

Austria



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1. What are the most effective ways for a European patent holder whose rights cover your jurisdiction to enforce its rights in your jurisdiction?

In civil matters, actions and requests for interim injunctions based on alleged infringement may be brought exclusively before the Vienna Commercial Court. Jurisdiction in criminal matters rests with the Vienna Provincial Court for Criminal Matters. Furthermore, a patent holder may apply to Austrian Customs for seizure of any infringing goods when they are imported into Austria, as part of the European Economic Area, for the first time; thereafter, a court action may be commenced.

A patent or supplementary protection certificate (SPC) holder or its exclusive licensee may apply to the Nullity Department of the Austrian Patent Office for a declaratory decision against anybody that allegedly infringes the patent or SPC. Declaratory proceedings may be launched even in case of the mere intention to take such steps. Furthermore, the owner of a senior patent may apply to the Nullity Department for a decree that the commercial use of a junior patent entails the full or partial use of its invention. Moreover, the holder of a senior patent or SPC, or any third party, may file an opposition against a junior patent application or nullification proceedings against a junior patent based on lack of novelty and/or inventiveness. In the course of a universal amendment of the administrative jurisdiction, discussions are ongoing as to whether the competence of the Nullity Department should be passed to the Vienna Commercial Court from January 1 2014.

2. What level of expertise can a patent owner expect from the courts in your jurisdiction?

As any infringement proceedings must be launched before a single court, it may be assumed that the judges have specialist experience. In civil matters the first instance court consists of two professional judges and one expert, usually a patent attorney. One of the professional judges is the chairperson. It is also common for the court to appoint an expert whose opinion is taken into account.

3. How do your country's courts deal with validity and infringement? Are they handled together or separately?

The civil court rules on infringement only. If the defendant objects to the validity of the patent or SPC, the proceedings will be interrupted so that it can file a nullification action with the Austrian Patent Office or, in case of a European patent that has been in force for less than nine months, an opposition with the European Patent Office. Upon a final, uncontestable decision on the patent's validity, the court action will continue. However, if the competence of the Nullity Department is passed to the Vienna Commercial Court, validity and infringement will be handled together.

4. To what extent is cross-examination of witnesses permitted during proceedings?

The court proceedings are oral, direct and open to the public. The court must rule based on the evaluation of evidence (ie, documents, private expert opinions, court expert opinions, witness testimony). In the course of the oral hearings, which may be preceded by several preparatory writs, the case is discussed and cross-examined.

5. What role can and do expert witnesses play in proceedings?

The opinion provided by the court-appointed expert helps the court to understand the matter. However, private expert opinions submitted by all parties must be considered.

6. Is pre-trial discovery permitted? If so, to what extent?

Unlike, for example, the United States, Austria has no discovery system. However, the defendant must assist in providing evidence if the plaintiff has difficulties in proving the facts. If a request for a preliminary injunction has been issued alongside infringement proceedings, this request may be directed to securing not only the claim itself, but also measures for preserving evidence. Such a preliminary injunction may be ordered without hearing the defendant if a delay might result in irreparable damage to the plaintiff or if there is a risk that evidence will be destroyed.

Either during or outside of an infringement suit, any party which has suffered infringement of a right granted to it by the patent may request information about the origin and distribution channels of the infringing goods or services. The request for information must be directed either to the infringer itself or to any person that has dealt directly or indirectly with the infringing goods or services. If necessary, the request may be followed by legal action.

In criminal proceedings the infringer's premises may be searched for evidence to be seized.

7. Do the courts in your jurisdiction apply a doctrine of equivalents?

Two types of equivalent are distinguished: those that are still covered by the scope of the patent (so-called 'technical equivalents') and those that are already beyond the scope of the patent (ie, patentable or inventive equivalents). A mere technical equivalent (ie, where just some features have been exchanged without altering the subject of the invention and lying within the knowledge of a person skilled in the art at the priority date of the patent) is covered by the scope of protection granted by the patent and therefore constitutes an infringement. On the contrary, an inventive

equivalent is not regarded as infringement.

8. Are certain patent rights (eg, those relating to business methods, software and biotechnology) more difficult to enforce than others?

There exist some measures that are, as such, not regarded by law as inventions, including discoveries, scientific theories, mathematical methods, aesthetic creations, schemes, rules and methods for performing mental acts and computer programs. However, all of these measures are patentable, provided that they are directed to or combined with technical features. If the plaintiff is the holder of a patent combining such mental features with technical features, the defendant may argue that the patent actually covers, for example, a business method or a piece of software, and thus either should never have been granted or should be regarded as ineffective. Such patents are therefore sometimes difficult to enforce. The same may hold true for biological patents, because there exist some restrictions to patentability of biological matters on which a defendant may rely.

9. How far are the courts bound by previous decisions in cases that have covered similar issues?

Case law is unknown in Austria – courts are bound only by statutory law. However, courts may choose to cite related previous decisions. If one of the parties refers to a previous decision, the court must deal with it in its reasoning; failure to do so may give rise to a complaint or appeal.

10. Are there any restrictions on whom parties can select to represent them in a dispute?

Before the courts, parties must be represented by an attorney at law or a notary public. In patent matters the representatives may be accompanied by patent attorneys. Before the Austrian Patent Office or the Supreme Patent and Trademark Board, there is no statutory requirement for representation provided that the party is based in the European Economic Area or in Switzerland. However, before these authorities, a party is usually represented by a patent attorney rather than an attorney

at law or a notary public. Due to a universal amendment of the administrative jurisdiction, the Supreme Patent and Trademark Board will be dissolved as of January 1 2014. Its competence is likely to be passed to the Vienna Upper Provincial Court, in the course of which the parties may be represented by a patent attorney as previously.

11. Are courts willing to consider the reasoning of courts in other jurisdictions that have dealt with similar cases?

Decisions of courts in other jurisdictions are not binding on the Austrian courts. However, if one of the parties cites such a case, the court must refer to it in its statement of grounds.

12. How easy is it for defendants to delay proceedings and how can plaintiffs prevent them from doing so?

In proceedings before the court each party has the opportunity to submit requests for extension of terms or postponement of hearings. If such a request is filed by both parties, it is usually granted. If such a request is filed by the defendant with due grounds for consideration, it will also be granted.

Otherwise, especially upon a counter-request by the plaintiff, any request for delay will be rejected. In case of nullification proceedings in the course of interruption of infringement proceedings, the parties cannot request a delay because such proceedings are accelerated. In regular nullification proceedings or an action for a declaratory decision, several extensions of terms may be granted on request. After a while, such requests by the defendant will be granted only with the plaintiff's consent.

13. Is it possible to obtain preliminary injunctions? If so, under what circumstances can this be done?

Preliminary injunctions may be requested together with the demand for a judgment in infringement proceedings, even if no risk is proven.

14. How much should a litigant plan to pay to take a case through to decision at first instance?

The costs of a patent attorney assessing an infringement before litigation may range from

€4,000 to €12,000. The costs for infringement proceedings depend on the value in dispute, which has a statutory minimum of €36,000. The overall costs for a patent holder until a first instance decision regarding a preliminary injunction range from €9,000 to €22,000. Until a first judgment regarding a permanent injunction, the costs range from €9,000 to €42,000. However, these figures reflect only a range of costs and may be higher in complicated matters.

15. Is it possible for the successful party in a case to obtain costs from the losing party?

The losing party must refund the costs of the proceedings and representation to the winning party. However, the refund is calculated on basis of statutory law, so it will not cover all of the winning party's costs.

16. What are the typical remedies granted to a successful plaintiff by the courts?

The remedies granted to a successful plaintiff encompass interim or permanent injunctions, destruction of infringing goods, drawing up of accounts and publication of the decision or judgment, as well as monetary remedies depending on the type of infringement. In case of mere unauthorised use of a patent, the plaintiff may demand appropriate monetary compensation, or double that compensation if the infringement was based on gross negligence or intent. In case of wilful patent infringement, the plaintiff may demand damages instead of appropriate monetary compensation, including the profits which it has lost or surrender of the profits gained by the defendant from the infringement. Disadvantages suffered as a result of wilful patent infringement, but not leading to monetary loss may also be claimed.

17. How are damages awards calculated? Is it possible to receive punitive damages?

The appropriate monetary compensation is usually calculated based on equivalent licence fees. The profits realised by the defendant are calculated on the basis of the defendant's accounts. However, in most cases the monetary remedy consists of double the usual licence fee because, in general, the plaintiff

does not want to publish the profits it has lost. Punitive damages are not available in civil court proceedings, although publication of the judgment in several newspapers or magazines, which is usually very costly, is regarded as a form of punitive damages. In criminal patent infringement matters the infringer may be fined up to 360 times the daily rate of calculating fines or, in case of a professional infringement, sentenced to imprisonment of up to two years. As a private participant to the criminal case, the patent holder may also claim compensation, which may be regarded as punitive damages.

18. How common is it for courts to grant permanent injunctions to successful plaintiffs, and under what circumstances will they do this?

The first claim of a plaintiff in infringement proceedings is generally for discontinuance of the infringement. When a claim is successful the court must order a permanent injunction. However, in cases in which the infringed patent has already lapsed, so that the plaintiff's request will be directed to monetary remedies only (eg, compensation, damages), the court will primarily order, in case of proven infringement, the drawing up of accounts. It will also rule on the liquidated demand of the plaintiff.

19. How long does it take to obtain a decision at first instance, and is it possible to expedite this process?

In main proceedings (ie, those directed towards a permanent injunction), a judgment might take several years. Provisional proceedings (which are usually launched by the plaintiff together with the main proceedings and are directed towards an interim injunction) usually lead to a first instance decision after several months to one year. There are few ways to expedite this process, because even in provisional proceedings there is usually at least one oral hearing, which may be postponed for different reasons (eg, at the defendant's request).

20. Under what circumstances will the losing party in a first instance case be granted the right to appeal? How long does an appeal typically take?

The losing party at first instance may appeal to the court of second instance (ie, the Vienna Upper Provincial Court). The second instance judgment must then contain a decision on whether an ordinary (regular) revision to the Supreme Court is admissible. Even if it is not admissible, the losing party might file an extraordinary revision, which need not be accepted by the Supreme Court, but rather may be rejected before trial. The timeframe for an appeal or revision is around two years for each.

A first instance decision (of the Nullity Department) in nullification proceedings launched after the interruption of court proceedings takes around 18 months. Such decision may be appealed to the Supreme Patent and Trademark Board, whose final decision will take a similar time.

21. Are parties obliged to undertake any type of mediation/arbitration prior to bringing a case before the courts? Is alternative dispute resolution a realistic alternative to litigation?

There is no obligation to undertake mediation and/or arbitration before going to court. However, it is usual to try to settle the problem by negotiations. On the other hand, it is important for a patent holder to send a cease and desist letter to an infringer before launching a suit, because from receipt of such letter, patent infringement is regarded as wilful, which affects monetary remedies in infringement proceedings. In general, alternative dispute resolution (ADR) is not a realistic alternative to litigation because it is not usually prearranged between a patent holder and an infringer. Moreover, ADR decisions do not exclude an eventual court case.

22. In broad terms, how pro-patentee are the courts in your jurisdiction?

The court is obliged to decide only on the preliminary questions of whether the patent is or was valid and whether it is or was effective against the plaintiff (eg, in case of a claimed right of prior use). The question of meritorious validity is to be solved by the Nullity Department in a nullification action. Given a valid patent, it is the court's task to decide whether infringement occurred, whereby the scope of protection is defined

by the patent claims, supported, if necessary, by the description and drawings, if available. Mere technical but not inventive equivalents are to be regarded as falling under the scope of the patent. In light of the above-mentioned criteria, it is not possible to state whether the courts are pro-patentee. If the Nullity Department's competence is passed to the Vienna Commercial Court in January 2014, it will have to decide on questions of validity as well as of infringement.

23. Has your jurisdiction signed up to the London Agreement on Translations? If not, how likely is it to do so?

To date, Austria has not signed the London Agreement. A legal amendment in 2009 cancelled the relevant passages of the law referring to translations into German of European patents issued in English or French. The amendment will come into force along with Austrian ratification of the London Agreement, and will have effect only on European patents granted after that date. At present, it appears that ratification has been postponed for several years.

24. Are there any other issues relating to the enforcement system in your country that you would like to raise?

The Austrian Product Piracy Act strengthens the position of rights holders, in addition to the EU Regulation on Customs Action against Goods Suspected of Infringing Certain IP Rights. Goods seized by Customs on a granted application for action will be destroyed with the consent of the rights holder, provided that the importer (and alleged infringer) does not file an opposition within 10 days. Even if a rights holder has not applied for a customs action, its Austrian representative (eg. patent attorney) will be informed by Customs if goods are to be imported which clearly infringe an IP right. **iam**

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