Enforcing patents in the Czech Republic

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1. What options are open to a European patent holder, whose rights cover your jurisdiction, when seeking to enforce its rights in your jurisdiction?

According to Article 35c of Czech Act No 527/1991 Coll on Inventions and Rationalisation Proposals (hereinafter referred to as the Patent Act), a European patent has the same effects as a patent granted by the Czech Patent Office in accordance with the Patent Act. The owner of a European patent therefore has the exclusive right to use the invention, to authorise others to use the invention or to assign the patent to others. According to Article 4 of the new Act 221/2006 Coll on Enforcement of Intellectual Property Rights, in case of infringement of patent rights, the owner of the patent has the right to apply to the court for an order prohibiting the infringement or the impending infringement, and to ask for the consequences of the infringement to be remedied; the owner of the patent may also claim appropriate satisfaction, including monetary recompense. The right to claim the surrender of unjustified enrichment and to claim damages shall not be affected. It is also possible to apply to the court to issue a preliminary injunction against an infringer ordering immediate cessation of the infringement, an option which is a fast and effective measure.

2. Does your jurisdiction have specialist patent courts? If not, what level of expertise can a patent owner expect from the courts?

There are no special patent courts in the Czech Republic. However, according to Article 6 of the Act on Enforcement of IP Rights, the City Court in Prague shall decide all IP infringement cases – including cases involving patent infringement. As the new regulation on the enforcement of all IP rights became effective only in May 2006, the City Court judges do not yet have high levels of expertise.

3. Is it possible to cross-examine witnesses at trial? How far are proceedings based on written evidence? Are there restrictions on the use of evidence from experts?

Litigation is based on written evidence supported by witness statements. Witnesses may be cross-examined by the other party at trial. There are no restrictions on the use of evidence from experts. IP infringement proceedings are so-called concentrated proceedings, which means that all evidence has to be submitted or at least proposed within the first hearing. The judge has to consider all evidence (including witness statements) proposed by each party in the litigation and give reasons for its rejection.

4. Are infringement and invalidity dealt with simultaneously? What level of proof is necessary to demonstrate one or the other?

Courts deal with any infringement of patent rights and its consequences. On the other hand, only the Patent Office decides on revocation (invalidity) of a patent. It is very usual that in case of infringement of patent rights the defendant files a request for revocation of the patent; the court may then suspend infringement proceedings until the Patent Office decides on the revocation request.

To succeed in infringement proceedings the patent owner should submit at least one direct piece of evidence proving the fact that the defendant's activity infringes the patent – for example, any expert opinion comparing the defendant's product with the product protected by the patent.

In invalidation proceedings before the Patent Office, the plaintiff has to prove that:

(a) the invention does not meet the conditions of patentability (novelty, inventive step, industrial application); (b) the invention is not disclosed in the patent so clearly and completely that it can be worked by a person skilled in the art; and (c) the subject matter of the patent extends beyond the content of the invention application as filed, or the subject matter of the patent granted on the divisional application extends beyond the content of the invention application as filed, or that the extent of the protection arising from the patent has been extended. The evidence in invalidity proceedings therefore consists of quoting a number of registered patents, books, dictionaries and prior art in general.

5. To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted?

There is no pre-trial discovery under Czech law. Evidence or documents are discovered before the judge during the hearing.

6. To what extent does any doctrine of equivalents apply in an infringement action?

Czech courts hesitate to apply a doctrine of equivalents in an infringement action based on patent rights. The doctrine of equivalents is applied in infringement actions based on unfair competition provisions of the Czech Commercial Code. The argument based on patent rights is therefore often combined with argument based on unfair competition provisions.

7. Are there certain types of patent right that may be granted by the EPO – biotech or computer software-related, for example – that are more difficult to enforce than others?

Software-related, biotech and pharmaceutical patents are usually more difficult to enforce than technical patents, because it is more difficult to prove infringement by comparing the solution used by the defendant and the solution protected by the patent. This applies also to patented methods of manufacturing.

8. To what extent are courts willing to consider, or bound by, the opinions and decisions of other courts that have dealt with similar cases?

The courts are bound primarily by the wording of the law. After the accession of the Czech Republic to the EU, European law is part of Czech law and must be applied by Czech courts. In general, decisions or opinions of other courts are not binding on the Czech courts, except preliminary rulings of the ECJ in particular cases and rulings of the Constitutional Court. However, decisions and opinions of other courts (and especially higher courts, ie, high courts and the Supreme Court) in similar cases are very often taken into account when the court has to decide an identical or similar matter. This practice helps courts to establish consistent interpretation and application of the law.

9. To what extent are courts willing to consider the reasoning given by foreign courts that have handed down decisions in similar cases?

Czech courts generally do not like to consider decisions or reasoning given by foreign courts, except certain rulings of the ECJ (see above). If, however, the foreign legislation is identical or similar to the Czech law and the reasoning of a foreign court is persuasive, it can influence the approach of a Czech court.

10. What options are open to a defendant seeking to delay a case? How can a plaintiff counter delaying tactics?

In patent infringement actions, the defendant may file a revocation request with the Patent Office, which may substantially protract the case. If the court decides to suspend the case until the Patent Office rules on the revocation request, the plaintiff's position is difficult. The defendant may also request the court to ask the ECJ for a preliminary ruling in cases where a provision of EU law is applicable. The plaintiff is authorised to object to this request. Long-lasting litigations and trials are a major problem for Czech courts. Preliminary injunctions may be a good solution for the plaintiff until the final decision is issued.

11. How available are preliminary injunctions and how do you get them?

Preliminary injunctions are fast and effective protective measures. The court has to decide on the request for preliminary injunction within seven days of the date of filing. According to the amended Article 75b of the Czech Civil Procedure Code, the plaintiff has to deposit a security in the amount of CZK 50,000 – and in commercial matters (ie, also in cases of patent infringement and unfair competition actions) CZK 100,000 (approximately Euros 3,000) – at the latest on the same day on which it files the request for the issuance of a preliminary injunction with the court. This security serves the purpose of securing compensation for damage or other harm that could be caused by the preliminary injunction if the final decision goes against the plaintiff.

12. How long does it take to get a decision at first instance? Is it possible to expedite this process?

It takes approximately one to one and a half years to get a decision at first instance. There is scant possibility of expediting the process.

13. What avenues for appeal are open to the defeated party in a first instance case? What criteria are there for granting an appeal? How long does the appeal process take?

The defeated party in patent infringement proceedings may appeal the first instance decision to the High Court within 15 days of the date of the delivery of the first instance decision. There are two high courts in the Czech Republic: in Prague and in Olomouc. The defeated party may appeal the whole decision or only a part of it. It is not possible to appeal only the reasoning behind the decision. An appeal may be based only on certain circumstances stated in Article 205 (2) of the Civil Procedure Code, for example: the conditions of the proceedings were not met; the decision was issued by a first instance court that was not materially competent; the decision of the first instance court was issued by an excluded judge (assessor) or the first instance court was composed incorrectly; the first instance court did not take account of the facts asserted by the appellant or of the evidence identified by it; or, although the requirements for appeal stated by the Civil Procedure Code were not met, the procedure was affected by another defect that could have caused an incorrect decision on the merits of the case. Appellate proceedings are regulated by Articles 201 to 226 of the Civil Procedure Code.

The appeal process takes one and a half to two years.

14. To take a case through to a first instance decision, what level of cost should a party to a litigation expect to incur?

The costs of first instance proceedings depend on the complexity of the matter. It usually takes at least 20 hours of a lawyer's time to take a case through to a first instance decision. The level of cost increases where an expert opinion is drafted and submitted to the court. Court fees may be considerably high, especially if extensive damages are requested.

15. Who can represent parties in court?

According to Article 24 of the Civil Procedure Code, any party may choose a representative to represent it in the proceedings. There is no compulsory representation required before the first and second instance courts generally. The patent owner may defend its rights personally. Parties may be represented by any individual, by an attorney at law, by a notary public and, except in appeals, also by a patent attorney. Representation by an IP litigation specialist is recommended, however.

16. What remedies are available for infringement and how are these typically applied? Are punitive damages available and in what circumstances?

For remedies in case of patent infringement please see the answer to question 1. The remedy called appropriate satisfaction can be considered as equivalent to punitive damages. It is intended to indemnify the aggrieved party for any harm which cannot be calculated by direct damages.

17. Are there any realistic alternatives to litigation in cases relating to patent disputes?

At the moment there is no alternative to litigation in case of patent infringement. If the parties do not conclude an out-of-court settlement or settlement before the court, only litigation can secure the enforcement of rights.