

Patent enforcement in Norway

Norway has to be factored into any pan-Scandinavian patenting strategy, although the country will probably not become a member of the European Patent Convention until the end of 2007

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Following two referendums, Norway is still not a member of the European Union and membership is currently not on the agenda. Although the Norwegian Patent Act has to a large extent been harmonised with the European Patent Convention (EPC), Norway has still not joined the EPC. This has over the years largely been due to the controversial issue of patent protection for biotechnology inventions, a bar no longer present. The government decided in early 2006 that Norway should join the EPC by no later than the end of 2007, and, after a hearing in 2006, Parliament is likely to decide upon the government proposal before the end of 2006 or very early in 2007.

In order to obtain patent protection in Norway, national filing through Convention or non-Convention application or via the PCT is therefore necessary at present. Designation of Norway via the EPC/European patent is not yet possible.

With its stable and strong economy, wide variety of industries, oil and gas installations, and hydro-electric power, Norway has proved to be a country in which foreign companies wish to obtain patent protection.

Approximately 5,000 to 5,500 patent applications of foreign origin are filed each year, most of them through the PCT system.

Compared with countries belonging to the EPC, Norway is not all that different when it comes to enforcement of patent rights. Notably, marking on products or brochures is not mandatory. Normally, an infringer is initially warned through a warning letter and if an amicable settlement is not

reached, a preliminary injunction or regular infringement suit may be filed.

A court in a patent suit normally has one professional judge and two appointed lay judges, the lay judges being familiar with patent rights and in most cases also with the technical art of the patent at issue. However, lay judges are not mandatory.

An appointed Norwegian lawyer (attorney at law) normally represents the patentee. Further, the patentee or other representative of the patentee, as well as any opposing party or its representative, may also be present in the courtroom. As a lawyer is not expected to be an expert on the invention in question, the patent attorney who processed the patent application will normally assist the lawyer prior to and during court proceedings. Further, the lawyer of the opposing party may be assisted by a patent attorney.

The role of the Oslo District Court

Invalidation suits (which, in many cases, defendants file as a countermeasure) must be dealt with at the Oslo District Court. Both the lawyer representing the defendant and the lawyer representing the plaintiff cross-examine witnesses, as do the professional judge and any appointed lay judges. Preliminary proceedings are based on established facts, such as proof of infringement or harmful prior art. Oral and written evidence from experts is normal.

If the defendant, through a separate suit for invalidation, counteracts a suit for claimed infringement, the invalidation issue will be dealt with first. If the infringement suit has been brought before any court other than the Oslo District Court, both suits are normally then moved to Oslo in order to save time and expenses. A precondition for

requesting consolidation of court proceedings is normally that the plaintiff or the defendant is the same person or legal entity in both cases. Evidence and arguments in writing must be provided at the time a petition for a suit is filed, although further documentation may be filed up to the point at which oral proceedings take place. The opposing party has a right to consider the evidence before the oral proceedings. In the oral proceedings, witnesses may present evidence in support of either claim.

Pre-trial discovery is permitted, provided it can be carried out in a legal manner. A common procedure is to let the plaintiff and defendant agree on a neutral person or entity that will carry out the discovery operation. The alternative is to obtain a court order for discovery prior to the main oral proceedings.

Doctrine of equivalents applied

Courts generally refrain from judging the wording of claims in a restrictive manner. However, if a patent states that the claimed subject matter is technically equivalent to some other solution, and this other solution is proved to be prior art, then the validity of the patent may be in jeopardy. Furthermore, if the patentee during prosecution of a patent application indicates in writing to the Patent Office how the novelty and inventive step of the invention are to be understood, such statement cannot later be reversed in court, in particular if it limits the scope of the invention as claimed. Thus, if claims are narrowed during the prosecution in order to let a patent issue, the patentee cannot later claim a broader interpretation of the granted claims. The basis for claiming equivalence or alternatives is normally found in the patent specification, and if the patentee has not suggested alternatives or equivalents, the court may rely entirely on the specification and drawings when judging the scope of the claims. Consideration must be given to what the patentee in an objective sense intended to protect and arguments are made in that respect.

Some types of patent, for example those relating to biotech, may be harder to enforce in litigation because they often require expert witnesses and also expert lay judges, as the art is complex and difficult to understand. Enforcement in this context is primarily related to the substantial efforts of providing and explaining evidence, and how the prior art and the invention work, all in a manner that the court readily understands. As soon as a court ruling is made,

enforcement is straightforward. In certain cases, infringement of method patents may be difficult to prove, unless it is fairly evident that there is no other way to arrive at the end result. In such case, pre-trial discovery may be required.

Influence of foreign judgments

It seems that the Norwegian courts are not necessarily persuaded by decisions of courts in other countries. Foreign court decisions must be presented merely as facts along with other exhibits, and the court may choose to rely on such an exhibit to some extent or not at all. Further, the outcome of proceedings or even opposition proceedings at patent offices in other countries, and prior art relied upon thereat, in particular prior art not revealed in the Norwegian patent case, may have some bearing on how the court may look at the claims in a Norwegian patent, especially if the claims in such foreign patent are substantially different from, or in particular more restricted than, the claims in the Norwegian patent.

Reasoning given by foreign courts that have handed down decisions in similar cases may be considered by a Norwegian court if a copy of a foreign court ruling is an exhibit, but the court may simply choose not to rely upon it, in particular if witnesses or other statements made in the court proceedings indicate some doubt as to the quality of the reasoning. Also, if arguments other than those in the foreign case are presented in the Norwegian case, the foreign reasoning may be considered irrelevant.

From a tactical point of view, a defendant might seek to delay a case from going to trial, mostly through asking for extensions of the reply term due to, for example, illness of the defendant or his lawyer, presentation of further defence material, additional time to collect evidence or objection to the court selection of lay judges. The plaintiff may counter such tactics if it can be proved that infringement is still ongoing, the plaintiff is suffering substantial economic or market losses as a result thereof, or the additional evidence presented by the defendant does not support supplementary arguments.

Once both the plaintiff and the defendant have had the opportunity to present claims, evidence and counter-arguments, the court will set the date for oral proceedings.

Preliminary injunctions available

Preliminary injunctions are generally available at any district court and a suit for preliminary injunction must be filed with

sufficient evidence. Normally, both parties may have to provide an economic guarantee against damage if it is proved through a subsequent regular suit that the claim for a preliminary injunction was unjustified and has caused substantial damages to one party. A decision made by such preliminary injunction court may be appealed. Normally, however, a conventional infringement suit follows instead.

Approximately one to two years normally elapse between the filing of a suit at first instance (in a city court or district court) and the issue of a ruling. Unless public interests are potentially affected, it is hard to expedite a ruling. However, in district courts outside Oslo, if an invalidation suit does not accompany the infringement suit, the commencement of oral court proceedings may take less time, depending on the court's backlog. Within reasonable time after the suit is filed, a date for oral court proceedings is set. This effectively requires the defendant and the plaintiff to present arguments in writing as efficiently as possible and in good time before the oral court proceedings.

An adverse decision at first instance may be appealed to the High Court. Recent indications are that in order to do this, the alleged damages in question must be above a certain level (a figure of Euros 20,000 has been mentioned in this regard). The defeated party may claim that, for example: the decision at first instance is wrong for particular reasons; important issues have not been considered or have been considered incorrectly by the court; damages awarded are out of step with reality; the court has not fully understood the invention or the prior art cited by the defendant; evidence presented has not been relied upon; or the court processed the suit inappropriately. An appeal will add at least one and a half to two years to the case, depending on the caseload of the court at the time.

High costs

Unfortunately, processing a suit is expensive, even according to Norwegian standards, and seldom costs less than NOK 160,000 (approximately Euros 20,000); figures of NOK 300,000 to NOK 600,000 (Euros 39,000 to Euros 58,000), and even higher, are commonplace.

If a party loses the case entirely, it will normally have to bear the costs of the other party, including prosecution charges, court charges, witness expenses etc, in addition

to any damages awarded by the court.

Further, if the plaintiff is unsuccessful, it may also risk losing its patent rights through an invalidity suit ruling. However, there are cases where the patent is held valid, but the court nonetheless rules no infringement. In cases where the losing party must meet the costs of the winning party, the court is free to reduce the costs if these are considered disproportionate.

Available remedies

The court may prohibit the defendant from working the invention and/or specify a sum to be payable within a set term to cover damages and expenses. As a rule, the profits that the defendant has gained by violating the patent rights must be surrendered. Also, damages may be awarded in an amount to be specified at the discretion of the court and in addition to any claims by the plaintiff.

Many disputes are, however, resolved by the parties without a court ruling, and the judge has an obligation to urge the parties to compromise. If an attempt at compromise fails, a claim for compulsory licence may be made (this is rare in practice), provided the conditions of the Patents Act are met. Either the Oslo District Court or the Norwegian Competition Authority will consider issues relating to a claim for compulsory licence. Alternatively, the patentee may consider offering a licence or cross-licensing in cases where the defendant possesses patent(s) of interest. Another option is to consider a joint venture with the defendant. The attorney of record will normally advise on the available options, which depend on prevailing conditions, the status and reputation of the defendant, and the economic situation of the defendant.

In some cases the Act on Marketing Control (which replaced the old Unfair Competition Act) is applied in addition to, or instead of, a claim for patent infringement, and the Act provides for remedies related to unfair competition. Copyright (unregistered) may under some circumstances be applied. If the dispute relates to an article, a registered design may be useful (EU registered designs are not enforceable in Norway). Finally, the Patents Act provides for the administrative re-examination of an issued patent at the request of the patentee. If the patentee holds a Norwegian patent that is considered to have been infringed, and essential foreign corresponding patents are more restrictive in view of identical or other prior art, the

patentee may be well advised to request re-examination before considering filing suit, in order to avoid the patent being declared invalid in a suit. Although re-examination may lead to the patent having a narrower scope, it will still be easier to enforce.

Much to be gained

In summary, much is to be gained from obtaining a patent in Norway: the Patent Office's substantive examination is professional and all professional patent attorneys have a university degree from a technical university. Although translation of an application into Norwegian is mandatory, processing charges are normally low and allowance of a corresponding EPC application often triggers allowance of the Norwegian application.