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Austria

Constantin Kletzer



Christian Maitz



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1 Patent Enforcement

1.1 How and before what tribunals can a patent be enforced against an infringer?

The Commercial Court of Vienna has exclusive jurisdiction for civil proceedings based on section 162 of the Austrian Patent Act (*Patentgesetz, PatG*). Decisions of the court are rendered by a three judge-senate, two professional judges and a technical lay judge, usually a patent attorney. In criminal proceedings, the Regional Criminal Court of Vienna (single judge) has exclusive jurisdiction.

Appeals against decisions of the first instance have to be filed with the Higher Regional Court of Vienna. Decisions of the Higher Regional Court of Vienna may be appealed with the Supreme Court as the final instance, if a legal question of fundamental relevance is involved.

1.2 What are the pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

Austrian law, for both civil and criminal proceedings, does not provide a distinction between pre-trial and trial stages. Before initiating court proceedings it might be useful to send a cease-and-desist letter to the potential infringer. However, this is not legally required to enforce a cease-and-desist claim and does not have adverse cost effects on the injunction claim. Such letter may, however, constitute fault on behalf of the infringer. The cease-and-desist letter may certainly warn the infringer and have him prepare for the proceedings.

1.3 Can a defence of patent invalidity be raised and if so how?

Yes, it might be raised as a preliminary question. According to section 156, paragraph 3 of the Patent Act, the infringement court has to preliminarily assess the question of validity, and might request the Patent Office to render an expert opinion or take any other evidence. In case the court holds nullity of the patent in suit as likely, the court has to suspend the infringement proceedings. The defendant has to demonstrate to the court within one month subsequent to service of the suspension decision that the defendant has filed a nullity motion with the Patent Office (or an opposition with EPO, as the case may be), otherwise the court has to decide on the infringement without giving regard to the nullity argument.

The Austrian Patent Office currently has exclusive competence to declare a patent invalid (see question 8.2 below).

1.4 How is the case on each side set out pre-trial? Is any technical evidence produced and if so how?

Please see the answer to question 1.2 concerning the pre-trial topic.

Concerning the question about possible technical evidence: Upon request, the Austrian Patent Office furnishes expert opinions on the state of the art concerning one specific technical problem and whether there is an invention patentable according to the provisions of sections 1 to 3 of the Patent Act as compared with the state of art cited by the applicant or to be searched by the Patent Office (section 57a of the Austrian Patent Act). Usually, the plaintiff will gather the relevant evidence, conduct test-buys, have private expert opinions rendered on infringement and validity of the patent, etc. Likewise, the potential defendant will prepare the upcoming proceedings. Section 384 *et seq.* of the Austrian Code of Civil Procedure (*Zivilprozessordnung, ZPO*) provides a procedure for preservation of evidence regarding inspection and testimony, if taking of evidence is endangered. Section 151b, paragraph 1, provides for having preliminary measures rendered for preservation of evidence even before initiation of main proceedings (see Art 7 of the Enforcement Directive; the so-called “*Düsseldorfer Verfahren*”). As far as is evident, there is just a single case pending on questions involving such measure. The decision of the Supreme Court is pending.

1.5 How are arguments and evidence presented at the trial? Can a party change its pleaded arguments before and/or at trial?

All forms of evidence provided in the Code of Civil Procedure are admissible (in particular, documents, witnesses, expert opinions, inspections). After filing a complaint, the court will immediately forward it to the defendant for reply within four weeks. Before the first hearing takes place, the parties might exchange another round of written submissions. Within the hearings, arguments and evidence shall be presented orally to the court. After the first hearing has taken place no written submissions are admissible by law, but are often accepted. Affidavits of witnesses are usually not permissible (only in provisional proceedings), but are sometimes accepted by the court. Private expert opinions are regarded as (mere) private documents.

Before the defendant receives the complaint, an amendment of claims is possible, without consent of the defendant, unless the

jurisdiction of the court changes therefore. With occurrence of pendency of proceedings, for amending claims the consent of the defendant or permission of the court is needed; in the latter case the court may only admit the amendment if it does not lengthen proceedings considerably and avoids extra proceedings. In the first instance proceedings evidence and pleadings of facts may be changed/amended/added until the end of hearings, unless the respective party has been grossly negligent in failing to amend the pleading or add evidence, etc. beforehand.

1.6 How long does the trial generally last and how long is it before a judgment is made available?

A time frame from filing a complaint to achieving a judgment in the first instance varies considerably depending on the defence strategy of the defendant, i.e. whether a valuable nullity argument is raised and court proceedings are suspended for a final outcome on the validity of the patent in suit. Nullity proceedings with the Patent Office might last for several years. Without considering any such suspension, court proceedings in first instance might take around 18 months to two years. A decision by an appellate court may be expected within a year; a decision of the Supreme Court within one to two years.

Preliminary injunctions may be obtained within approximately six months of filing the application. In case of appealing the decision, final judgment (Supreme Court) can be expected within two years. Usually motions for preliminary injunctions and the main action are filed simultaneously in one brief; therefore, the timeframe of the main action is prolonged by the duration of the provisional proceedings.

1.7 Are there specialist judges or hearing officers and if so do they have a technical background?

Within the Commercial Court of Vienna, which has exclusive competence in civil patent infringement matters, there are three expert senates, each consisting of a presiding professional judge, an associate professional judge and a technical lay judge, usually a patent attorney, who provides the necessary technical knowledge.

At the Higher Regional Court (appellate court) at least one technical judge is also included within the competent senates for patent infringement.

There is no technical judge in the Supreme Court.

1.8 What interest must a party have to bring (i) infringement (ii) revocation and (iii) declaratory proceedings?

(i) Infringement

Patent infringement proceedings require proof of ownership of the patent (which is *prima facie* provided by the excerpt of the patent registry) or entitlement (licensee), and proof of an infringement or infringement being imminent.

(ii) Revocation

(a) According to section 49 of the Patent Act, a patentee can be declared to have a lack of title if it is proved that the patentee was not entitled to the grant of the patent, that the essence of the patent had been usurped by a third person's descriptions, drawings, etc.

(b) Any person may bring a nullity motion requesting the patent to be null and void on specific grounds. See the answer to question 1.14.

(iii) Declaratory proceedings

Anyone who operationally produces a subject matter, places it on the market, sells or uses it, applies a method or intends to take such measures may bring declaratory proceedings for having declared that a described subject matter does not fall under a certain patent (section 163, paragraph 1 of the Patent Act – negative declaratory proceedings). Such declaratory proceedings may be filed if the applicant demonstrates that there is a reasonable concern, that the patent holder considers that the applicant infringes the patent (e.g. if the patent holder has addressed the applicant with a cease-and-desist letter).

When filing a positive declaratory petition, the patent holder seeks to have declared that a described subject matter falls within the scope of a patent. The applicant (i.e. patent owner or exclusive licensee) has to prove that the infringer has a standing to be sued (*Passivlegitimation*), e.g. by not responding to a cease-and-desist letter.

1.9 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

In Austria, there are no specific rules of civil procedure regarding the seizure of documents as there is so-called “discovery” in the USA. Certainly, the Code of Civil Procedure requires from the parties’ true submission of the evidence, be it in writing or orally, however, there are generally no direct consequences for breaching the obligation to tell the truth. However, it is up to the judge’s unfettered discretion to weigh evidence. Additionally, section 384 *et seq.* of the Austrian Code of Civil Procedure provides a procedure for preservation of evidence regarding inspection and testimony, if taking of evidence is endangered. Section 151b, paragraph 1, provides for having preliminary measures rendered for preservation of evidence even before initiation of main proceedings (see question 1.4).

1.10 Can a party be liable for infringement as a secondary (as opposed to primary) infringer? Can a party infringe by supplying part of but not all of the infringing product or process?

Yes, section 22 paragraphs 3 to 5 of the Patent Act regulates indirect infringement of a patent (so called “*contributory infringement*”). This provision prohibits the offering or supplying of means which are related to an essential element of the patent and are suitable for infringing the protected invention, to persons who are not authorised to use the patent – if the person knows or it is obvious to that person from the circumstances of the case that these means are suitable and determined to be used for utilisation of the patented invention. Essential features are any that are of more than mere subordinate relevance for the invention. The provision, on the side of the contributory infringer, requires intentional acts or acts through which the infringement is obvious, i.e. negligence.

Apart from this provision, the concept of a secondary infringer (as in Germany “*Störerhaftung*”) is generally accepted by court practice. Any person, who wilfully induces or supports the infringement may be held liable to cease-and-desist from any such acts.

1.11 Can a party be liable for infringement of a process patent by importing the product when the process is carried on outside the jurisdiction?

Yes, pursuant to section 22, paragraph 2 of the Austrian Patent Act, the scope of a patent granted for process also covers any products

directly produced by the patented process; and therefore also the import of such product for the purpose of putting it on the market, offering it for sale or using it in Austria is considered an infringing act.

1.12 Does the scope of protection of a patent claim extend to non-literal equivalents?

The extent of the protection of a patent is determined by the claims of the patent. Nevertheless, the descriptions and drawings shall be used to interpret the claims. The Protocol to Art 69 of the European Patent Convention (EPC) is applicable.

However, the question whether an actual feature of a potentially infringing embodiment falls within the scope of what is being described in a patent, in generic language or by way of examples, in many cases may only be solved when addressing the question of whether the embodiment is equivalent to what is described in the patent.

The principle of equivalence extends the scope of protection of a patent beyond the literal wording of the patent, if the person skilled in the art, having general technical knowledge and considering the state of art of priority date, is able to identify the exchanged features of the embodiment without any inventive efforts. The Supreme Court established a three-step system for the assessment of a patent infringement by equivalent means.

- a) Equal effect: Whether the problem of the patent can be solved by means which are modified but identical in effect.
- b) Obviousness: Whether the person skilled in the art, having knowledge of the state of the art at a priority date, is able to find the embodiment as an obvious solution to the problem revealed in the patent.
- c) Equal Value/Equivalence: Whether the considerations which are necessary for the person skilled in the art in order to find the modified but equally effective means, are so far oriented to the meaning of the technical teaching of the patented invention in such a way that the person skilled in the art has to consider the modified means as solving the problem equivalently.

All three prerequisites have to be fulfilled cumulatively.

1.13 Other than lack of novelty and inventive step, what are the grounds for invalidity of a patent?

According to section 48 of the Austrian Patent Act, reasons for invalidity include:

- the subject of the patent was not patentable under sections 1 to 3 (e.g. lack of industrial application, computer programmes as such, the human body, processes of cloning a human body, etc.);
- the patent insufficiently discloses the invention to be carried out by an expert;
- the subject of the patent reaches beyond the content of its original application; or
- the biological material deposited has not been permanently accessible.

The Nullity Division of the Austrian Patent Office is exclusively competent for invalidating an Austrian patent.

1.14 Are infringement proceedings stayed pending resolution of validity in another court or the Patent Office?

See the answer to question 1.3.

1.15 What other grounds of defence can be raised in addition to non-infringement or invalidity?

The defendant may, for example, argue:

- to have the “prior use right” which means that they have been using the patented invention in good faith at the time of filing of the patent;
- to have an “intermediary use right” of having manufactured the patented products until the date of publication of the patent application, such actual products may be put on the market, offered for sale or used even after grant of the patent;
- to have been authorised to use the patented invention, e.g. by licence agreement;
- that the rights conferred by the patent regarding a specific product have been exhausted by placing the product on the market by the patent holder or with the consent of the patent holder within the EEA market; or
- that if an equivalent embodiment is regarded as patent infringement that this embodiment constitutes state of the art at a priority date (the so-called “*Formstein*-objection”).

1.16 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

Both are available.

(i) Preliminary injunctions

According to section 151b of the Patent Act, preliminary measures can be issued pertaining to safeguard cease-and-desist claims (preliminary injunctions), claims for removal, monetary claims and accounting, securing both the claim as such or the preservation of evidence. Preliminary injunctions and preliminary measures securing claims for removal may be issued under preferred conditions specified in section 381 of the Austrian Code of Enforcement (*Exekutionsordnung, EO*), i.e. the applicant does not have to certify any endangerment of the claim or irreparable harm.

The applicant has to provide reasonable evidence (not full proof) of the valid patent right and the (imminent) infringement. Only readily available evidence is permitted (no appointment of court experts). Affidavits are permissible and common. The argument of nullity of a patent is permissible, and the court has to make a preliminary assessment on its own (no suspension to await outcome in Patent Office proceedings).

Preliminary injunctions may be ordered without hearing the adversary if an irreparable damage can be expected or there is a risk of losing evidence while awaiting the final decision of the court. However, this is rarely applied by the courts; usually the other party has the opportunity to submit a reply brief.

(ii) Final injunctions

(Permanent) Injunctions (cease-and-desist orders) are rendered in the main proceedings following preliminary proceedings. Conditions for this claim are a) that an infringement has taken place or is imminent, and b) that danger of recurrence or occurrence exists. Danger of recurrence is legally presumed if a single infringement has taken place.

1.17 On what basis are damages or an account of profits estimated?

According to section 150 of the Patent Act, the injured party (patent holder or licensee) is entitled to the following monetary remedies:

- Adequate remuneration
- The patent owner is entitled to receive an appropriate licence fee (the so-called “Licence Analogy”). The evaluation of the

appropriate licence fee depends on several factors (e.g. severity of losses, duration of the trademark infringement, sales of the infringer by using the trademark) and has to be evaluated on a case-by-case basis. Even if the patent owner had not granted a licence, the infringer would have to pay an appropriate fee (no proof of causality is required).

- In case of culpable infringement, instead of an adequate remuneration, the claimant may claim:
 - Damages, including lost profits

The calculation of damages is based on the so-called “Differential Method”. The difference between the financial status of the patent owner and a situation where the infringing action occurred will be compared with one where no patent violation has occurred. The damages might either result in a decline in sales (lost profits) or the non-achievement of a licence fee (“Licence Analogy”). The patent owner may also request receipt of an appropriate licence fee (the amount does not depend on the actual profit yielded by the infringer).
 - Profits gained by the infringer

Like the claim for damages, the claim surrendering the profits depends on the infringer’s liability. A claim related to the release of the profits is rarely chosen because the infringer’s account often shows remarkably low profits.
- In case of gross negligence or fault, the patent owner is entitled to punitive damages (twice the amount of the actual damages) irrespective of the proof of any damages.

The above-mentioned claims are competing and may, therefore (with the exception of immaterial damages), not be accumulated.

- Appropriate compensation for damages other than financial losses (immaterial damages), even if the infringer acted with only ordinary negligence.

1.18 What other form of relief can be obtained for patent infringement?

The entitled person may claim for:

- Injunctive relief.
- Removal of the channels of commerce/destruction.
- Accounting.
- Payment – see the answer to question 1.17.
- Publication of an advantageous judgment.
- Information on the source of the supplier.

Finally, wilful patent infringement constitutes a criminal offence (section 159 of the Patent Act, private prosecution).

1.19 Are declarations available and if so can they address (i) non-infringement and/or (ii) claim coverage over a technical standard or hypothetical activity?

Declaratory proceedings are provided by section 163 of the Patent Act. The Patent Office is competent. While positive declarations – i.e. whether an object or the process described by the applicant is covered either completely or partly by the patent – are applied by the patentee or exclusive licensee, negative declaration petitions – requesting whether the object or the process described is not covered either completely or partly by the patent – may be applied by any third party, having any (not necessarily a legal) interest. Please see the answer to question 1.8 (iii) concerning the interest for declaratory proceedings.

Declaratory proceedings for identifying claim coverage over a technical standard or hypothetical activity is not provided under Austrian law.

Apart from the regulations within the Patent Act, the Code of Civil Procedure provides for declaratory judgments rendered by Civil Courts, in case a claimant has a legal interest in any such judgment. Recently, the Supreme Court clarified one of the questions of the relationship between such declaratory judgments and declaratory decisions rendered by the Patent Office: A declaratory motion for non-infringement is not permissible if the arguments of the plaintiff could be raised in nullity proceedings with the Patent Office (in the given case the plaintiff argued that the SPC in suit would “*have a term equalling zero*”).

1.20 After what period is a claim for patent infringement time-barred?

Pursuant to section 154 of the Austrian Patent Act, all monetary claims and claims for rendering of accounts and information of sources of suppliers are time-barred after a period of three years counted from the entitled person’s knowledge of a damage having occurred and the person of the infringer. The lapse of the period is interrupted by bringing a civil action for rendering accounts or a declaratory petition with the Patent Office.

The limitation of the injunction claim is not specifically addressed in the Patent Act; parts of the legal literature consider three years as appropriate, which has been confirmed by a single decision of the Supreme Court. This limitation rarely becomes relevant, because as long as the infringing status persists, the limitation cannot lapse.

1.21 Is there a right of appeal from a first instance judgment and if so is it a right to contest all aspects of the judgment?

The court of appeal for decisions of the Commercial Court is the Higher Regional Court of Vienna. It is prohibited to introduce new facts and evidence after closure of proceedings with the Commercial Court. Decisions of the Regional Higher Court can be appealed to the Supreme Court. Such appeal at the Supreme Court is only permissible if the decision depends on a question of high legal relevance (which is preliminarily assessed by the Higher Court of Vienna, and finally by the Supreme Court itself). Please see the answer to question 1.1.

1.22 What are the typical costs of proceedings to first instance judgment on (i) infringement and (ii) validity; how much of such costs are recoverable from the losing party?

- (i) Infringement Actions:

Court fees are calculated according to the amount in dispute, which is determined by the plaintiff (if a certain amount of money isn’t claimed) and are staggered up to an amount of EUR 6,615 in the first instance, EUR 9,728 in the second instance and EUR 12,971 in the third instance for an amount in dispute of maximum EUR 350,000. Beyond this amount in dispute, court fees are charged according to percentage rates. In the first instance 1.2% of the amount in dispute is charged plus EUR 2,525, in the second instance 1.8% plus EUR 3,620, and in the third instance 2.4% plus EUR 4,827. The plaintiff has to pay the court fees when bringing the court action. Such fees are subject to reimbursement in case of success in court.

Legal Costs: According to the Austrian Code of Civil Procedure every party has to bear its own cost for the

proceedings. In the case of success, costs are reimbursed to the successful party subject to the Attorneys' Tariffs Fee Regulation. These costs do not necessarily cover all incurred expenses, but only legal fees based on the Regulation, which determines standard rates of remuneration for proceedings. The reimbursed costs usually therefore do not correspond to real fees billed to the client.

(ii) Patent Office Proceedings:

Office fees: Proceedings with the Nullity Division trigger fees in the amount of EUR 700. According to fee item 13a letter 3 of the Austrian Court Fees Act (*Gerichtsgebührengesetz, GGG*) fees for appeals to the Higher Court of Vienna (*Oberlandesgericht Wien*) against decisions of the Nullity Division are EUR 680. Decisions of the Higher Court of Vienna have to be challenged at the Austrian Supreme Court. The fees for submissions to the Supreme Court amount to EUR 1,000 (fee item 13a letter 4 of the Austrian Court Fees Act).

On the other hand, appeals against decisions of the Legal Division and the Technical Division cause fees in the amount of EUR 355 (without hearing the opposite party), or EUR 505 (with hearing the opposite party). These proceedings also take place at the Higher Court of Vienna. For appeals to the Supreme Court against such decisions, a fee of EUR 680 is payable (fee item 13a letter 1 and 2 of the Austrian Court Fees Act).

(iii) Legal Costs:

See (i) above.

1.23 For countries within the European Union: What steps are being taken in your country towards ratification, implementation and participation in the Unitary Patent Regulation (EU Regulation No. 1257/2012) and the Agreement on a Unified Patent Court? For countries outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your country?

Austria was the first Member State of the European Union to ratify the Unitary Patent Regulation and the Agreement on a Unified Patent Court. This occurred on August 6, 2013, followed by France, Sweden and Belgium. The Agreements have to be ratified by 13 other Member States (including, France, Germany and the UK) to enter into force.

2 Patent Amendment

2.1 Can a patent be amended *ex parte* after grant and if so how?

Subsequent to the grant of a patent, a proprietor may only waive his rights to the patent in whole or in part (section 46 of the Patent Act). The Patent Office is competent. The requirement for a partial waiver is that the patent, with regard to the remaining parts, constitutes a subject-matter of an independent patent.

Apart from these, the Patent Act does not provide for limitation/amendment proceedings, such as Art 105a of the EPC.

2.2 Can a patent be amended in *inter partes* revocation proceedings?

A patent can also be nullified in part if the requirements for nullification apply to a part of the patent. See the answer to question 2.1.

According to a recent line of Supreme Court decisions it is also possible to base an infringement action on a limited modification of a patent (e.g. if the patent owner itself fears that the granted version could be vulnerable to cancellation), even if formal withdrawal proceedings have not been initiated with the Patent Office, insofar as the limitation only narrows the scope of the patent.

2.3 Are there any constraints upon the amendments that may be made?

Please see the answers to questions 2.1 and 2.2 above.

3 Licensing

3.1 Are there any laws which limit the terms upon which parties may agree a patent licence?

The Patent Act does not provide regulations for restrictions concerning the limitations of patent licence agreements. Certainly, the term of any such licence agreement has to comply with the relevant EU and Austrian competition laws (e.g. regarding post patent-term licensing).

3.2 Can a patent be the subject of a compulsory licence and if so how are the terms settled and how common is this type of licence?

Yes, according to section 36 of the Patent Act, compulsory licences are available under specific circumstances for (i) dependent inventions, (ii) non-use of a patented invention, and (iii) public interests. The requirements are in line with the respective TRIPs requirement. If the person entitled refuses to grant a licence, although the applicant of the licence has made efforts to obtain the licence within a reasonable period of time on reasonable conditions, the Patent Office shall decide upon request. The scope and duration of the licence has to be directed predominantly for the supply of the domestic market and limited to the purpose requiring the licence (section 37 of the Patent Act).

In practice, we are not aware of a compulsory licence having been granted in Austria.

4 Patent Term Extension

4.1 Can the term of a patent be extended and if so (i) on what grounds and (ii) for how long?

According to section 28 of the Patent Act, the maximum term of patent protection is 20 years from the filing of the patent application.

In European Union Member Countries Supplementary Protection Certificates (SPC, based on EEC SPC Regulation and Pediatric SPC Regulation) grant an additional patent term of up to five years from the expiration of the term of protection of the basic patent for pharmaceutical and plant protection products. Also the pediatric extension for another six months is available.

5 Patent Prosecution and Opposition

5.1 Are all types of subject matter patentable and if not what types are excluded?

Pursuant to section 1, paragraph 1 of the Patent Act, patents shall be granted for inventions which are new, are not obvious from the state of art to a person skilled in the art and are susceptible to industrial application. Biotechnology inventions are also protectable.

According to section 1 paragraph 3 of the Patent Act, the following are not regarded as inventions and hence do not fulfil the requirements of a patentable invention:

- discoveries, scientific theories and mathematical methods;
- the human body in each state of its development and evolution;
- the mere discovery of parts of the human body, including DNA sequences or parts hereof;
- aesthetic creations;
- schemes, rules and methods for performing mental acts, for playing games or for doing business and programmes for computers; and
- presentations of information.

Additionally, patents will not be granted for (section 2 of the Austrian Patent Act):

- Inventions, the publication or exploitation of which would be contrary to “*ordre public*” or morality. The following inventions are explicitly excluded from patent protection as they are defined as contrary to morality:
 - cloning of human beings;
 - changing-processes regarding genetic identities of germlines of human beings;
 - the use of human embryos;
 - production and utilisation of hybrid beings, which result from totipotent cells or cell nuclei of human beings or animals; and
 - processes changing the genetic identity of animals which are capable of causing suffering of these animals without essential medical benefit for human beings or animals, as well as animals that are created by means of such processes.
- Methods for treatment of humans or animals by surgery or therapy and diagnostic methods practised on humans or animals. These exceptions shall not apply to substances for the use in such processes.

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents? If so, what are the consequences of failure to comply with the duty?

Under Austrian law the Patent Office has no duty to disclose prejudicial prior disclosures or documents.

5.3 May the grant of a patent by the Patent Office be opposed by a third party and if so when can this be done?

Yes, within four months of the date of the publication of the patent grant, any third party may file oppositions according to section 102 of the Patent Act based on:

- the subject matter of the patent not being patentable according to section 1 to 3 of the Patent Act;
- the invention not being sufficiently disclosed in the patent specification;

- the subject matter of the patent exceeding the content of the patent application as initially filed; or
- the deposited biological material not being permanently available (except for specific carve-outs stipulated in section 102 of the Patent Act).

5.4 Is there a right of appeal from a decision of the Patent Office and if so to whom?

With the Patent and Trademark Amendment 2014 the appellate instances in patent matters have recently changed in Austria. The aforementioned amendment entered into force on January 1, 2014. The Supreme Patent and Trademark Senate was dissolved in the course of a general restructuring of the appellate administrative authorities. Therefore, all decisions of the Patent Office can only be appealed at the Higher Court of Vienna (*Oberlandesgericht, Wien*), instituting appellate stages from an administrative body to a court. Such an appellate stage was only made possible by changing Art 94 paragraph 2 of the Federal Constitutional Law (*B-VG, Bundesverfassungsgesetz*). The decision of the Higher Court of Vienna may be appealed with the Austrian Supreme Court.

According to sections 138 and 141 of the Patent Act the appellate instances are as follows:

- Decisions of the Technical Division and the Legal Division of the Patent Office regarding refusal to grant a patent or in opposition proceedings may be appealed to the Higher Court of Vienna. In such proceedings the Austrian Non-Contentious Proceedings Act (*Außerstreitgesetz*) with certain exceptions is applicable (section 139 of the Patent Act).
- Also decisions of the Nullity Division of the Patent Office in revocation, nullity or lack of title and declaratory proceedings may be appealed to the Higher Court of Vienna. However, in such cases the Austrian Code of Civil Procedure with few exceptions applies (section 141 paragraph 2 of the Patent Act).
- Decisions of the Higher Court of Vienna may be appealed at the Austrian Supreme Court. The appeal is only permissible if the decision depends on a question of high legal relevance and the value of the dispute exceeds a certain amount.

5.5 How are disputes over entitlement to priority and ownership of the invention resolved?

According to section 49 of the Patent Act a patentee can be declared as having a lack of title if they are not entitled to the grant of the patent or if the essence of the application has been taken out of a third person’s descriptions, drawings, etc. Instead, the applicant can request for assignment of the patent to themselves if their claim is allowed.

The owner of a patent with an earlier priority date may apply to the Patent Office for a declaration that the commercial use of an invention protected by a younger patent entails the full or partial use of the earlier invention.

5.6 Is there a “grace period” in your country and if so how long is it?

Generally, there is no grace period for patent applications in Austria.

A patent can only be filed when it is a “new invention”. An invention is defined as “new” when it is not state-of-the-art. State of the art includes everything that was available to the public before the filing date, even other patent applications which are not published yet (section 3 paragraph 1 of the Patent Act).

The novelty can be “destroyed” by everybody with or without the knowledge and the consent of the inventor. However, there are two exceptions (section 3 paragraph 4 of the Patent Act): Novelty is not destroyed when the disclosure is because:

- of an evident abuse with disadvantage for the applicant or his predecessor; or
- the applicant or his legal predecessor has exhibited the invention at an official or officially recognised exhibition within the meaning of the Convention relating to international exhibitions signed in Paris on 22nd November 1928.

In these cases the patent application can be filed within six months after the public knows about the invention.

5.7 What is the term of a patent?

The maximum term of protection is 20 years from the filing of the application (section 28 of the Patent Act).

6 Border Control Measures

6.1 Is there any mechanism for seizing or preventing the importation of infringing products and if so how quickly are such measures resolved?

Since January 1, 2014 the Regulation (EU) 608/2013 of the European Parliament and of the Council concerning customs enforcement of intellectual property rights repealed Council Regulation (EC) 1383/2003 (Product Piracy Regulation). Therefore, in Austria the new Regulation together with the Austrian Product Piracy Act 2004 lays down measures to protect the European Market from goods infringing intellectual property rights. Customs authorities are authorised to effect border seizures when goods are suspected of infringing any IP rights.

Patent infringing goods fall within the scope of the Product Piracy Regulation and therefore in Austria border measures may be applied for patent protected goods. However, the actual number of any such border measure applications is far lower than for trademark protected goods, mostly for the obvious reason that patent infringement in most cases cannot be detected by a simple inspection of goods in the course of customs controls.

Austrian customs authorities very swiftly reply to border measure applications and are effective in seizure activity. The competent authority in Austria is the custom office Klagenfurt/Villach. However, only one national application and one Union application may be submitted per Member State for the same intellectual right.

7 Antitrust Law and Inequitable Conduct

7.1 Can antitrust law be deployed to prevent relief for patent infringement being granted?

Pertaining to the Austrian competition laws, in particular one of the leading cases, *AstraZeneca*, the misuse of a patent may constitute an infringement of European Antitrust Law and Austrian competition laws. Simplifying somewhat, whenever the subject matter of the patent right is exceeded, misuse under competition laws might be given.

7.2 What limitations are put on patent licensing due to antitrust law?

EU competition laws and Austrian competition laws apply. Article 101 of the Treaty on the Functioning of the European Union

(TFEU) bans anticompetitive agreements and practices. The former TTBER expired on April 30, 2014. Therefore, the European Commission has stipulated new competition regulations for the assessment of technology transfer agreements.

This technology transfer block exemption regulation and its guidelines exclude specific licensing agreements which fulfil certain conditions. According to these regulations patent licenses between competitors are exempted, if their market shares do not exceed 20 per cent. Between non-competitors the limit of market share should not exceed 30 per cent. Agreements which are in line with these requirements are deemed to have no anticompetitive impact.

As far as is evident, there have been no Supreme Court decisions on the antitrust defence arguments of potential infringers as defendants against market-leader patent holders as claimants in patent infringement proceedings (according to the German Federal Court decision “*Orange Book*”).

8 Current Developments

8.1 What have been the significant developments in relation to patents in the last year?

As already mentioned in question 5.4 there has been a change of appellate instances in Austria. The reason for these modifications was the entire amendment of the administrative jurisdiction (*Verwaltungsgerichtsbarkeits-Novelle 2012*). The innovations entered into force on January 1, 2014.

Among other things, the Supreme Patent and Trademark Senate (the appellate body for trademark and patent filings and nullity/cancellation motions) was dissolved. Now appeals against the decision of the Austrian Patent Office have to be filed with the Higher Court of Vienna (*Oberlandesgericht Wien*). This decision may be appealed with the Supreme Court as the final instance instead of the former Supreme Patent and Trademark Senate.

In the procedure before the Higher Court of Vienna the parties may be represented by a patent agent, an attorney or a notary. But in proceedings before the Supreme Court only attorneys are entitled to represent the parties.

8.2 Are there any significant developments expected in the next year?

No amendment of patent laws is intended.

8.3 Are there any general practice or enforcement trends that have become apparent in Austria over the last year or so?

Until spring 2012 the Austrian Patent Office had implemented a new online research programme called “elvis” for a no-charge quick search and “see.ip” for paid searches. For using “elvis” the user had to know the registration number or application number of the patent. It was no longer possible to search by patent holder name – this required a paid search.

Even though “elvis” does not exist anymore, the users can use “see.ip” partially freely. It is (again) possible to search with the name of the patent holder and not only with the registration or application number. Payment is only due for requesting a full patent register report of a patent.

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Established in 1990, Fiebinger Polak Leon Attorneys-at-Law is one of the leading Austrian business law firms, based in Vienna. The firm's emphasis is on international business transactions; Fiebinger Polak Leon Attorneys-at-Law has vast experience in assisting multinational clients in Austria and Eastern Europe and is regularly chosen by large Austrian companies for its ventures abroad.

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