competent first-instance court. The plaintiff must serve the lawsuit within 30 days (or 60 days if the defendant resides abroad) from filing. Parties must file their written arguments and evidence within 100 days (or 130 days if the defendant resides abroad) from the action, and a reply to each other's arguments and evidence must be filed within a further 15-day period. Witness testimonies are submitted in the form of sworn affidavits.

Upon the expiry of the term, the file is deemed closed and, within another 15 days, the judge in charge of the case is appointed. The hearing of the case takes place within the next 30 days, without examination of witnesses in court, unless the bench decides that this is absolutely necessary.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Expert witnesses may provide sworn affidavits. If the judge decides that an oral hearing is necessary, one expert witness may testify orally before the court. Given that the judges dealing with patent matters have only legal (not technical) backgrounds, the role of expert witnesses in the procedure is of paramount importance. Where complex issues are involved, such testimonies may prove to be decisive to the outcome of the case.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

The Greek courts accept the doctrine of equivalents. More specifically, the courts accept that a patent may be infringed by means that are equivalent to the content of the claims.

The doctrine of equivalents applies when certain technical characteristics of the patented invention are identical to those of the infringing product or service, and certain characteristics of the latter fall within the meaning of 'variations' or 'imitations'; in other words, it applies when a third party, in its effort to illegally exploit an invention, changes certain secondary elements of the invention or adds certain minor or unnecessary elements thereto to disguise the infringement.

The court must determine whether there is an encroachment of the scope of protection of the invention. This scope is determined by extrapolating the range covered by the technical characteristics of the patent claims to items that, according to the average expert, are considered to achieve a technical solution that is equivalent to that protected by the patent.

A means of infringement, which as a rule comprises the copying of a technical characteristic, is considered as equivalent if it is obvious to the average expert that if that means is used, it will lead to a substantially similar result as the one achieved by the technical characteristics of the patent claims (Decision No. 3955/2015 of the Athens Multimembered Court of First Instance).

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Certain rights that are considered patent rights in other jurisdictions are exempt from protection under Greek patent law (eg, software and business methods). In any case, the factor that is most likely to give rise to difficulties in the enforcement of certain patent rights is the lack of technical training of Greek judges, as well as lack of extensive case law in complicated technical fields.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Precedential decisions are not binding on Greek courts; however, Greek judges take the established case law into consideration and tend to stay in line with it.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Although Greek courts are not bound by decisions from other jurisdictions, they tend to take them into consideration in similar cases – especially the case law of German, UK and French patent courts.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

The current version of the Civil Procedure Rules have greatly limited the opportunities for defendants to obtain postponements, which used to be a tactic employed by parties to significantly delay proceedings; however, the appointment of technical experts may cause delays of 18 months or more.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

For a petitioner to be granted a preliminary injunction, it must prove the existence of serious and urgent infringement. The petitioner must also prove the novelty and inventive step of the invention if the defendant raises objections in this respect.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

In main infringement action proceedings, parties may expect the issuance of the court decision within six to eight months from the hearing.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

The costs involved in taking a case through to a first-instance decision are not easy to estimate as they depend on the complexity of the case, the duration of the proceedings,

potential involvement of technical experts and potential translation costs; however, litigation costs in Greece are considerably lower compared to those in other EU member states.

The costs of preliminary proceedings and main patent proceedings can be roughly estimated to range between €20,000 and €50,000, but higher fees should be expected in complicated cases where several technical experts are involved and close cooperation between client and counsel is necessary for an extended period.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

According to the Civil Procedure Rules, the losing party must pay the winning party's legal fees, as determined by the court. Historically, this amount has often been calculated on a very conservative basis, not covering all attorney's fees.

However, since the incorporation of EU Directive 48/2004/EC into Greek law, the courts are obliged to determine the actual legal fees. If the plaintiff seeks compensation, the related court costs may be much higher, depending on the requested amount, and may reach approximately 1.1% thereof.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

The typical remedies granted to a successful plaintiff are a temporary or permanent injunction, damages, and seizure and/or destruction of the infringing goods. In many cases the courts may threaten the losing party with a monetary penalty for every breach of the judgment. They may also permit publication of a summary of the decision in the Greek daily press.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

The patent owner may request compensation (ie, based on reasonable licensing fees) and moral damages, but not punitive damages. To obtain compensation or moral damages, the plaintiff must prove the negligence of the infringer.

In Greece, three factors determine the compensation claim: the actual loss, the defendant's unfair profits and reasonable licensing fees.

Proving the exact amount of the damage or enrichment is often considerably difficult. Where the patent owner cannot collect enough evidence, it may request the infringer to provide information such as invoices or the quantity of distributed products.

In addition to the compensation claim, a patent owner may request moral damages; however, the amount of moral damages is difficult to estimate.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

The court will grant a permanent injunction if the petitioner shows that its patent is new and inventive and that the defendant is infringing it. Unfortunately, no data is available regarding the outcome of compensation actions in Greece.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

All final decisions of the first-instance courts are open to appeal within 30 days of notification to the losing party for Greek nationals or within 60 days of notification for foreign nationals.

If no official notification takes place, the decision may be appealed within two years of its publication.

The losing party may contest all aspects of the judgment that relate to legal issues or incorrect findings regarding the facts of the case.

The right to appeal is provided only in main infringement action proceedings; preliminary injunction decisions cannot be appealed.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

The time frame for appeal proceedings is on average 18 months but may be longer, depending on the circumstances.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

The losing party may appeal a second-instance decision before the Supreme Court within 30 days of notification to the losing party for Greek nationals or within 60 days of notification for foreign nationals. If no official notification takes place, the decision may be appealed within two years of its publication.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

The lack of official data means a precise reply to this question cannot be given; however, practice indicates that Greek courts tend to be pro-patentee.

Nullification of validated European patents is rare in comparison with national patents because European patents are granted after substantial examination by the EPO regarding novelty and inventive step.

Q: ARE THERE OTHER FORA OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

There are no other fora outside the Greek court system for asserting patents.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Greece was one of the few countries that managed to keep the covid-19 pandemic under control. Greek authorities reacted in relatively swiftly, taking necessary and effective measures to prevent the spread of the virus.

Although remote hearings have not been considered as an option, the courts have suspended several services and have applied specific measures in coordination with the state guidance throughout the pandemic.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

The compulsory initial mediation session in legal disputes arising from patent infringement is a significant change in recent years that was expected to affect patent litigation and contribute to the reduction of the workload of the Greek courts; however, it has not been sufficiently tested yet, especially within the patent litigation environment.



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India: Patent litigation

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LexOrbis

Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

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Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	Yes. Courts may grant <i>ex parte</i> injunctions, which are granted when there is a strong <i>prima facie</i> case and balance of convenience in favour of the plaintiff, and there is a likelihood of grave and irreparable loss or injury. Courts may also consider public interest while granting preliminary injunctions.
Permanent injunctions – are they available, how can they be obtained?	Yes. Permanent injunctions are granted pursuant to Section 37(2) of the Specific Relief Act.
SEP injunctions – are they available, how can they be obtained?	Preliminary injunctions in SEP cases are granted in accordance with the same criteria as for typical preliminary injunctions (ie, <i>prima facie</i> case, balance of convenience, and irreparable loss and injury). In SEP cases, it is easier to establish a <i>prima facie</i> case.
Is payment of a security/deposit necessary to secure an injunction?	No. Although a court may grant an injunction subject to payment of a security/deposit, it is not necessary in every case.
What border measures are available to back up injunctions?	Customs officials may prohibit the import or export of suspected infringing goods.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Patent owners can best enforce their rights by approaching the courts when seeking permanent injunctions and damages against infringers. This may be preceded by a notice sent to the infringer to cease and desist from infringing activities; however, patent owners rarely send notices and typically seek immediate restraint.

The best way to bring infringing activity to an end is by filing a suit for patent infringement immediately on learning of the infringing activity and to seek relief of an *ex parte* interim injunction along with relief of a permanent injunction and damages. Where urgent restraint of the defendant is required, the courts are forthcoming even before hearing the matter.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Mediation and arbitration are realistic alternatives to litigation, but patent owners rarely use those options. Patent owners mostly seek immediate relief against infringers, preferably by an *ex parte* interim injunction that instantly stops the infringers from carrying out infringing activities.

Mediation and arbitration do not offer such immediate relief; however, once the interim injunction is settled, mediation is often chosen by parties to the litigation to avoid a lengthy and expensive trial. Mediation has also become a mandatory route under the Commercial Courts Act 2015, and it should be explored by patent owners before instituting a suit if urgent

relief is not sought. Since urgent relief (eg, an *ex parte* injunction) is sought in almost every patent case, pre-institution mediation is rarely explored.

At any stage, in any proceedings, if the court is of the opinion that the parties ought to explore mediation, the court may appoint a qualified mediator or panel of mediators, including mediators with training or experience in subject matters regarding IP rights, for settlement of all disputes between the contesting parties.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Patent cases are heard by the district courts of the commercial division at first instance. In Mumbai, Delhi, Chennai and Kolkata, high courts also possess original jurisdiction, and patent cases may be filed there if the subject matter falls within their pecuniary jurisdiction. Whether before a district court or a high court, patent cases are heard by a single judge.

The judge may appoint technical experts as *amicus curiae* or select scientific advisers from a list maintained by the Controller of Patents under the Patents Act 1970; however, such experts only act as advisers or expert witnesses and are not part of panel of judges. It is only when an appeal, arising from the decision of a single judge, is filed before a division bench of a high court or before the Supreme Court that a panel of judges (made up of either two or three judges) hears such appeal. There is no jury trial in India.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Judges from the high courts and the Supreme Court are competent to decide patent matters. Although there are no specialised patent judges or courts in India, they are well versed in Indian IP law. India has also witnessed landmark judgments in patents cases by regular judges.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Yes, the Indian courts can decide on issues of invalidity and infringement simultaneously. A defendant can raise the issue of a patent's validity either as a defence to the plaintiff's claim or by initiating a counterclaim.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

The party in person, its pleader or any recognised agent of the party (eg, an authorised signatory or constituted attorney) may appear, act or apply on behalf of the party.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

A patent infringement suit may be filed before either a district court with jurisdiction or before a high court, depending on the pecuniary value of the civil suit (eg, based on the damages sought, the applicable court fees and costs). If a defendant chooses to file a counterclaim for revocation of the patent, the suit and the counterclaim are then transferred to a high court if the first-instance court was a district court. Only the high courts of Delhi, Mumbai, Kolkata and Madras exercise original jurisdiction for IP infringement actions subject to the pecuniary jurisdiction.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

In India, the Code of Civil Procedure 1908 states that all documents on which the plaintiff relies must be filed at the time of filing the suit and, similarly, all documents relied on by the

defendant must be filed with the written statement; however, if any party requires discovery of certain documents from the other party, a procedure is provided for discovery, inspection and disclosure of the facts of the suit through questioning. This opportunity for discovery and questioning can be availed at any stage of the proceedings.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

In patent litigation matters, the evidence is mostly documentary, which the parties to the dispute rely on and try to prove. Witnesses, who are called for cross-examination, give their testimony in writing by way of an affidavit. Only the cross-examination is conducted orally, but it is also recorded in writing simultaneously.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Expert witnesses are crucial in patent cases. Having the right expert testimony can mean the difference between winning and losing a case. It is vital that the expert has the best knowledge in the appropriate field. To make a case before the court effective, it is highly advisable that the expert is well experienced in the appropriate area of expertise, has impeccable credentials and is an excellent communicator.

Regarding the necessity of having expert witnesses, especially in cases involving technology and complicated skill sets, the courts have held that in those cases, technological and expert witnesses should be consulted before reaching a decision. The Delhi High Court has allowed 'hot tubbing', which means that the experts from both sides can be examined before the court simultaneously.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

There have been very few cases in India dealing with the doctrine of equivalents in patent cases, and the law is yet to evolve. *Ravi Kamal Bali v Kala Tech* was the first case to discuss the doctrine of equivalents in India. The plaintiff sought an interim injunction preventing the defendant from making, selling or distributing tamper-proof locks and seals, as doing so would infringe his patent. The plaintiff argued that the defendant performs the same work in a similar manner and produces the same output, thereby contributing to the infringement.

While determining infringement in cases of equivalents, the courts determine the 'pith and marrow' of the claims. If equivalents are found to infringe the 'pith and marrow', the infringement is upheld.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

There is no problem in enforcing IP rights, including patents, in India, and there is no distinction between different subject matters in enforcing patents. Although certain subject matters (eg, software and business methods) are not considered patentable, once a patent is granted and enforced, the courts rationally consider the questions of patent infringement and validity irrespective of subject matter.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Previous cases that have covered facts and issues similar to those pertaining to a dispute before the higher benches are considered to be common law. High court decisions have

a binding effect on the district courts under their respective supervision. Supreme Court decisions have the effect of law.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

In India, the parties to the dispute refer to cases of persuasive value that have been decided by Indian courts of another jurisdiction. Foreign judgments, on the other hand, have no persuasive value or binding effect, but can be cited before Indian courts for persuasiveness on legal principles.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Under the Commercial Courts Act 2015, there are strict timelines given to both plaintiffs and defendants for proceedings, which effectively curtail the opportunity to delay a case to any significant extent; however, defendants may attempt to delay cases by seeking adjournments, filing frivolous applications or repeatedly appealing against court orders, among other things. The plaintiff must take a highly proactive approach before the court to tackle the issues immediately rather than later down the line.

When an interim injunction is not granted, the defendant tends to delay the case; however, if an interim injunction is granted in favour of the plaintiff and against the defendant, the defendant tends to be more actively involved in the case in an attempt to vacate the interim injunction granted by the court. The courts do not encourage delay tactics and impose heavy fines on parties that resort to dilatory tactics.

The IP courts are usually reluctant to grant adjournments because of the time-sensitive nature of the matters; therefore, to obtain an adjournment, the defendant must prove beyond reasonable doubt the reason for the adjournment. As a matter of practice, the courts grant adjournments subject to the payment of costs unless the reasons or circumstances are such that an adjournment is necessary in the interest of justice.

The plaintiff may prevent the other side from seeking frequent, unnecessary adjournments by raising formal objections before the court and pressing for the refusal of adjournment requests. Further, it may press for costs so that any loss caused because of delays may be compensated. The best way to proceed is to request the court to fix a timeline for adjudication of the matter. This may be allowed depending on the court's discretion and the urgency of the case.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

A court considers three essential elements in a case for granting preliminary injunctions:

- establishment of a *prima facie* case in the plaintiff's favour;
- balance of convenience in the plaintiff's favour; and
- irreparable damages in the plaintiff's favour.

The Supreme Court has categorically laid down the guidelines to be followed for availing of an interim injunction. The three-part test provides the dominant conditions that the courts

refer to in almost every case concerning the grant of an interim injunction. Preliminary injunctions are usually granted and are refused in only the rarest of cases.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

There is no certainty regarding the timescale to reach a first-instance decision as the number of cases per judge in India is very high. It also depends on the complexity of the case, and any delaying tactics employed by the defendant; nevertheless, in general, a case is usually decided and disposed of within two to three years.

Recently, case-management hearings were introduced for the first time. This allows the court to provide a timeline and fix dates for the proceedings. The system allows for no adjournment by the parties until and unless there is a reason of non-appearance of counsel. A party must make an application in advance for such non-appearance. A party may incur costs or even forfeit its right to conduct the suit if it does not comply with the case-management hearings.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

The total cost of a patent infringement case depends on its complexity, the experts involved and the designated senior lawyers engaged in addition to the lawyer or firm representing the plaintiff. Furthermore, a court fee must be paid for the initiation of a suit, which is applicable for each relief claimed as well as the damages sought and differs from court to court. On average, between \$60,000 and \$1 million in costs may be incurred by the plaintiff until the suit is disposed.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

The court may order recovery of litigation costs in favour of the winning party. It may also award punitive damages to the plaintiff in addition to actual damages.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

The remedies available to a successful plaintiff include:

- an injunction against all activities of the defendant relating to patent infringement;
- a decree directing the defendant to deliver up all impugned goods or materials;
- an order for rendition of accounts of profits illegally earned by the defendant for the sale of the impugned products;
- a decree for damages; and
- orders for the destruction of infringing products.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

While calculating the awards for damages, the courts take into account the infringer's profits, the resulting damages to the rights holder and the loss of profits suffered by the rights holder; however, the principles for calculating damages in diverse and complex cases are unclear, especially for damage caused owing to loss of reputation and goodwill. The courts have recently started to award punitive damages that act as a deterrent to the defendants.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Permanent injunctions are granted to a plaintiff after it proves its case by way of preponderance of probabilities through cogent evidence and after completion of the full trial when the court is satisfied that the rights holder's patent is valid and that the defendant has infringed it.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Yes, the losing party has the automatic right to appeal at first instance. The party may choose to appeal or can accept the decision of the first-instance court.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

There is no certainty regarding the time taken to decide an appeal, but a decision from an appeal filed in a patent infringement case is likely to take between one-and-a-half and two years.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Yes, in India a party can file a further appeal after the second instance. The second-instance appeal is filed before the division bench of a high court if the first-instance court is a single judge of the high court. An appeal can be filed before the Supreme Court by way of a special leave petition.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

The courts are neither pro-patentee nor anti-patentee. The criteria of balance of convenience, irreparable loss and injury and a *prima facie* case determine the decision of the court at the preliminary injunction stage. The preponderance of probabilities based on evidence determines the final outcome.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

There are no forums outside the court system where it may be possible to assert patents.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Before the covid-19 pandemic, the courts only conducted physical hearings in court rooms; however, during the covid-19 lockdown, physical hearings were entirely replaced by virtual hearings through videoconferencing.

With the number of covid-19 cases declining, the courts have again opened up physical hearings, but virtual hearings remain, and several courts conduct hearings through a hybrid model such that any party or counsel can choose to either appear physically or connect to the hearing through videoconferencing. It is also possible for one party to participate in the hearing in the courtroom while the other side participates virtually.

The Delhi High Court has created specific rules on videoconferencing to establish a uniform practice. The rules allow witnesses to be examined through videoconferencing. This has made it very convenient to examine witnesses located outside the country; they need not travel to participate.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

One important issue regarding the enforcement of patents is to gather all the evidence at the time of filing the suit, as it is almost impossible to introduce new evidence on record at a later stage.



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Italy: Patent litigation

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	Yes. They can be obtained by filing an urgent petition before the competent court.
Permanent injunctions – are they available, how can they be obtained?	Yes. They can be obtained by a first-instance decision at the end of proceedings on the substance of the case.
SEP injunctions – are they available, how can they be obtained?	SEP injunctions can be obtained as normal injunctions.
Is payment of a security/deposit necessary to secure an injunction?	Normally not.
What border measures are available to back up injunctions?	Customs seizures.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Patent owners in Italy may file a lawsuit against an alleged infringer and begin proceedings on the substance of the case. If certain requirements are satisfied, the patent owner may also request an urgent petition as a provisional remedy to seek a faster decision by a judge.

In some cases, the decision obtained on the petition must be confirmed in subsequent main proceedings. Further, requests for damages can be discussed only in the main proceedings, not in the urgent petition. In both kinds of action, the patent owner may request various decisions.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Mediation and arbitration are possible alternatives to litigation, but their use in Italy had previously been limited; however, recent legislative amendments aimed at shortening the average duration of a civil lawsuit have introduced some incentives for parties to start mediation either before or during the lawsuit to come to an agreement.

The more significant innovation is the exemption of certain taxes and fees connected with mediation, together with some fiscal incentives and tax credits on attorney's fee and on any amount paid to the other party if an agreement is reached.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Specialised sections in ordinary courts handle litigation regarding IP rights. These courts are spread evenly across the country, with one per region (with some exceptions, such as Lombardy, which has two), when all parties are Italian. Only 11 IP courts hear cross-border cases.

In the first instance, the patent cases are usually handled by individual judges, while a panel of judges hears the case at the appeal phase. In both instances, the judges usually appoint a technical expert for patent cases. The system makes no provision for juries.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

In general, the judges appointed to specialised courts have reached a good level of expertise in IP matters. Some of those courts, particularly those geographically based in northern and central Italy, handle most IP rights cases, and their judges have a very high level of expertise.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

There is no 'bifurcation' in Italy. The assessment of the validity of the rights and the discussion regarding infringement are usually handled together in the same proceedings. They are definitely handled together in cases in which the defendant files its counterclaims in the same proceedings.

Exceptions to this general rule are possible, such as when the defendant files no counterclaims but starts a new proceeding before a different court. In those cases, both proceedings can be conducted independently from one another.

Article 120 of the Industrial Property Code states that an action for a declaration of non-infringement is also admissible for proceedings concerning industrial property. These are declarative actions aimed at obtaining a ruling regarding the non-existence of a violation of third-party rights.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

The parties in a lawsuit must be represented by lawyers that are admitted to practise and are enrolled in the Italian Bar Association. If the judge appoints a technical expert, each party may appoint its own technical expert to discuss matters with the other party's technical expert during the court's technical expertise phase.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

A distinction should be made between validity and infringement cases.

In validity cases, the place of jurisdiction is determined based on the place where the IP rights object of the proceedings is domiciled.

In infringement cases, as a general rule, the competent court is determined based on the registered office of the alleged infringer; however, in infringement cases, Italian law provides that the lawsuit can also be based in the jurisdiction where the infringing acts are carried out.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Pretrial discovery is not permitted, at least according to the common meaning given to the process; in other words, discovery on a counterparty's premises with several people searching for any useful evidence to be used in a legal action is not permitted.

On the contrary, discovery is allowed on the basis of a decision taken by a judge, which is usually very circumstantial, to define in detail the extent of the discovery (ie, which apparatus, product or device should be discovered), together with related documentation. No extensions beyond the parameters defined by the judge are allowed.

A bailiff, usually accompanied by one or more technical experts appointed by the judge, leads the discovery procedure. The petitioner's lawyers and IP consultants can follow the discovery procedure if explicitly permitted by the judge.

Recent modifications to the Industrial Property Code have been introduced to strengthen the principles of Directive (EU) 2016/943 on trade secrets. These changes are intended to protect defendants' trade secrets so that the petitioner does not obtain an unfair advantage.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Most IP litigation cases in Italy occur in written form. Witness examination is allowed at the request of the party concerned and must be authorised by the judge according to the alleged relevance of the witnesses based on the documentary evidence filed.

According to the Code of Civil Procedure, the witness is heard only in relation to specific queries that have been previously submitted to the court and approved by the judge. During the deposition, the witness is not cross-examined, but the judge may seek clarification on a motion by itself or with input from any of the parties.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Since the proceedings are mainly in written form, any of the parties may rely on written attachments to the briefs providing an affidavit or expert opinion regarding a particular matter under discussion. Once those attachments become part of the proceedings, any party may submit queries to be put to the experts during their possible appearance as witnesses in a hearing.

In most cases, the written expert opinion suffices, and there is no need for expert witnesses to testify during a hearing about IP rights; instead, during the court's technical consultancy phase, especially if the IP right enforced is a patent, if needed the judge-appointed expert can meet the parties' technical experts in order to discuss particular items, or to conduct tests or trials regarding the alleged infringing items, in dedicated informal meetings without lawyers present.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Article 52(3*bis*) of the Industrial Property Code explicitly refers to 'equivalents', stating that they should be taken into account to determine the scope of the claims and to transpose Article 69 of the European Patent Convention. The validity of the doctrine of equivalents has also been confirmed by several Supreme Court decisions.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Typically, problems in the enforcement of biotechnology, business method or software patents do not arise. The main proceedings, depending on the complexity of the case, often take time owing to the duration of the technical consultancy phase.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Italian courts are not bound by previous decisions taken in other cases in which similar issues have been discussed; however, if previous cases assume a certain relevance for the present case, a judge may choose to consider them anyway.

In practice, the courts are more familiar with considering previous decisions taken by the same specialised courts, because the judges of the same court are inclined to have the same line of thought.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

In general, a case before an Italian court is not usually influenced by the way in which other jurisdictions have dealt with similar cases; however, a distinction should be made between validity and infringement cases.

If a right has been declared invalid in another jurisdiction, this may affect the case under discussion in Italy. In addition, the jurisdiction itself may be an important consideration, since when assessing the validity of a right, Italian courts may be more inclined to consider the outcome of a case from other European jurisdictions with a similar approach to Italy.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Any party may file a request for postponement of certain terms during the development of the proceedings; however, the request must be well reasoned.

Recently, considerable changes have been made to the Code of Civil Procedure to reduce the duration of lawsuits. Those changes have made it more difficult for any party to needlessly delay proceedings, since judges are disinclined to grant postponement or stay proceedings without well-substantiated grounds.

If the defendant succeeds in its attempt to delay the case, the plaintiff may try to demonstrate the bad faith of the defendant and request that the judge order the reimbursement of the costs or damages borne by the plaintiff owing to the delay caused by the defendant's unfair behaviour.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

A provisional remedy is granted when there is danger in the delay and there is a *prima facie* case.

To prove that there is danger in the delay, the petitioner must prove that the activity of the alleged infringer will cause irreparable harm before a first-instance decision is issued.

To prove that there is a *prima facie* case, the petitioner must prove that the IP right that it is enforcing is a valid right and that there are good reasons to believe that the alleged infringer is infringing the right.

If the judge is convinced that these requirements are satisfied, the precautionary proceedings can go ahead, and they often end with the grant of a preliminary injunction.

In most cases the order is granted after the court has heard both parties. In exceptional cases, pertaining only to those in which a discovery procedure is requested without requesting other remedies, the order can be executed without first hearing the defendant in order to make the discovery action more effective.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Parties can expect to get a first-instance decision within around two years, on average. In the case of an urgent petition, proceedings can end in a few months.

In certain cases where, in the framework of an urgent petition, the judge believes that it is necessary to appoint a court technical expert to discuss matters with the parties' technical experts, this usually takes the form of at least two technical briefs in written form and can, therefore, extend the duration of the proceedings.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

In most cases, litigants in Italy should generally budget for between €50,000 and €180,000, for the entire first instance, depending on the complexity of the case, including the technical consultancy phase and the development of the proceedings. The budget range should be considered an average, inclusive of attorney's fees (both lawyers and IP consultants), as well as for disbursements related to the lawsuit.

The budget required to obtain a decision by a judge after the request of a provisional remedy generally ranges from €10,000 to €60,000, depending on the requests made in the petition, the complexity of the case and how the petition develops.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

The winning party can usually recover part of the costs of the lawsuit, which are reimbursed by the losing party. The judge decides the amount of the recoverable costs (including the attorney's fees) and typically establishes an amount representing around 40% to 60% of the total costs.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

The typical remedies available to a successful plaintiff are mainly a permanent injunction by which the judge orders:

- the infringer to stop manufacturing, importing and selling the infringing items;
- the withdrawal of all the infringing items distributed on the market; and
- the seizure of the infringing items found either on the infringer's premises or possibly also those of any third party involved (eg, distributors or retail shops).

Other measures that are often included in a ruling are an order to pay the established amounts of damages awarded, and an order to publish (at the infringer's expense) a summary of the decision in one or more national newspapers or magazines. The decision always contains fines or penalties provided for each day of delay in complying with those measures or for any subsequent violation.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Damages are calculated according to Article 125 of the Industrial Property Code. The criteria to evaluate the amount of the damages awarded can be a flat amount established on a case-by-case basis that is proportional to the damage suffered by the owner. This fee cannot be less than the amount of the royalties that the infringer should have paid under a commercial licence agreement between the parties.

In some cases, the damages awarded may be equal to the entirety of the profits made by the infringer that should be given back to the owner. For damages there is a statutory five-year period, after which they can no longer be requested.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

To grant a permanent injunction, the enforced IP right must be already granted (ie, not a pending application). Besides this requirement, permanent injunctions are quite common in lawsuits on IP rights, where the judge can typically issue a ruling in which they order the infringer to stop any manufacture, sales, commercial offers, advertisements or imports of the items that have been found to infringe a valid IP right.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

The Code of Civil Procedure establishes different terms to lodge an appeal against a first-instance decision. These terms are established according to whether the first-instance ruling has been served on the other party. If the ruling has been served, the deadline for filing an appeal is 30 days from the service, which can be made by both parties. If the ruling is not served, the deadline for appeal is six months from the filing of the ruling with the registry.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Parties can expect to get a second-instance decision within about two years, on average, or perhaps sooner where the discussion is limited to only a few focused issues.

The decision of the judge given on an urgent petition can be appealed as well. The decision is reviewed by a three-judge panel assigned to the same court to which the judge responsible for the case belongs; in those cases, a decision will be taken in a couple of months.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Yes. The second-instance decision may be challenged before the Supreme Court in Rome. Appeal to the Supreme Court can be made only on the grounds of legal mistakes. At this level, no technical topics can be discussed.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Italian specialised courts have no particular reputation for being pro-patentee; rather, they try to give a patentee the possibility of enforcing their rights in an effective manner.

In general, if the enforced IP right is a patent, judges are inclined to follow the conclusion of the court's technical experts. For this reason, it is hard to use the expression 'pro-patentee' for all cases, since it depends on the merits of the individual case.

There is a tendency on the part of the courts to offer the alleged infringer a reasonable certainty of its rights. To do this, the courts determine a field of protection of the IP rights that is fair for third parties.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

No. The only out-of-court instruments to assert patents in Italy are mediation and arbitration, where a panel of experts chosen by the parties handle the dispute and try to reach an extrajudicial settlement.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

From the beginning of the covid-related emergency in March 2020, the government has issued many legislative acts containing temporary rules regarding measures to contain the pandemic. In the field of justice, the aim was to conduct safe proceedings, while avoiding excessive delays to pending proceedings.

In the past two years, most hearings took place remotely by videoconference or in written form only, according to which each party would submit a brief containing the arguments that would have been presented during in-person hearings.

Remote hearings, hearings in written form and in-person hearings in the presence of the court can still take place at the discretion of the court or judge. For this reason, while the most recent trend is to have in-person hearings in which the parties are present before the court, some remote hearings still remain.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

The IP enforcement system in Italy has been recognised as being very effective and able to guarantee IP owners' rights.



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Japan: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

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Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	Preliminary injunctions are available. Preliminary injunction proceedings take approximately six to 10 months as judges carefully review infringement and validity.
Permanent injunctions – are they available, how can they be obtained?	Permanent injunctions are almost always available when an accused infringer infringes a valid patent. Permanent injunction proceedings usually last one to two years.
SEP injunctions – are they available, how can they be obtained?	It is extremely difficult to obtain a SEP injunction in Japan. An injunction is available when an accused infringer is unwilling to license, but it is difficult to prove this under current case law.
Is payment of a security/deposit necessary to secure an injunction?	Security is not necessary for permanent injunctions, but preliminary injunctions often require security.
What border measures are available to back up injunctions?	A customs suspension procedure that prevents import of infringing products is available. A panel appointed by Customs reviews a case; however, Customs often wait for court outcomes in complex patent infringement disputes.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Patent infringement litigation is the most common and effective measure in many circumstances. A patent owner may seek a permanent injunction and/or damages in litigation.

In some circumstances, strategically combining a preliminary injunction with litigation is a great option.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Mediation and arbitration are not commonly used in Japan. Many patent owners choose litigation over mediation or arbitration, trusting formal court procedures.

Recently, the Tokyo and Osaka district courts started providing arbitration services for IP-related disputes. The services are intended for simple cases and are not suitable for complex patent infringement disputes.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

A panel of three judges hears a case. One main judge reviews the case, and an experienced chief judge supervises him or her. A court-appointed technical expert may support judges to help them understand the technical aspects of the case as most judges do not have technical backgrounds.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Japanese courts have highly specialised divisions dedicated to IP-related cases. In particular, a chief judge of each division has extensive experience in patent infringement lawsuits.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Japanese courts decide infringement and validity issues together. Parties are expected to raise both infringement and validity arguments at an early stage; however, parties are often allowed to raise an invalidity defence later as the prior art search takes time.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Attorneys at law (*bengoshi*) may represent a party in an infringement lawsuit. A patent attorney (*benrishi*) who holds a specific certification that is relevant for an infringement lawsuit may represent a party, but only together with an attorney at law.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

There is little room for forum selection in Japan. The Tokyo and Osaka district courts have exclusive jurisdiction over first-instance patent-related cases. In some circumstances, patent owners may have the option to choose between those two courts.

The Intellectual Property High Court is the only appellate court for patent-related lawsuits.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Japan does not have discovery proceedings. In some circumstances, a court may grant a document production order; however, this is not always available. It is difficult to obtain evidence from an opposing party.

Recently, Japan has established an inspection procedure that allows a court-appointed expert to inspect the manufacturing plant of an accused infringer; however, a patent owner must first show a certain level of probability of infringement to use this procedure. The availability of this procedure is limited.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Japanese patent litigation highly focuses on written evidence. Parties are generally expected to submit written declarations instead of witness testimony.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

In many cases, the parties will retain their own technical expert and submit a written expert declaration. Having an expert helps the parties to persuade the judges regarding technical issues. It is important to choose an expert who appears trustworthy to Japanese judges.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Five requirements must be satisfied for the doctrine or equivalents to be applied:

- the difference between the claim and the accused product does not constitute an essential part of the patented invention;
- the invention can achieve the same purpose and function, even if the distinguishing element is replaced by the technology used in the accused's product or method;

- a person who is ordinarily skilled in the art could have easily conceived of the accused's product or method at the time of manufacture of the accused product;
- the configuration of the patented product was neither publicly known nor easily conceived at the time of the patent application; and
- no special circumstances exist, such as prosecution estoppel.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

The area to which the patent relates does not affect patent enforcement. The patent eligibility requirements in Japan are less strict than those in the United States and European Union.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Japan is not a common law county; however, the lower courts usually follow the previous decisions of the higher courts. Arguments based on the previous decisions of the higher courts are often very persuasive to Japanese judges.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Decisions from the US or European courts on the very same dispute may affect the outcome; however, the influence is limited.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

The strategy depends on the judges handling the case. A defendant may delay the litigation by filing a patent validity claim before the Japan Patent Office (JPO). Some judges will wait for the JPO's decisions, but others will not.

Judges usually allow time extensions owing to the need to translate documents for foreign parties.

If a plaintiff seeks damages together with a permanent injunction, an extra six months is required. A plaintiff in a strong need of an early injunction may seek only a permanent injunction first and later file another lawsuit to recover damages.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Obtaining a preliminary injunction is a separate procedure from that for obtaining a permanent injunction, but the procedures are very similar. As judges carefully review both infringement and validity, preliminary injunction proceedings usually take more than six months. A preliminary injunction should be granted if an accused infringer causes substantial harm to a patent owner by infringing a valid patent.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

If a patent owner seeks both a permanent injunction and damages, the proceedings will usually take around 18 months. If a patent owner seeks only a permanent injunction, the

proceedings will take approximately 12 months. If a defendant is a non-Japanese entity, an extra three months will be required owing to service of complaint.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

This varies depending on the case and the law firm. Usually, the total budget will be \$80,000 to \$200,000.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

If a plaintiff wins a case, a court may award reasonable attorney's fees as damages. A defendant will not recover its attorney's fees even if it wins a case. The court costs paid by the winning party are recoverable from the losing party; however, those costs are often foregone as those costs are small.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

A permanent injunction and damages are available.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Damages are presumed based on:

- the marginal profit of the plaintiff's product multiplied by the quantity of the infringing products sold by the defendant;
- the marginal profit of the defendant's product multiplied by the quantity sold by the defendant; or
- reasonable royalties.

The defendant may rebut the presumption by proving relevant facts, such as the market difference, the existence of other competing products, its marketing efforts or the existence of other features of the product that the invention does not have.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

A Japanese court will grant a permanent injunction as long as it finds that an accused infringer is infringing a valid patent.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

The losing party always has the option to appeal before the Intellectual Property High Court.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

It takes around six months.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

A losing party may appeal the appellate court's decision, although it is rare for the Supreme Court to hear a patent infringement case. The success rate is as low as 1%.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

In recent years, the Japanese courts have been very pro-patent. Japan used to be recognised as an anti-patent jurisdiction, but official statistics indicate that the success rate for patentees has doubled in the past five years.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

A customs suspension to prevent the import of infringing products is available. A panel appointed by Customs reviews the case, but it often waits for a court decision, especially in a complex case; thus, the effectiveness of the customs suspension is often limited for patent owners.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Most of the hearings can be held remotely as long as the court finds it adequate and both parties agree; however, certain procedures should be held in person, such as the first and the final oral hearing.

Japan has amended its civil procedure codes and is in the process of implementing more liberal remote procedures.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

Japanese courts have been very pro-patent in the past five years, which makes Japan an attractive jurisdiction in which to file infringement lawsuits. At the same time, the patent infringement risks are larger, and companies are strongly advised to conduct a thorough risk evaluation when providing their products or services in Japan.



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Mexico: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

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INJUNCTIONS AT A GLANCE

<p>Preliminary injunctions – are they available, how can they be obtained?</p>	<p>Patent owners can request IMPI to issue a provisional administrative order (similar to a preliminary injunction) to immobilise and secure infringing products at the place where the infringing articles are located (including customs offices in the case of imported items). When these measures are requested properly, they are very often granted, provided the prerequisites are met by the requesting party.</p>
<p>Permanent injunctions – are they available, how can they be obtained?</p>	<p>Permanent injunctions are determined by the authority when issuing a final resolution of the matter tried. They are usually preliminary injunctions that, in accordance with the infringement declaration, are now determined to be permanent so that the infringing conduct will be ceased.</p>
<p>SEP injunctions – are they available, how can they be obtained?</p>	<p>There is no specific distinction between regular injunctions and those pertaining to SEPs; therefore, the provisions in respect of regular injunctions equally apply to SEP injunctions.</p>
<p>Is payment of a security/deposit necessary to secure an injunction?</p>	<p>Yes, a suitable guarantee is required that is sufficient in amount to cover the possible damage that may be caused by the order to impose the provisional measures. The authority determines the amount based on the evidence and the particular circumstances of the case.</p>
<p>What border measures are available to back up injunctions?</p>	<p>Border measures are part of preliminary injunctions and include the immobilisation or detention of infringing merchandise at the port of entry, inspection visits and seizure of documents related to infringing items.</p>

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

In our experience, a tailor-made mix of enforcement actions (eg, infringement claims, preliminary measures and public-awareness campaigns) provide the best results.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Depending on the case, these mechanisms can be just as costly as formal litigation procedures and have the added complexity of needing a formal procedure to homologate its resolutions; in other words, the resolutions issued by mediators or arbiters always require a particular formal procedure before judicial courts for them to be enforced.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Mexico has no jury trial for patent litigation, and every case is decided by bench trial, first as an administrative procedure before IMPI that is carried out in a similar manner as a trial before court (the Federal Procedure Law describes them as “trial-like procedures”). Further appeals are handled by a federal court (the Federal Tribunal of Administrative Justice (TFJA) and the federal circuit collegiate tribunals (CCTs)).

Because patent matters are IP issues, they are only handled by federal-level courts, with the exception of civil claims regarding the recovery of damages or losses, which can be filed before local (state) courts in each of the 32 states after a firm and definitive ruling has been obtained by the federal authorities.

As most proceedings are completed in writing in Mexico, most – if not all – evidence is documental. Some affidavits may be allowed in written form, and no deposition or cross-examination is permitted. Expert witness opinions are routinely used, but their opinions are limited to their written form only.

In the first instance, the administrative procedure for patent infringement usually takes between 18 and 36 months, depending on the complexity of the case.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Depending on the court or tribunal, both the first instance and the reviewing authority (appeals) are undertaken before specialised bodies: the Mexican Institute of Industrial Property (IMPI) and the Specialised IP Chamber of the TFJA (SEPI-TFJA). These are authorities that are specialised in IP matters.

Although this is not a guarantee of expertise (especially in matters involving certain technologies or very high-end technical matters), it is sufficient for most matters, and the law allows the possibility to enlist technical experts as witnesses to help clarify any issues.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

It is possible as long as the defendant lodged an invalidity claim as part of its defence. While there are two different procedures, they are usually resolved in parallel by IMPI and sometimes within the same resolution.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Anyone who is granted a valid power of attorney. Foreign documents should be certified and legalised (or apostilled) so that they have full validity in Mexico. Licensed attorneys can be authorised before courts and may participate in some procedural actions by being appropriately appointed before the court or tribunal.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

This is not applicable because IP matters in general and patent litigation are always tried before the IMPI in the first instance and then before the SEPI-TFJA. In some cases, and because the authorities are always the same, even the district courts and the CCTs are the ones from Mexico City (the first circuit), in which case it is not possible to choose a different judicial forum.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

There is no pretrial discovery under Mexican law. The closest imitation, albeit with many limitations, would be part of what are known as preliminary measures. These measures can be requested both in the administrative (infringement tried before IMPI) and judicial arenas (damages trials before civil courts).

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Mexican law mandates that proceedings should always be done in writing; therefore, most evidence is documental. Some affidavits may be allowed in their written form, and no deposition or cross-examination is permitted.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Expert witness opinions are routinely used, but their opinions are limited to their written form only. This is because the opinions constitute one of the many pieces of evidence available are often used.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Under Mexican law and practice, there are no equivalents when dealing with patent infringement; the alleged infringing conduct must conform exactly to the claims contained in the patent that is considered as being infringed.

Notwithstanding the above, in November 2016 the First Collegiate Tribunal for Administrative Matters of the First Circuit sustained that equivalents could be used to interpret and determine whether a patent has been infringed (Thesis I.1o.A.143 A (10a.)); however, the cited criteria is an isolated thesis, and since then no other tribunal has concurred or issued a similar criterion.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENTS RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

In general, there are no specific problems related to those types of patents. The obstacles that a litigant may face relate more to the complexity of the actual case rather than the subject matter. Furthermore, under Mexican law, neither business methods nor software are patentable matter (those subjects are protected under different legal authorities).

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Mexican law provides for a system for the different criteria adopted by the courts and judges, which are collectively called '*jurisprudencias*'. According to the Organic Law of the Federal Judicial Power, *jurisprudencias* can only be created by the higher federal courts (the Supreme Court or the CCTs) when the criteria adopted originates from the resolution of at least five different cases involving similar rights or matters. The criteria can be invoked in subsequent matters that fall within the scope of that criteria, as lesser courts are obliged to follow *jurisprudencias*.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

It depends on the case, but in general, such cases could help; however, while Mexican tribunals and courts may consider similar cases solved in other jurisdictions, they are neither obliged nor always follow suit.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

There are plenty of options for defendants, including intermediate appeals and incidents. If the goal of the defendant is to delay or slow down the proceedings, the only option for the plaintiff is to plan ahead, try to offer the best possible evidence and anticipate the delay to the extent possible. Given the general constitutional principle of effective judicial control, there are no means available to counter frivolous or inappropriate recourse.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Any patent owner or recorded licensee is legally entitled to file actions to stop the manufacture, distribution, transportation, importation and sale of an alleged infringing product by requesting IMPI to issue a provisional or preliminary administrative order (similar to a preliminary injunction) to immobilise and secure infringing products at the place where the infringing articles are located (including customs offices in the case of imported items).

Such measures are generally requested and very often granted, provided the prerequisites are met by the requesting party.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Usually between 30 and 36 months, depending on the complexity of the case.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

It varies greatly and depends on the complexity and particulars of the case.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

In the past, this was not possible because administrative procedures were limited to declaring the existence or absence of an infringement matter, plus the imposition of fines as one of the penalties for the infringement; however, with the entry into force of the Federal Law on the Protection of Industrial Property (LFPPI), a request to recover attorney's fees can now be included under either of the options foreseen under Article 396 of the LFPPI. As long as the request is within reason and there is sufficient evidence to support it, either IMPI or a civil court could agree to the request.

Nevertheless, these new provisions are very recent; therefore, there has not yet been any actual implementation of the novel legal provisions and the results they may bring both in the administrative arena (IMPI) and before the civil judges in the 32 states.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

One of the most significant changes to the newly enacted LFPPI is that it is no longer necessary to obtain a final and definitive infringement resolution to pursue an action to recover damages and losses as the patent owner can opt to either file an action (ie, a separate motion within the frame of a larger trial) within the same administrative procedure so that

IMPI can examine and determine whether there were any damages or losses, or enter a separate and parallel procedure before a civil court in which the intention would be to claim damages and losses.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

While statutory damages and loss of profits should be, in principle, no less than 40% of the public selling price of each infringing product from the first date of non-authorized use of the patent, the new provisions under the LFPPI – in particular, the provision allowing IMPI to examine damages and losses – are very recent; therefore, there has not yet been any actual implementation of the novel legal provisions and the results they may bring both in the administrative arena (IMPI) and before the civil judges in the 32 states.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Along with a final decision on the infringement, the authority and the court decide whether the preliminary injunctions become permanent or definitive.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Yes, any party that considers the resolution unfavourable to its interests can appeal the first-instance resolution.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

It depends on the complexity and the actual particulars of the case, but a reasonable expectation would be around 24 to 30 months

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Yes, SEPI-TFJA resolutions can be challenged through a constitutional *amparo* appeal tried before a CCT. The sentence pertaining to the *amparo* appeal is final and definitive in almost all cases, and just a tiny fraction can be further challenged via revision recourse before the Supreme Court.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

They do not have this reputation as there is no clear tendency in the Mexican judiciary to refer to the authorities as such, although there is a slight statistical advantage (perhaps in the range to 47% to 53%) in respect of the resolutions that favour the patentees.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

Other than the first stage, which is always administrative procedures before IMPI, there are none in addition to mediation or arbitration if the case merits them (ie, only if the parties are part of an agreement in which both have previously agreed to submit to arbitration or mediation procedures).

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Considering most proceedings are written, no remote hearings have been allowed for patent cases, not even during the covid-19 pandemic lockdowns.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

No significant issues other than some of the peculiarities of the mechanisms to recover damages that have already been covered in this questionnaire.

Poland: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRE-TRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	They can be obtained either before or in the course of patent infringement proceedings. The applicant must demonstrate a high probability of infringement and the threat of non-recoverable losses if the injunction is not granted.
Permanent injunctions – are they available, how can they be obtained?	Only a final and binding decision issued by the court may constitute a permanent injunction.
SEP injunctions – are they available, how can they be obtained?	SEP injunctions are available, based on the general rules.
Is payment of a security/deposit necessary to secure an injunction?	Although it is not by default, the court may decide otherwise, either on its own initiative or at the request of the obliged party.
What border measures are available to back up injunctions?	The right holder can make an application to Customs to take action with respect to goods crossing EU borders that are suspected of infringing the applicant's patents.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Patent owners usually pursue patent enforcement in Poland through litigation before the common courts. Proceedings on the merits are usually preceded by a preliminary injunction or discovery proceedings.

Discovery proceedings allow the claimant to extract commercial information from the defendant to determine the scope of an infringement. Three measures are available, varying in levels of specification:

- securing the means of evidence;
- disclosure or issuance of the means of evidence; and
- request for information.

These actions may be accompanied by an application to the custom authorities to take action with respect to goods crossing EU borders that are suspected of infringing the applicant's patents. The application includes the characteristics of the infringing products so that the custom authorities can differentiate them from the original products. If products with those features are found, the custom authorities will suspend the release of those goods or detain them and notify the applicant.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Patent enforcement cases are not usually reviewed in mediation or arbitration proceedings.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Under regular circumstances, patent cases are heard by an individual judge in the first instance and a panel of three judges in appeal proceedings; however, this general rule was changed on 3 July 2021 for the duration of the covid-19 pandemic and pandemic threat and for one year after it ceases. During this time, patent cases will be heard by an individual judge in both instances, with the exception of cases that are particularly complex or unprecedented, in which case the president of the court may reinstate the three-judge panel.

Technical experts are usually involved in patent cases in a special advisory role by appointment of the court. Their opinion provides significant evidence for the resolution, but they do not participate in the decision-making process. They provide an opinion on matters that require expert knowledge, which forms the basis for the hearing judge or panel to properly assess the evidence and resolve the case.

The opinion of the technical expert is submitted as written evidence, which is then subject to remarks and comments by the parties. If these are substantive, the court may decide that the technical expert should address them in a supplementary written opinion, which is followed by another round of remarks and comments. The court may decide to summon the technical expert to a hearing to give an oral explanation and answer any remaining questions in person.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

From 1 July 2020, patent enforcement cases are reviewed by the specialised department of the Regional Court in Warsaw, which has been appointed as a technical court, capable of reviewing cases that have the highest degree of technical complexity.

Introduction of the specialised department resulted in an increase in the expertise and experience of the judges, but it did not limit the role of the technical experts; Polish civil procedure relies on them to provide expertise whenever specialised knowledge is necessary to resolve a case. This cannot be substituted by the court's own expertise, even if the reviewing judge has significant experience in the relevant field.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Patent cases concerning validity and infringement are not dealt with together in one proceeding. Validity claims are examined by the Polish Patent Office, while patent infringement claims are examined by the specialised department of the Regional Court in Warsaw.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Parties engaged in patent disputes may be represented by advocates, attorneys at law or patent attorneys. Professional representation is obligatory, unless the value of the dispute is lower than ZI20,000.

The court might also waive this obligation in any case, on its own initiative or upon the party's motion, if the low complexity of the case does not justify the requirement of professional representation.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

As of 1 July 2020, forum selection is restricted in IP-related cases. In patent cases, the forum is limited to the Regional Court in Warsaw, which has been designated a technical court capable of reviewing cases that have the highest degree of technical complexity.

Q: TO WHAT EXTENT IS PRE-TRIAL DISCOVERY PERMITTED?

Three types of discovery procedure are available in the patent enforcement cases:

- Securing the means of evidence – this can be applied against the defendant or any third party that might enable the securing of the means of evidence. It aims to physically preserve certain materials that will allow for the production of evidence in any future IP litigation. The claimant is not required to explicitly indicate facts that are meant to be proven, as this measure is designed to gather facts about the scope of the infringement. The court's decision on granting this measure can be changed or repealed if the reason for granting it has changed or ceased to exist. The court may do so upon the motion filed by the party that was obliged to disclose the materials concerned, as well as by the defendant.
- Disclosure or issuance of the means of evidence – the aim is to extract the means of evidence that is at the defendant's disposal, particularly banking, financial or commercial documents. Compared to securing the means of evidence, this method requires a greater level of specification from the claimant in terms of indicating what is actually requested and demonstrating that it is in the possession of the defendant.
- Request for information – this is the most specific of the three measures, as the scope of information that may be requested is limited to data on the origin and distribution networks of goods or services, if obtaining them is necessary to pursue an IP-related claim. This can be applied against the defendant or any third party that may possess or have access to this information.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

This depends strictly on the case and the parties' initiative, but written evidence usually predominates. Written evidence primarily includes documents and statements made throughout the course of the proceedings, private expert opinions submitted by the parties and the opinion of the technical expert appointed by the court. Oral evidence will primarily include witness testimony, the oral explanation given by the technical expert and the oral explanation given by the parties.

If the patent case involves two commercial entities, additional rules apply to the proceedings owing to the dedicated procedure for commercial cases. In those cases, the proceedings will primarily rely on written evidence, and the witness testimony will be admitted only in cases where all other evidence has failed to sufficiently explain the significant facts of the case; however, this additional rule does not have a decisive effect on the patent enforcement proceedings, as witness testimony is a rarity in those disputes and the majority of the arguments are, in any case, based on the written evidence.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

The role of expert witnesses in Polish procedures is currently limited and restricted to simplified proceedings, which will not apply in cases concerning patents and intellectual property in general.

The closest equivalent in IP cases is that parties may submit private expert opinions to support their statements; however, these are not binding in the eyes of the court. In contrast to the court-appointed technical experts, these private experts do not have special advisory status and usually do not provide an oral explanation before the court, although such a situation might occur.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

The doctrine of equivalents was recognised by the Supreme Court in V CSK 149/15 (10 December 2015), but its applicability before the common courts remains inconsistent. The Supreme Court developed a five-step comparative study for the purpose of assessing whether the disputed solution is equivalent to the one protected by the patent:

- determination of the patent scope on the basis of its claims, description and drawings, taking into account the technical problem constituting the grounds for a given invention, the essence of its resolution and the type of protected invention;
- determination of the disputed solution's technical features, including the technical problems constituting the grounds for that solution and the essence of the disputed solution;
- determination of the disputed solution's technical features that functionally reflect the solutions already existing in the prior art (determination of the closest prior art for the disputed solution);
- comparison of the determined patent scope with the disputed solution's technical features to verify which features of the protected solution were reflected in the disputed solution in the form of obvious equivalents; and
- determination in cases when technical features (obvious equivalents) multiplied in the disputed solution determine the essence of the technical solution protected by the patent, and whether those features could have been developed by a 'specialist' in a given domain without knowledge of the patent.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

This depends strictly on the merits of the case, but overall patents concerning new uses for existing inventions seem to be more challenging to defend before the Polish courts.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Courts are not legally obliged to consider previous cases that have covered similar issues, although those cases are customarily invoked before the court and may significantly support the parties' arguments. Although Polish courts do not operate on the basis of precedents, they are likely to follow the solidified line of reasoning of the Supreme Court, by virtue of its authority.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Courts are willing to consider foreign judgments, and whenever possible they are invoked by the parties to support their arguments and to present the court with a broader perspective on

the merits of the case. There is no obvious preference among Polish courts regarding which foreign judgments are more persuasive than others; this mostly depends on the preference of the presiding judge.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

There is not much room for such practices owing to the rigorous rules of civil procedure that apply in Poland. Parties to the case must perform their obligations within the time appointed by the court as failure to perform those actions will be to the detriment of the non-performing party.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

A preliminary injunction can be obtained in Poland if:

- the applicant substantiates that a patent infringement has occurred; and
- the lack of temporary protection against the infringements results in the applicant suffering irreparable harm, or if the purpose of the proceedings is not achieved for other reasons even if the case is ultimately successful.

The defendant does not usually participate in those proceedings until the decision to grant a preliminary injunction is served on him or her; nevertheless, if the defendant learns about a motion for a preliminary injunction being submitted to the court from any source, he or she may file a brief containing their arguments, which should be taken into account by the court. In that case, the probability of a preliminary injunction being granted is lower than in *ex parte* proceedings.

Once granted, the court may decide, on its own initiative or at the request of the obliged party, that enforcement of the injunction depends on the submission of the security or deposit by the entitled party. This typically happens in cases where it is likely that the obliged party will suffer significant damage as a result of the injunction, and it is unlikely that the entitled party will be financially capable of remedying those damages in a potential compensation case.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Approximately two years, depending on the complexity of the case and the court's workload.

In 2021, the IP department of the Regional Court in Warsaw recorded 1,201 new cases concerning various IP rights: 965 main action cases (including infringement cases), 152 incidental cases (including preliminary injunction cases) and 84 complaint cases (including complaints against the decisions on preliminary injunction). The court managed to resolve 801 pending cases, leaving it with 710 unresolved ones.

In 2021, the covid-19 pandemic continued to disrupt the operations of the Polish courts (including the IP department of the Regional Court in Warsaw). It is, therefore, possible that the time taken to adjudicate IP (including patent) cases will decrease in the upcoming years.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

The costs may vary considerably depending on the complexity of the matter. A claim fee in patent cases is calculated as 5% of the total claim value with a cap of ZI200,000. The litigant should also have additional funds to cover the fees agreed with its legal representatives for the purpose of litigation and take into account additional expenses (eg, the costs of preparing private expert witness opinions and translations).

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

The general principle is that the legal costs of the dispute are paid by the losing party, including the obligation to reimburse the opponent with the costs incurred. If a case is partially won or lost, the costs are mutually set off or divided proportionally between the parties.

Litigation costs in Poland comprise:

- court fees payable when initiating a particular case;
- expenses incurred in relation to the proceedings, which may include, among other things, remuneration of an expert witness or a court translator appointed in the case, and travel expenses of the parties or witnesses; and
- legal fees.

The attorney's fee awarded to the winning party must not exceed six times the minimum fee rate calculated based on the value of the dispute specified in the regulations governing the reimbursement of legal representation costs.

When deciding the amount of legal fees to be reimbursed, the court considers, in particular, the complexity of the case. In practice, the final amount of the legal representation costs to be reimbursed largely depends on the court's discretion.

The legal fees agreed with the attorney and actually incurred by the party often exceed the legal representation costs reimbursable by the losing party considerably.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

If the losing party does not fulfil its obligations as ordered by a final and binding court decision, a successful plaintiff may initiate enforcement proceedings; however, before the enforcement proceedings can be initiated, the court's decision must be appended with an execution clause, which is issued by the court at the request of the successful party to the court proceedings.

If the losing party does not adhere to the final and binding decision ordering cessation of the patent infringement, it may be ordered to pay a specified sum of money for each day of infringement. Regarding pecuniary claims, all items or equipment forming part of the losing party's assets can be subject to enforcement action, including movable property, real estate and bank accounts, among other things.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Damages may be pursued and awarded either in line with general conditions as compensation for actual damage (*damnum emergens*) and hypothetical but highly probable profits (*lucrum cessans*) or in the form of an adequate licence fee or other type of

remuneration that would have been due had the patent holder given its consent to exploit the invention.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Only a final and binding decision issued by the court constitutes a permanent injunction. A preliminary injunction is issued for the duration of the patent infringement proceedings; however, it may be reversed or changed at any time by the court at the request of the obliged party if the reason for the injunction ceases to exist or changes.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Yes. A decision by the first-instance court may be appealed within 14 days of receipt of the copy of the judgment along with the written statement of reasons to the court of appeal. A written statement of reasons is drawn up at the request of the party willing to challenge the decision, which must be submitted to the first-instance court within one week of its delivery.

Preparation and delivery of the written statement of reasons to the court of appeal is subject to a fixed processing fee of Z1100. The court fee for filing an appeal is calculated on a similar basis as a claim fee amounting to 5% of the value of the object of appeal with a cap of Z1200,000. The value of the object of appeal may differ from the initial claim value calculated in the first-instance proceedings (eg, if the court's decision is to be challenged in part only).

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Approximately one year, depending on the complexity of the case and the court's workload.

In 2021, the Court of Appeal in Warsaw recorded 107 new commercial cases concerning various IP rights. It managed to resolve 29 pending cases, leaving it with 101 unresolved ones.

In 2021, the covid-19 pandemic continued to disrupt the operations of the Polish courts (including the Court of Appeal in Warsaw). It is, therefore, possible that the time taken to adjudicate IP (including patent) cases will decrease in the upcoming years.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Yes, under certain circumstances a cassation appeal may be submitted to the Supreme Court, although this is not considered a third instance. A cassation appeal is an extraordinary means of challenge that may be submitted in patent cases if formal conditions are met, such as the following:

- the value of the object that is the subject of a cassation appeal is at least Z150,000;
- there is an important legal issue in the case; or
- there is a need to interpret legal provisions that raise serious doubts or give rise to divergences in the case law of the courts.

The preliminary acceptance of the cassation appeal is at the court's discretion. The Supreme Court may find that none of the above-mentioned preconditions for preliminary acceptance are met and refuse to examine the case.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

The case law in patent cases in Poland is not uniform. The courts' approach to patent cases varies depending on the type of patent and the category of invention that it protects.

The case law in patent cases may become more uniform in the upcoming years since specialised IP courts are exclusively appointed to hear patent cases in Poland as of 1 July 2020.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

Patent cases in Poland may be theoretically reviewed in mediation or arbitration proceedings, but these alternative dispute resolution modes are not used in practice.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

On 3 July 2021, remote hearings were established as a rule in civil cases (including patent enforcement cases) for the duration of the covid-19 pandemic and pandemic threat and for one year after it ceases). This rule may be waived only if it is necessary for the case to be heard at an open hearing and holding it in the court building will cause no undue risk to the health of those in attendance.

Alternatively, the presiding judge may order that a case be examined at a closed session if it is not possible to hold a remote hearing and it is not necessary to hold an in-person hearing with the participation of the parties.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

Not applicable.

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United States: Patent litigation

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Summary

INJUNCTIONS AT A GLANCE

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	Preliminary injunctions are available from federal district courts where monetary damages are inadequate to remedy infringement during case pendency.
Permanent injunctions – are they available, how can they be obtained?	Permanent injunctions are available in district courts in circumstances such as direct competitor cases where monetary damages are inadequate. An injunction-like exclusion order on importation is the only remedy in the International Trade Commission (ITC).
SEP injunctions – are they available, how can they be obtained?	SEP injunctions are theoretically available but are more difficult in view of SEP commitments.
Is payment of a security/deposit necessary to secure an injunction?	For preliminary injunctions.
What border measures are available to back up injunctions?	The ITC imposes exclusion orders for patent infringement, which are enforced by Customs. Both the patentee and the infringer can engage in ongoing exchanges with Customs regarding products covered by an exclusion order.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

US patents are litigated, often simultaneously, in multiple venues, including in federal district courts, before the ITC and at the PTAB. Successful enforcement requires extensive preparation to navigate these multiple venues and to prevent infringers from taking pre-emptive action at the PTAB to attack patent rights or in the district courts to obtain a venue in perceived infringer-friendly jurisdictions.

In some instances, it may be desirable for a patentee to return to the patent office for re-examination or supplemental examination to affirm the validity of patents over the prior art before filing a lawsuit. For high-stakes disputes involving technologies that are imported into the United States, the strongest available remedy is a fast-track action at the ITC to block the importation of infringing products.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Yes. A strong bench of experienced former judges and litigators are available to serve as arbitrators or mediators. Mediation is required during district court litigation.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

This depends on the venue and the issue. At the PTAB, which only decides challenges to patent validity, all issues are heard by three-judge panels of administrative patent judges (APJs). These are typically experienced former private practitioners or patent examiners with a background in the relevant technology and patent law.

Cases at the ITC are handled by administrative law judges (ALJs) with the assistance of staff attorneys who play a quasi-advocate role. ALJs and staff attorneys are not patent specialists like APJs; however, they handle many high-stakes patent disputes and are well versed in patent law and technology.

District court litigation is conducted by generalist federal judges and is the only venue where juries make decisions in patent cases. Decision-making is split between judges and juries, with judges deciding issues of law such as claim construction, juries deciding issues of fact such as infringement and damages, and many issues such as invalidity that are a mix of fact and law. Typically, the parties are assisted by technical and damages experts.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

PTAB and ITC judges have a high degree of sophistication when it comes to patent law and technology. Most district court judges have only a small percentage of their dockets dedicated to patent cases and, as such, are relatively inexperienced with patent law and have minimal training in science and technology.

A limited number of jurisdictions handle most district court patent cases and are more predictable than other jurisdictions.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

PTAB proceedings decide validity only and can be filed with or without a related infringement action. District court litigation and ITC cases decide both validity and infringement.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

An attorney for a district court case must be admitted in the federal district court where the case is being heard. The PTAB requires attorneys appearing before it to be admitted to the USPTO, which in turn requires a suitable science or technology degree and to have passed a patent bar exam. Attorneys who are not admitted in a district court or to the USPTO may appear *pro hac vice*. ITC admission is available to qualified US attorneys.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

Within the federal district court system, lawsuits can be filed in any district court venue where the accused infringer is either incorporated or has a "regular and established place of business". The latter phrase is the subject of many disputes but appears to require some employees and a brick-and-mortar presence. Even if the venue is proper, the accused infringer may still seek to move the case to another jurisdiction based on factors such as the location of witnesses and other related cases.

Accused infringers often try to secure their favoured venue by filing declaratory judgment actions. It is also common for accused infringers to file a validity challenge in the PTAB, which is considered more welcoming of invalidity arguments than district courts.

Timing is often key to whether a PTAB challenge will be effective or will even be heard. Some district courts will not stay their cases if a PTAB challenge does not shortly follow an accusation of infringement, and the PTAB may also decline to hear cases that are running well behind parallel infringement proceedings

Because ITC proceedings are procedurally intensive and operate on a fast-track basis, district court cases are stayed while the ITC case is resolved. Although PTAB cases are not typically denied for parallel ITC cases, an ITC complainant (ie, the patent owner) can often obtain

a favourable ITC decision prior to the resolution of the accused infringer's PTAB validity challenge.

Q: TO WHAT EXTENT IS PRETRIAL DISCOVERY PERMITTED?

Pretrial discovery is freely allowed and is generally burdensome in both district court and ITC proceedings. The strict timetables of ITC cases significantly increase the net discovery burden in the ITC. Discovery rules require disclosure of even highly confidential information, although critical technical data (eg, schematics, source code and clinical data) are often available only in protected environments. District courts and the ITC employ protective orders to allow for the free exchange of information between the attorneys acting for the litigants.

Discovery in the PTAB is limited, with document discovery allowed only under special circumstances.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

District court and ITC cases typically conduct full trials with live witnesses, often taking a week or more. There are also extensive opportunities for pretrial decisions at summary judgment (district court) or summary determination (ITC), typically based on documents uncovered during discovery and deposition testimony.

PTAB cases are decided almost entirely on the papers. Witnesses appear only on rare occasions, and the PTAB 'trial' is a brief oral argument by the attorneys.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Expert witnesses are critical to patent cases on all issues of fact, such as infringement, invalidity and damages, and their fees are a substantial expense of patent litigation.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

The doctrine of equivalents is applied sparingly owing to limiting doctrines such as prosecution history estoppel.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

Under the *Mayo/Alice* framework, many issued patents are subject to challenge owing to them not being directed to "patentable subject matter". Issues often arise for patents that automate business processes, software patents and medical diagnostic patents. The outcomes of patentable subject-matter challenges are often unpredictable, and some venues tend to be more pro-patent or anti-patent when applying this framework.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

In general, courts and other tribunals are required to apply only final rulings from previous cases between the same parties and involve the same issues as the current proceedings. Nonetheless, prior rulings are often persuasive, even if they are not binding on a party.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

The various types of US patent tribunals – district courts, the ITC and the PTAB – are not bound by rulings from others of those bodies unless affirmed on appeal. Rulings from foreign jurisdictions typically have little persuasive value unless the issues under consideration are virtually identical.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Defendants will typically file a declaratory judgment action for non-infringement in a perceived favourable district court venue and then promptly file a challenge to the patents in the PTAB. This often affords a stay of any infringement litigation while the PTAB adjudicates invalidity over approximately 18 months. Other options include other challenges at the USPTO, such as petitions for *ex parte* re-examination.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

Preliminary injunctions are relatively rare because the patentee must show not only that there is a strong likelihood of success on the merits, but also that the infringement cannot be remedied by money damages. A preliminary injunction outside of a direct competitor environment is extremely rare.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

The ITC and PTAB operate on an approximately 18-month timetable to reach a decision at the first instance, while district courts range from 18 to 36 months.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

A litigant should budget as follows:

- for each patent at the PTAB – \$250,000 to \$750,000;
- for typical district court litigation – \$2.5 million to \$5 million; and
- for a typical ITC case – \$3.5 million to \$7.5 million.

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

While costs are freely granted to the prevailing party, these only cover relatively small ministerial amounts. Attorney's and expert fees are the main cost of litigation and are granted only in egregious cases involving particularly weak claims or defences, or improper litigation conduct.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

In the ITC, the only remedy is an exclusion order prohibiting the importation of certain products (a limited exclusion order) or classes of products (a general exclusion order) into the United States. This remedy is almost always granted to a successful patent owner, although enforcement at Customs can be complicated.

In the PTAB, a successful patent owner maintains its patents.

Damages are awarded in district courts for up to six years of past infringement (from the date that the complaint was filed), provided that the infringer was on notice of the patent. Damages can be enhanced up to three times the amount of the underlying damages award if the infringement is wilful – with knowledge or a wanton disregard of the infringement. District courts are permitted to grant permanent injunctions, but these are difficult to obtain under the governing *eBay* standard.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Damages are calculated under a reasonable royalty or a lost profits framework. Lost profits may provide a larger recovery, but this methodology is used only if the patentee can show that it could have made those profits but for the infringement. A reasonable royalty looks at what sort of payment the parties would have come to under a multi-factor hypothetical negotiation framework at the date of the start of infringement.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Under the Supreme Court's *eBay* decision, permanent injunctions are not usually available for patent infringement; in other words, although a patent is supposed to provide a right to exclude others from practising the invention, the remedy of exclusion is available only under rare circumstances, particularly in cases involving multi-component electrical or mechanical products or software. The most difficult hurdle to overcome is the requirement that monetary damages are inadequate.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

Whether at the PTAB, the ITC or in district courts, the losing party has a right to appeal a final decision to the Court of Appeals for the Federal Circuit (CAFC), which is the sole appellate court for issues involving patents.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

Twelve to 18 months from filing of the appeal.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

The Supreme Court is the only court that can review decisions of the Court of Appeals for the Federal Circuit. Review is discretionary by writ of *certiorari* and is granted on only one or two patent cases a year. There are also requests for rehearing or *en banc* review at the CAFC.

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

The PTAB had a reputation as being anti-patentee, with over approximately 75% to 85% of instituted patents having at least some claims invalidated.

The ITC is considered to be an even-handed tribunal, although the strict timetable is considered burdensome to accused infringers.

District courts have varying reputations, with the Eastern and Western Districts of Texas considered pro-patentee and the Northern District of California considered pro-infringer.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

The ITC is the primary alternative forum for patent infringement litigation.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

Almost all hearings and depositions were remote during the covid-19 pandemic, while trials were mixed between being remote and in-person. Policies are venue and even judge-specific. As the more severe effects of the pandemic have waned, many hearings and depositions remain remote for the convenience of the judge, the attorneys and the parties, while almost all trials are in-person.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

The following recent developments are noteworthy:

- The Biden administration's Department of Justice has issued memos and rescinded previous guidance regarding the enforcement of SEPs, essentially signalling that it believes that injunctive relief should not be available for SEP infringements.
- The new director of the USPTO has issued guidance limiting the availability of "discretionary denials" for PTAB patent challenges in a manner that will largely eliminate this practice.
- The Western District of Texas has changed its assignment rules for patent cases in a manner that lowers the probability of having cases assigned to Judge Albright, who employed a fast-track timetable for patent cases.
- The Supreme Court denied review in the much-watched *American Axle* case on patent eligibility, signalling that any solution to those issues will need to be resolved through legislation. A number of proposals are pending.
- There has recently been an increase in high-dollar jury (nine-to-10 figure) verdicts for patent infringement.

Collectively, these recent developments have made it marginally more difficult to bring cases with a limited number of patents or infringement claims; however, the United States is still an excellent jurisdiction to bring multi-patent cases with high damages potential or where an exclusion order would provide a strong remedy.



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United Kingdom: Patent Litigation

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INJUNCTIONS AT A GLANCE

Preliminary injunctions – are they available, how can they be obtained?	Yes, this is a discretionary remedy, but it is not granted often in patent actions. The application must be brought quickly (within weeks) and can be brought to restrain imminent infringement. The court will consider whether there is a serious issue to be tried, the position of both parties if the injunction is granted (or not) and where the balance of convenience lies.
Permanent injunctions – are they available, how can they be obtained?	Yes, injunctions are a discretionary remedy. They are typically granted by the court if in the interests of justice between the parties once there has been a finding of liability.
SEP injunctions – are they available, how can they be obtained?	Yes, the UK courts have granted a SEP injunction following a full trial on validity, essentiality and infringement, as well as a full trial on the terms of the FRAND licence offered. An SEP injunction has been granted where an implementer has refused to enter into a licence that has been held by the court to be FRAND.
Is payment of a security/deposit necessary to secure an injunction?	No security/deposit is required, but the party seeking the injunction will need to provide a cross-undertaking in damages should the patent ultimately not be held to be valid and/or infringed.<
What border measures are available to back up injunctions?	Procedures have been adopted that enable Customs to hold and/or destroy goods that infringe IP rights and/or are the subject of a court order.

Q: HOW CAN PATENT OWNERS BEST ENFORCE THEIR RIGHTS IN YOUR JURISDICTION?

The Patents Court (part of the Business and Property Courts of the High Court) is the primary route for patent enforcement in the United Kingdom, with the Intellectual Property Enterprise Court (IPEC) able to hear lower value, less complex patent actions. Scotland and Northern Ireland do not have specialist patents courts, but patent cases can be heard in both jurisdictions.

Q: ARE MEDIATION AND ARBITRATION REALISTIC ALTERNATIVES TO LITIGATION?

Yes. Parties are obliged to consider whether alternative dispute resolution (ADR) is suitable both before and during proceedings. Unreasonable refusal to consider ADR may attract cost sanctions. Arbitration is increasingly utilised where confidentiality is important.

Q: WHO HEARS PATENT CASES – FOR EXAMPLE, INDIVIDUAL JUDGES, A PANEL OF JUDGES, A MIX OF JUDGES AND TECHNICAL EXPERTS, JUDGES AND JURIES?

At first instance, cases are heard by a single judge. Complex cases are allocated to specialist High Court patent judges. Other cases may be allocated to Chancery judges or Deputy High Court judges who have been designated to hear patents cases.

At the IPEC, cases are heard by IP specialist Judge Hacon, deputy judges or recorders.

Appeals are usually heard by a panel of three Lord or Lady Justices of Appeal. At the Supreme Court, there is usually a panel of five justices.

Q: WHAT LEVEL OF EXPERTISE CAN LITIGANTS EXPECT FROM COURTS?

The level of expertise is very high. Patents Court judges have practised IP law, and many have technical backgrounds, while deputy judges are drawn from a pool of specialist IP barristers and solicitors.

There are also a number of ex-Patents Court judges sitting as Lord Justices of Appeal at the Court of Appeal, as well as justices of the Supreme Court.

Q: ARE VALIDITY AND INFRINGEMENT DEALT WITH TOGETHER IN PROCEEDINGS?

Yes. There is no bifurcation of validity and infringement proceedings.

Q: WHO MAY REPRESENT PARTIES ENGAGED IN A DISPUTE?

Parties to patent litigation are represented by teams of barristers, solicitors and patent attorneys. Solicitors prepare and manage the case for trial, including liaising with the other side. Barristers (usually a senior King's Counsel and junior) are specialist advocates who conduct cross-examination and present arguments to the court during oral hearings.

At the IPEC, the legal team is more streamlined.

Q: TO WHAT EXTENT IS FORUM SELECTION POSSIBLE IN YOUR JURISDICTION?

The majority of patent actions are heard in the Patents Court in England and Wales; very few patent cases are heard by the Scottish or Northern Irish courts.

The IPEC was created to offer a less costly option for small to medium-sized businesses.

Q: TO WHAT EXTENT IS PRE-TRIAL DISCOVERY PERMITTED?

Issue-based disclosure is part of proceedings, but the cost and proportionality of requests are carefully scrutinised by the Patents Court. Pre-action and third-party disclosure are both possible in certain circumstances.

Disclosure on validity is limited to a four-year window around the patent's priority date. Alleged infringers can elect to give documentary evidence (including a sample) or a product and process description, with full particulars of the product or process that is alleged to be infringing.

At the IPEC, there is no automatic right to disclosure, and its grant is a matter of case management for the judge.

Q: TO WHAT EXTENT IS EVIDENCE WRITTEN AND ORAL AT PROCEEDINGS?

Evidence in chief for witnesses and experts are exchanged before trial. At trial, the written statement stands as the witness's or expert's evidence in chief, and there is no requirement for this to be delivered orally at trial.

Oral evidence is limited to replies to the questions put in cross-examination by the other party's barrister. Limited, non-leading re-examination by the witness's or expert's party's barrister is possible to clarify any points from cross-examination.

Q: WHAT ROLE, IF ANY, CAN EXPERT WITNESSES PLAY?

Expert evidence is often determinative of patent actions. It is of paramount importance to ensure that the legal team has the expertise to identify the correct experts, instruct them correctly (particularly to avoid allegations of hindsight) and aid the drafting of their report in accordance with the rules.

Experts have a duty to help the court on matters within their expert knowledge; this overrides any obligation to their instructing party. Experts must be objective, give their unbiased opinion and ensure that the matter is within their expertise. Experts must not be coached.

Q: IS THE DOCTRINE OF EQUIVALENTS APPLIED BY COURTS IN YOUR JURISDICTION AND, IF SO, WHAT FORM DOES IT TAKE?

There is a two-stage test for the doctrine of equivalents:

- Does the variant infringe any of the claims as a matter of normal interpretation?
- If not, does the variant nonetheless infringe because it varies from the invention in a way or ways that are immaterial?

For the second question, there is a three-stage test:

- Notwithstanding that it is not within the literal meaning of the relevant claims of the patent, does the variant achieve substantially the same result in substantially the same way as the inventive concept revealed by the patent? If yes;
- Would it be obvious to the skilled person reading the patent at the priority date, but knowing that the variant achieves substantially the same result as the invention, that it does so in substantially the same way as the invention? If yes;
- Would the skilled person have concluded that the patentee nonetheless intended that strict compliance with the literal meaning of the relevant claim or claims of the patent was an essential requirement of the invention? If no, then the variant will infringe.

There is no prosecution history estoppel as such, and the court will only consider this in limited circumstances.

Q: ARE THERE PROBLEMS IN ENFORCING CERTAIN TYPES OF PATENT RELATING TO, FOR EXAMPLE, BIOTECHNOLOGY, BUSINESS METHODS OR SOFTWARE?

The Patents Court is a specialist forum for all types of patent dispute.

Some subject matter is excluded from patentability, including:

- discoveries, scientific theories or mathematical methods;
- schemes, rules or methods for performing a mental act, playing a game or doing business, or a program for a computer; and
- the presentation of information.

The exclusions apply only to the extent that the patent relates to the thing 'as such'.

Many biotechnological inventions are patentable, but exclusions include the human body and its elements, including gene sequences, as well as other processes that are considered contrary to public policy on ethical grounds, such as:

- cloning humans or modifying the germ line;
- using human embryos for commercial or industrial purposes;
- genetically modifying animals in ways likely to cause suffering without substantial medical benefits; and
- patenting varieties of animals or plants (or biological process for their production), not being a microbiological or other technical process or the product of such a process.

Q: TO WHAT EXTENT ARE COURTS OBLIGED TO CONSIDER PREVIOUS CASES THAT HAVE COVERED ISSUES SIMILAR TO THOSE PERTAINING TO A DISPUTE?

The 'ratio' is the part of a judgment that sets out the legal reasoning for the decision and creates the binding precedent that must be followed by inferior courts.

Supreme Court judgments bind all other courts in the United Kingdom. It can depart from its own decisions, but rarely does so. The Court of Appeal is usually bound by its own decisions and, unless distinguishable on the facts, its judgments bind the Patents Court.

Q: TO WHAT EXTENT ARE COURTS WILLING TO CONSIDER THE WAY IN WHICH THE SAME OR SIMILAR CASES HAVE BEEN DEALT WITH IN OTHER JURISDICTIONS? ARE DECISIONS FROM SOME JURISDICTIONS MORE PERSUASIVE THAN THOSE FROM OTHERS?

Judgments of courts in other jurisdictions relating to the same patent, must be provided to the judge. Judgments of key European patent courts, as well as decisions from the Enlarged Board of Appeal and the Technical Boards of Appeal are of interest, albeit not binding. Judgments by Commonwealth courts are also considered.

Q: WHAT REALISTIC OPTIONS ARE AVAILABLE TO DEFENDANTS SEEKING TO DELAY A CASE? HOW MIGHT A PLAINTIFF COUNTER THESE?

Procedural rules provide for a timetable to a case management conference. At the case management conference, any outstanding points on the timetable are decided by the court, including fixing a trial date. Parties can agree to and apply for extensions for most deadlines, provided that this does not jeopardise the trial date. Causing a delay that leads to the trial being vacated is likely to attract sanctions for wasted costs.

Q: UNDER WHAT CIRCUMSTANCES, IF ANY, WILL A COURT CONSIDER GRANTING A PRELIMINARY INJUNCTION? HOW OFTEN DOES THIS HAPPEN?

The grant of a preliminary (interim) injunction requires ascertaining where the balance of convenience lies. The patentee must show that there is a serious issue to be tried. The court must determine whether damages would be an adequate remedy for the patentee. If not, the court must consider the adequacy of the patentee's cross-undertaking in damages. If there is no adequate remedy for either side, the court must consider all other relevant factors, including the *status quo*.

It can be difficult for patentees to demonstrate that they will suffer irreparable harm. As a result, interim injunctions are rarely granted. The exception to this was for generic entrants who had to 'clear the way' for pharmaceutical patents; however, more recently, the Court has refused a number of requests based on the facts of the case.

Q: WHAT IS THE REALISTIC TIMESCALE TO GET A DECISION AT FIRST INSTANCE FROM THE INITIATION OF PROCEEDINGS?

For a straightforward single patent action, it should be possible to get a first-instance decision within 12 to 14 months of proceedings being issued.

Q: HOW MUCH SHOULD A LITIGANT BUDGET FOR IN ORDER TO TAKE A CASE THROUGH TO A DECISION AT FIRST INSTANCE?

For a straightforward case where validity and infringement are in issue, a party should budget for the costs to exceed £750,000 (including the fees of the legal team and experts, as well as court fees and other disbursements). For more complex or valuable cases, costs can exceed £1.5 million, sometimes significantly.

At the IPEC, for a straightforward case where validity and infringement are in issue, a party should budget for the costs to be between £300,000 and £450,000 (including the fees, as above).

Q: TO WHAT EXTENT ARE THE WINNING PARTY'S COSTS RECOVERABLE FROM THE LOSING PARTY?

In general, there is a principle that the losing party pays a proportion of the winning party's costs.

The proportion of costs that are recoverable depends on the issues that a party has won and whether a costs budget is in place. Typical levels of recovery range from 60% to 75%. Recovery can be affected by deduction for an issue 'lost' by the overall winner.

Where costs budgets are in place, recovery can be significantly higher, and up to 100%. Parties' offers to settle before and during proceedings can also be taken into account.

At the IPEC, costs recovery is capped at £60,000 and can be awarded at a lower level.

Q: WHAT REMEDIES ARE AVAILABLE TO A SUCCESSFUL PLAINTIFF?

- Damages or an account of profits;
- a final injunction;
- delivery up or destruction of infringing goods on oath;
- a declaration by the court;
- costs; and
- publication of the judgment.

Q: HOW ARE DAMAGES AWARDS CALCULATED?

Damages are intended to put the patentee in the same position it would have been in had the infringement not happened, allowing recovery for loss suffered that was foreseeable, caused by the infringement and not otherwise excluded for policy reasons. An inquiry for a claim under a cross-undertaking in damages should look into the loss that was suffered because of the injunction.

A patentee must elect between damages or an account of profits, with the assessment conducted after the trial on liability. An account of profits is confined to profits actually made

to prevent the infringer's unjust enrichment from the infringement. For that reason, most patentees elect for an inquiry for damages.

At the IPEC, the recoverable amount under a damages inquiry or account of profits is limited to £500,000.

Q: UNDER WHAT CIRCUMSTANCES WILL COURTS GRANT PERMANENT INJUNCTIONS?

Injunctions are a discretionary remedy but are usually granted post-trial by the court. Injunctions can be stayed pending appeal.

Q: DOES THE LOSING PARTY AT FIRST INSTANCE HAVE AN AUTOMATIC RIGHT OF APPEAL?

No. Appeals are available in respect of points of law only where there is a real prospect of success or there is some other compelling reason for the appeal to be heard. Appeal from the Patents Court and the IPEC is to the Court of Appeal.

Parties are expected to seek permission to appeal from the trial judge first. If refused, they can seek permission from the Court of Appeal.

Q: HOW LONG DOES IT TYPICALLY TAKE FOR THE APPELLATE DECISION TO BE HANDED DOWN?

An appellate decision takes about 10 to 15 months; expedition is possible.

Q: IS IT POSSIBLE TO TAKE CASES BEYOND THE SECOND INSTANCE?

Appeals to the Supreme Court are possible but only in cases where, in the opinion of the justices, an arguable point of law of general public importance is raised that should be considered by the Supreme Court at that time. The number of patent cases considered annually is low.

Permission to appeal to the Supreme Court must be made first to the court below and then, if refused, to the Supreme Court. Exceptionally, the Supreme Court may entertain a 'leapfrog' appeal (ie, an appeal directly from the Patents Court).

Q: TO WHAT EXTENT DO THE COURTS IN YOUR JURISDICTION HAVE A REPUTATION FOR BEING PRO-PATENTEE?

The Patents Court has a reputation as a forum for testing patents fairly but rigorously.

The introduction of the doctrine of equivalents and judgments granting global FRAND licences has provided opportunities for patentees, but, equally, the availability of *Arrow* declarations has afforded would-be market entrants the ability to cut through patent thickets in a single action.

Q: ARE THERE OTHER FORUMS OUTSIDE THE COURT SYSTEM IN WHICH IT IS POSSIBLE TO ASSERT PATENTS IN YOUR JURISDICTION? IF SO, UNDER WHAT CIRCUMSTANCES MIGHT IT BE APPROPRIATE TO USE THEM?

No.

Q: IN WHAT CIRCUMSTANCES DO COURTS IN YOUR JURISDICTION ACCOMMODATE REMOTE HEARINGS, FOR EXAMPLE DURING PANDEMIC-RELATED LOCKDOWNS?

The Patents Court adapted its rules to use video-conferencing technology for remote hearings and trials. Hybrid trials with the judge, witnesses and core legal teams present in

court have also been successful, but in-person attendance is preferred. Cross-examination via video for witnesses unable to attend in person is possible, albeit potentially complicated by the prevailing national laws.

Q: ARE THERE ANY OTHER ISSUES RELATING TO THE ENFORCEMENT SYSTEM IN YOUR COUNTRY THAT YOU WOULD LIKE TO RAISE?

The Patents Court provides a forum to obtain a quick, well-reasoned judgment on infringement and validity from specialist judges that are well-respected in the courts of other European Patent Convention jurisdictions. The Patents Court also has the legal tools to, *inter alia*:

- set a FRAND rate;
- grant a global FRAND licence;
- grant **Arrow** declarations;
- order disclosure;
- cross-examine the technical evidence; and
- award costs.



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