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Patent enforcement in Europe

A country-by-country overview



European Patent Academy

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All references to natural persons are to be understood as applying to all genders.

Additional references

For further information on patent litigation regimes (both administrative and civil procedures) across the 38 EPC contracting states, the publication “Patent litigation in Europe” is available at www.epo.org/litigation-MS.

For further information on compulsory licensing, the publication “Compulsory licensing in Europe” (www.epo.org/compulsory-licensing) provides a country-by-country overview of compulsory licensing regimes across the 38 EPC contracting states including possible grounds for grant, procedural framework and jurisprudence.

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Introduction

Intellectual property law is an area that has been a pioneer for cross-border agreements and co-operation. In Europe, the European Patent Convention (EPC) created the legal framework for a single, harmonised patent granting procedure for the European patent. However, once granted, European patents have to be enforced before national courts and other authorities.

In 1994, for the first time on an international level, the TRIPS Agreement provided for enforcement procedures that right holders could rely upon to protect their IP rights.

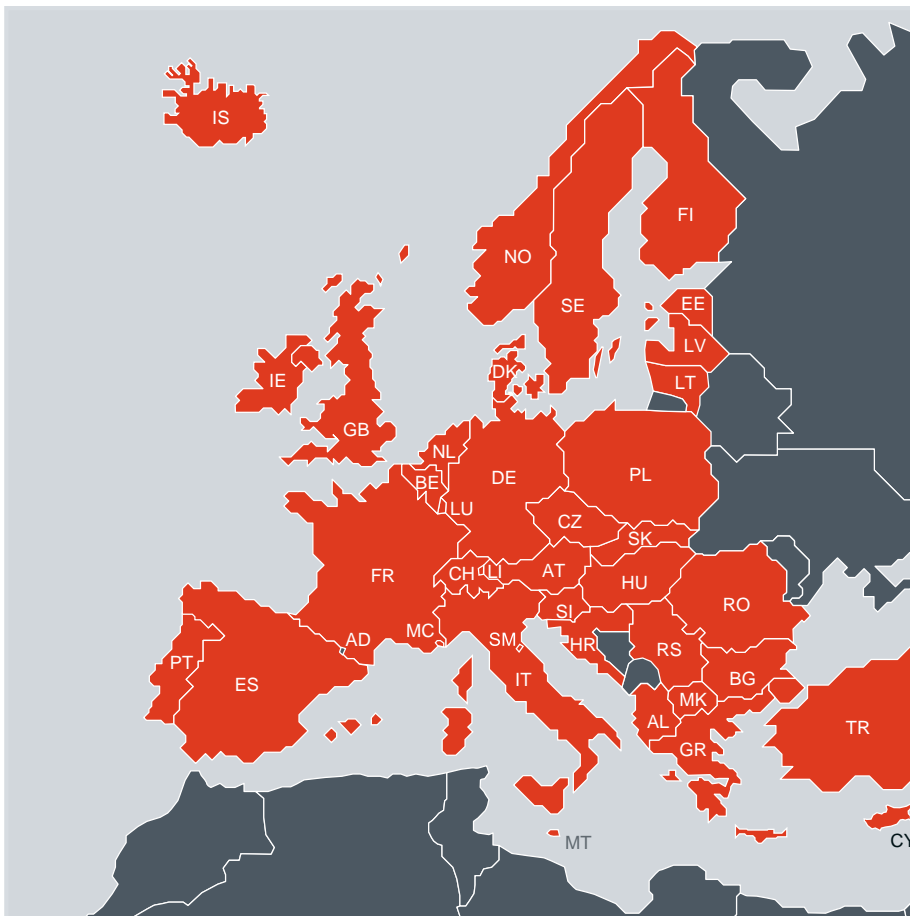
The EU took a further step in harmonising standards and adopted the Directive 2004/48/EC on the enforcement of intellectual property rights (Enforcement Directive), which seeks to approximate the legislation of EU member states to ensure a minimum, homogeneous level of protection within the internal market and strengthen the enforcement of intellectual property rights. However, despite the common rules of the TRIPS Agreement and the transposition of the Enforcement Directive into national legislations, the manner

in which the enforcement of patent rights remains subject to national procedures and vary across the continent.

In 2013, the Agreement on the Unified Patent Court (UPCA) was signed and for the first time provides an international civil court which will allow harmonised enforcement of European patents and future Unitary Patents. Decisions of the Court will, according to Article 82(3) UPCA be enforced in the same way as a decision of a national court or authority of the UPCA contracting state where the enforcement takes place.

In the interests of promoting harmonisation and knowledge exchange in patent enforcement and litigation practices the European Patent Academy, together with authors from all over Europe, has compiled this book to offer a comprehensive reference and guide to the measures available to protect patent rights across the 38 EPC contracting states, as well as the relevant national procedures to enforce them.

European Patent Academy



EPC contracting states (2019)

List of abbreviations

ED	Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (Enforcement Directive)
EPC	Convention on the Grant of European Patents (European Patent Convention) of 5 October 1973 as revised
EPO	European Patent Office
EU	European Union
EU Regulation 608/2013	Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights
TRIPS	Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994).
UPC	Unified Patent Court
UPC Agreement	Agreement on a Unified Patent Court

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Methodology and structure

In order to produce comprehensive country profiles that could easily be compared, a questionnaire was drafted and submitted to one (in some cases, two) attorneys-at-law practising in the field of patent or IP litigation. The European Patent Lawyers' Association (EPLAW) provided and co-ordinated the contributors from the countries of their membership, whilst the European Patent Academy did so for the other EPC countries.

The measures available for the enforcement of patents vary widely across the EPC's contracting states and over 70% of the EPC's contracting states are also member states of the European Union. Therefore the questionnaire was modelled following the order of the measures provided for in the EU Enforcement Directive (see Annex). A description of further measures available not covered by the Enforcement Directive was also requested.

The responses were then edited into a harmonised structure applicable to all countries. Each country profile contains the following information:

I Evidence

- Title of the order
- Basic procedural framework
- Provision of evidence by third parties
- Assessment of evidence in support of the application
- Protection of confidential information
- Non-compliance with an order
- Appeal/review
- Admissibility of evidence
- Legal basis and case law

II Measures for preserving evidence

- Titles of the orders
- Further available measures
- Basic procedural framework
- *Ex parte* requests
- Protection available to defendant
- Period to initiate proceedings on the merits
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- Persons obliged to provide information
- Types of information to be provided
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- Title(s) of the order(s)
- Basic procedural framework
- Factors considered by the court
- Recurring penalty payments
- Provisional and precautionary measures against intermediaries
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- Protections available to the defendant
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- Appeal/review
- Legal basis and case law

XII Additional options

- Other available options in [country]
- Non-compliance with an order
- Legal basis and case law

Albania

I Evidence

Title of the order

Provat (evidence)¹

Basic procedural framework

The Tirana District Court² is the competent judicial authority to issue such an evidence order.

The order is issued in the main proceedings on the merits, but the claimant must specify the evidence that he intends to request at the moment of filing the lawsuit with the court.

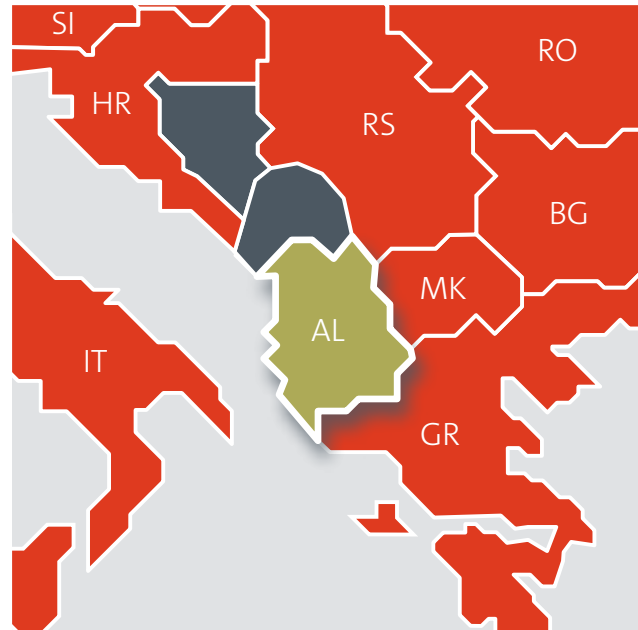
During main proceedings on the merits, it is the court (a judge or a panel of judges in the main proceedings) that is responsible for enforcing the order.

Provision of evidence by third parties

Upon application by a party, the court may order a third party to present specific evidence which is in his control. Such an order is issued in the main proceedings on the merits. Again, the claimant must specify the evidence he requests to be taken from the plaintiff and/or third party at the moment of filing the lawsuit with the court.

Assessment of evidence in support of the application

“Reasonably available evidence” (as referred to in Art. 6.1 ED) sufficient to support claimant’s claims constitutes all evidence in the possession of the defendant relating to the patent in suit, such as contracts entered into between the defendant and another person with regard to the patent, any other communication on the same subject, etc.



An official extract received from or issued by the Albanian General Directorate of Industrial Property proving title to the patent in suit is also required to be submitted to the court, along with a statement explaining the reasons for the request for evidence and its location. Furthermore, the claimant should also submit other documents that will enable the court to decide that the claimant’s right has been infringed or there is a real possibility that such an infringement will happen.

Protection of confidential information

The protection of confidential information is ensured by the court based on the provisions of Law No. 9887/2008 “On the protection of personal data”, as amended, and the circumstances of the case. The processing of personal data must be carried out in accordance with the provisions of Law No. 9887/2008.

¹ Arts. 186(1) and (2) of Law No. 9947/2008 is the direct implementation of Arts 6.1 and 6.2 ED in Albania.

² Article 348 CCP provides that all disputes deriving from patents, trade marks, designs and any other rights arising out of the industrial property, are tried by the section of commercial disputes within the Tirana District Court of First Instance in accordance with the rules set out in the CCP.

General note: Arts. 184 et seq. Law No. 9947/2008 (hereinafter Law No. 9947) implement the ED, while legal procedures implementing the Law No. 9947 are provided for by the CCP as per any other civil dispute before the court. Law No. 9947 provides rules and procedures concerning the consideration of infringement of industrial property rights by internal bodies of the GDIP, such as the Chamber of Examination, Chamber of Cancellation/Invalidation, Board of Appeal. It also provides rules and procedures for the courts when they consider cases relating to infringement of those rights. Law No. 9947 directs the courts to apply the CCP rules and procedures when considering specific issues.

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Non-compliance with an order

The competent authority is the judge hearing the case or the presiding judge if the case is heard by a panel of judges.

Non-compliance with the order is assessed by the court during the proceedings. Specific procedures have not been provided by the Code of Civil Procedure (hereinafter CCP) in this respect.

If a party or his legal representative does not comply with a judge's order, the judge or the court, as the case may be, may impose a fine of 50 000 to 100 000³ Albanian *lek* (ALL) on that person.

When a party which is either an opposing party or a third party to court proceedings does not comply with a court order to submit a document or object in his possession, the court may impose a fine of 50 000 to 100 000 ALL on either of them.

The obstruction of or failure to comply with a court decision also constitutes a criminal offence and according to Art. 34 Criminal Code is punishable by fine between ALL 50 000 (EUR 400) to ALL 3 000 000 (EUR 23 880) or imprisonment of up to two years. The Criminal Court of Tirana is the competent authority.

Appeal/review

The order for submitting evidence may be appealed to the Tirana Court of Appeal, but only together with the decision at first instance (Tirana District Court). This order may be appealed if the defendant claims that the evidence requested is not relevant to the subject matter of the lawsuit or is not sufficient to establish infringement. Of course, the defendant must present evidence to support the appeal.

The order may be appealed within 15 days from the day after receipt of the written and reasoned decision of the court.

Admissibility of evidence

Any evidence obtained in criminal, administrative or other civil proceedings in Albania is admissible in civil proceedings, provided that the evidence is relevant to the subject matter of the latter.

Similarly, evidence obtained in proceedings before a court of another country is admissible in civil proceedings before an Albanian national court if the evidence relates to the claims of the parties or subject matter of the lawsuit of the judicial case. This evidence must be translated into the Albanian language and it must be duly certified (by a notary and with an apostille).

Legal basis and case law

Article 186 Law No. 9947/2008, dated 07.07.2008 "On Industrial Property" (as amended) (hereinafter Law No. 9947)

Provisions in the Code of Civil Procedure directly relating to Art. 186 Law No. 9947, providing the procedures and rules regarding evidence orders during court proceedings: *Hartimi i padisë* (Art. 154(2)(c)); *Mosbindja e urdhrat të kryetarit të seancës* (Art. 168); *Zgjidhja e kërkesave të palëve* (Art. 183); *Lejimi i provave* (Art. 213); *Marrja e provave të tretët* (Art. 223)

II Measures for preserving evidence

Titles of the orders

Masat e përkohshme (temporary measures)
Sigurimi i provës (preservation of evidence)

Further available measures

Art. 187(2)(c) Law No. 9947 provides no measures other than those mentioned in Art. 7.1 ED.

Basic procedural framework

The Tirana District Court is competent to issue an order for the preservation of evidence.

The CCP provides that the court may order the preservation of evidence if:

- the evidence is essential for the solution or clarification of an issue; and
- there is a risk that the evidence may disappear or may be difficult to acquire.

³ approx. EUR 400 to EUR 800

Such orders are issued in separate proceedings before proceedings on the merits are initiated. According to the Code of Civil Procedure and Article 187(4) Law No. 9947, when ordering the preservation of evidence as described above, the court sets the time limit, on a case by case basis, for the lawsuit on the merits of the infringement case to be submitted by the person who requested the temporary measures.

The bailiff's service is responsible for the enforcement of the order.

The court makes its decision on a case-by-case basis, but Art. 187(1) Law No. 9947 requires that the measure may be ordered if the claimant:

- a) is the right holder;
- b) submits documents to the court proving the right has been infringed or there is a real likelihood that such an infringement will happen;
- c) requests this measure without unjustified delay after learning of the infringement.

Ex parte requests

The court may order temporary measures without hearing the other party, especially when a delay might cause irreparable harm to the right holder, or lead to the destruction of evidence (Art. 187(3) Law No. 9947). To issue such an order *ex parte*, the level of evidence required is high.

The defendant must be notified of the measures adopted without delay, at the latest immediately after the measures have been executed. A review, including a right to be heard, takes place upon request of the defendant. This review will decide (within a reasonable period of time after notification of the adopted measures) whether those measures shall be modified, revoked or confirmed.

Protection available to defendant

The court will determine the amount and type of security (as referred to in Art. 7.2 ED) based on the damage that might be incurred by the defendant as a result of the issuance of the order (Art. 187(6) Law No. 9947).

If the order is revoked, lapses or become invalid because of an act or omission of the claimant, the court will upon the request of the defendant order the claimant to provide the defendant appropriate compensation for any damage

caused, according to the rules of the CCP (Art. 187(7) Law No. 9947). In setting appropriate compensation, the court must take into account:

- any actual damage;
- lost profit incurred by the injured party;
- moral damage;
- damage to goodwill or reputation;
- necessary expenses, including judicial expenses, incurred by the injured party.

Period to initiate proceedings on the merits

When ordering temporary measures, the court will set a time limit, in accordance with the rules laid down in the CCP, for the claimant to initiate main infringement proceedings (Art. 187(4) Law No. 9947).

Witness identity protection

Law No. 9947 does not contain any specific applicable measures for the protection of witness' identity, but only provides:

“the processing of personal data, for the purpose of implementation of this law, must be carried out in accordance with the provisions of the applicable law for the protection of the personal data” (Article 185/a).

Non-compliance with an order

The Tirana District Court is competent authority in case of non-compliance. The bailiff's service is responsible for the enforcement of the order.

The obstruction or failure to enforce a court order constitutes a criminal offence and is punishable by fine of up to ALL 3 000 000 (EUR 23 880) or imprisonment of up to two years. The Tirana Criminal Court is the competent authority.

Appeal/review

The court's order for a provisional measure to preserve evidence may be appealed to the Tirana Court of Appeal within 15 days of receipt of the written and reasoned decision of the court.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Article 187(2) Law No. 9947
Articles 292 to 296 Code of Civil Procedure

III Right of information

Title of the order

E drejta e informacionit (right of information)

Persons obliged to provide information

The persons listed in Art. 185(1) Law No. 9947 are identical to those listed in Art. 8.1 ED.

Types of information to be provided

The information to be provided according to Art. 185(2) Law No. 9947 is identical to the information listed in Art. 8.2 ED.

Competent authority

The Tirana District Court.

Non-compliance with an order

Non-compliance with an information order is assessed by the Tirana District Court during main infringement proceedings. Specific procedures have not been provided by the CCP in this respect.

If any person⁴ involved in the proceedings does not comply with a judge's order, the judge or the court, as the case may be, may impose a fine of 50 000 to 100 000 ALL on that person.

In addition, any written document may be attacked as being false by any interested party. This would be for the prosecution service to pursue, and if falsification is proven, the defendant may face up to three years' imprisonment.

Appeal/review

The order for the provision of information may be appealed to the Tirana Court of Appeal together with the decision at first instance. The appellant must prove that the information was not relevant to the infringement proceedings.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Article 185 Law No. 9947
Articles 168, 183, 223, 231, 237, 264, 265 and 270 Code of Civil Procedure

IV Provisional and precautionary measures

Titles of the orders

Masat e përkohshme (temporary measures)

Basic procedural framework

The Tirana District Court is competent to issue orders for temporary measures. The court may, pursuant to Art. 187(2) Law No. 9947:

- order the prohibition of an imminent infringement or one that has begun;
- prohibit the entry of allegedly infringing goods into the channels of commerce;
- confiscate or remove from circulation or take under safe-keeping, for the duration of proceedings, the allegedly infringing objects;

⁴ The defendant, his lawyer or any third party

- in the case of alleged infringement on a commercial scale, and subject to the claimant demonstrating circumstances likely to endanger the recovery of damages, order the precautionary seizure of movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets.

In general, such orders are issued in separate proceedings before proceedings on the merits are initiated. However, these measures may be also issued during the main proceedings on the merits.

The court determines a time limit of not more than 15 days within which infringement proceedings on the merits must be initiated (Art. 187(4) Law No. 9947). The orders are enforced by the bailiff's service.

Factors considered by the court

The court will issue precautionary orders where there are reasons to suspect that the execution of a decision for the protection of the claimant's rights will be impossible or difficult.

According to Art. 187(1) Law No. 9947, the claimant must:

- prove to be the owner of the industrial property right;
- submit documents to the court proving that his right has been infringed or that there is a real likelihood that an infringement will happen;
- request the temporary measures without unjustified delay after he has learned of the infringement occurred.

Recurring penalty payments

Recurring penalty payments are not foreseen in the legislation in case of continuation of the infringement. The obstruction or failure to enforce a temporary order constitutes a criminal offence and is punishable by fine of up to ALL 3 000 000 (EUR 23 880) or imprisonment of up to two years. The Tirana Criminal Court is the competent authority.

Provisional and precautionary measures against intermediaries

Provisional measures may be issued against an intermediary whose services are being used by a third party to infringe a right (Art. 187(5) Law No. 9947).

Circumstances justifying an order for precautionary seizure

Art. 187(2)(d) Law No. 9947 provides for the possibility of the court to issue an order for precautionary seizure if the claimant demonstrates circumstances likely to endanger the recovery of damages. The courts will evaluate the circumstances on a case-by-case basis.

Assessment of required evidence

What constitutes a sufficient degree of certainty (as referred to in Art. 9.3 ED) is decided on a case-by-case basis. However, the court must be satisfied with regard to the factors set out above (see "Factors considered by the court" above).

Conditions justifying *ex parte* order

What are "appropriate cases" for an *ex parte* order (as referred to in Art. 9.4 ED) are decided on a case-by-case basis, but can generally be considered to include those situations when any delay might cause irreparable harm to the owner of the right or lead to the destruction of evidence.

What constitutes "irreparable harm" (as referred to in Art. 9.4 ED), is provided for in Art. 187(3) Law No. 9947. It may include any and all immediate damage that might be caused to the claimant as result of non-issuance of the court order on temporary measures, such as the sale of the infringing products/goods in the internal market by the infringer or the unauthorised use and illegal profits gained by the infringer as result of the illegal activity.

See also Part II "*Ex parte* requests".

Protections available to the defendant

The issuance of temporary measures is subject to the lodging of adequate security or an equivalent assurance by the claimant intended to compensate for any damage/prejudice suffered by the defendant. Under the Code of Civil Procedure, the court may require a lawsuit to be secured by one or a combination of different types of the security measures. In any event, the security amount should not be larger than the amount claimed in the lawsuit.

See also Part II "Protection available to the defendant".

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

The court decision for provisional or precautionary measures may be appealed to the Tirana Court of Appeal within five days from the day of receipt of the written and reasoned decision of the court.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Article 187 Law No. 9947
Articles 202-212 CCP

V Corrective measures

Titles of the orders

Procedurat në rast shkeljeje (procedures for the infringement of rights)

Ndalimi/blokimi nga qarkullimi civil (prohibition/blocking the civil circulation);

Heqja nga qarkullimi civil (removal from civil circulation)

Shkatërrimi (destruction)

Other available measures in Albania

The publication of the final court decision in the public media at the expenses of the infringer in the manner defined by the court. For further details on this, see below Part X “Publication of judicial decisions”.

Basic procedural framework

The Tirana District Court is competent to issue the order in main proceedings on the merits. The bailiff’s service is responsible for enforcing the court’s decision.

The claimant must initiate infringement proceedings within three years from the date when he becomes aware of the alleged infringement and of the identity of the alleged infringer. The right holder may file a request for:

- the prohibition of the commission of further infringing acts (see Part VI Injunctions below);
- the removal or seizure of objects that constitute an infringement of the rights from the channels of commerce or the destruction thereof;
- the removal or seizure of the means used exclusively or almost exclusively for the creation or manufacturing of products that constitute infringement and the destruction thereof;
- the publication of the final court decision in the public media at the expenses of the infringer in the manner defined by the court.

The applicant may ask for the abovementioned measures in parallel.

“Particular reasons” (as referred to in Art. 10.2 ED) not to carry out the measures at the expense of the defendant are not defined in Albanian law, but based on practice. Economic factors remain the principal reason for the court’s decisions. For example, if the defendant is unable to carry out the measures financially, the court may approve a request of the claimant (and only if the claimant specifically requests it) to destroy the infringing products at his own expense.

In specific circumstances, the State Inspectorate for Market Supervision may also be involved if so requested by the claimant. The State Inspectorate may be involved in the removal of goods from the channels of commerce only. However, the patent owner must file a lawsuit for patent infringement with the Tirana District Court within 20 business days following the notification of said measure by the State Inspectorate for Market Supervision.

Assessment of proportionality for ordering remedies

The court shall issue the order for removal and seizure of infringing products the means for creation of those products and their destruction, at the expense of the defendant, except where there are reasons to rule otherwise (Art. 184/b(2) Law No. 9947). The court will order the execution of the measures at the expense of the defendant, except when there are special reasons to rule otherwise. When exercising its discretion in ordering these measures, the court will consider the proportionality between the seriousness of the infringement and the ordered remedies as well as the interests of third parties.

Evidence of destruction

In case of destruction, a written report is made by the bailiff's service in the presence of both parties and/or their representatives. The bailiff's service is the entity that destroys the infringing goods as a result of the court order, and when the claimant bears the costs for doing so.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

The court decision for corrective measures may be appealed to the Tirana Court of Appeal within 15 days of receipt of the written and reasoned decision of the court.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Article 184/b Law No. 9947

VI Injunctions

Title of the order

Ndalimi i kryerjes së akteve të mëtejshme cënuesë (prohibition of the commission of further infringing acts)

Basic procedural framework

An injunction following a judicial decision is not expressly provided for in the Albanian legislation. However, Art. 184/b Law No. 9947 provides for "the prohibition of the commission of further infringing acts" which may be requested by the claimant.

Under Article 451/a CCP, the court decision is binding for all parties, courts and any other state and private institutions, as well as intermediaries. Failure to comply with, obstruct or fail to enforce such a decision can be punished criminally. In this sense, the final court decision by its very nature is an injunction. It can be enforced directly or through the bailiff's officers, public or private.

Injunctions against intermediaries

See "Basic procedural framework" above.

Compulsory licence as a defence

It is possible to bring forward aspects justifying the grant of compulsory licence as a defence in infringement proceedings. In such case, unless a specific court decision granting a compulsory licence is in force, the concerned person should file a counterclaim seeking to obtain it.

Court's discretion if finding of infringement

If infringement is established by the court, further activities constituting infringement will be discontinued due to the nature of court decisions in Albania.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

Permanent injunctions as provided for in the ED are not expressly provided for in the Albanian legislation. However, an appeal against the finding of infringement may be filed to the Tirana Court of Appeal within 15 days of receipt of the written and reasoned decision of the court.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Not expressly provided for by Albanian legislation.

VII Alternative measures

"Alternative measures" (as referred to in Art. 12 ED) are not provided for in the Albanian legislation.

VIII Damages

Calculation methods available in Albania

Both the calculation methods indicated in Art. 13.1(a) and (b) ED are available in Albania under Article 184/c Law No. 9947.

Basic procedural framework

The determination of the amount of damages ordered for the successful party is part of the main patent infringement proceedings.

Methods of calculation

The successful party may choose between the different calculation methods to determine damages and argue that the court should accept the chosen method. The court however has discretion to decide which calculation method will be applied to determine damages. The court may also mix and match different calculation methods to determine damages.

There have been no patent infringement cases before the Tirana District Court to date.

Generally, the Albanian courts calculate damages by taking into account negative economic consequences together with any relevant non-economic factors (Art. 184/c(1) Law No. 9947).

Article 184/c(2) Law No. 9947 allows the court to decide compensation for the damage by calculating sums that would have been due if the defendant had asked for authorisation to use the IP right concerned, including all royalties and service fees which would potentially have been paid to the claimant if there had been a licensing agreement for such use.

Evidence of lack of knowledge

This is not provided for in Albanian legislation.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

The decision of the court of first instance may be appealed to the Tirana Court of Appeal. The period for appeal is within 15 days from the day after receipt of the written and reasoned decision of the court.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Article 184/c Law No. 9947
Articles 640, 644 and 647/a of the Civil Code

IX Legal costs

Overview of assessment of costs

There are no specific legal provisions in Albanian legislation as what constitutes “reasonable and proportionate legal costs” as referred to in Art. 14 ED. In general, legal costs are awarded on a fixed-rate scheme. If the court finds that the legal fees incurred are not reasonable and proportionate, it may decide that the successful party shall be compensated in part by the unsuccessful party based on the national rules governing minimum costs of attorney tariffs.

“Legal costs and other expenses” include:

- the official fee (i.e. the standard judicial fee imposed by law),
- other court expenses (e.g. tax fees, mail fees and/or expert fees if an IP expert is appointed by the court to determine the nature of infringement and/or to estimate the damage caused by the infringement),
- compensation for the legal representative if the party has chosen one⁵.

Costs are decided in the infringement proceedings as a part of the final court decision.

Legal basis and case law

Articles 102 and 106 CCP

⁵ Arts. 22-23 CCP provide that the parties may be self-represented or choose a legal representative during proceedings

X Publication of judicial decisions

Title of the order

Publikimin e vendimit përfundimtar (publication of the final decision)

Basic procedural framework

In addition to other corrective measures provided for in Art. 184/b Law No. 9947, a successful claimant may request the publication of the final court decision in the public media at the expense of the defendant in the manner defined by the court.

The entire or partial decision must be published in the public media, mainly in the national newspapers of high circulation.

The Tirana District Court is the competent judicial authority to issue the order for this measure based on a specific request of the claimant. The order for such measures is included in the decision at the end of the main proceedings on the merits, and when infringement has been established.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

The court decision can be appealed to the Court of Appeal of Tirana within 15 days from the day after receipt of the written and reasoned decision of the court.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Albania, as Albania is not a signatory to the UPCA.

Legal basis and case law

Article 184/b Law No. 9947

XI Other appropriate sanctions

Not foreseen in Albania.

XII Additional options

Other available options in Albania

Border measures

Article 188 Law No. 9947 (*Masat në kufirin e vendit dhe në tregun e brendshëm*) provides for measures that the right holder may request for allegedly infringing products being imported into Albania or sold within the domestic market.

“[...] the customs authorities or the State Inspectorate of Market Supervision, whichever the case may be, are obliged to make the necessary inspection and, based on drawn conclusions, to decide not to release the goods from the customs regime or to remove them from the market and to store them in a secure place, except when the importer or the seller has the authentic document about the origin of these goods, to prove that they are authentic.”

Both authorities may also act *ex officio* in undertaking their duties as provided for by law.

The procedures relating to both are regulated by customs legislation and the legislation on inspections in the Republic of Albania (Article 188(2) Law No. 9947). The authorities must immediately notify the importer, receiver or seller of the goods of the measures taken (Article 188(3) Law No. 9947).

In such a case, if the importer or seller disagrees with the detention of the goods or the removal the goods from the market, the right holder should file a lawsuit for infringement of patent rights within 20 business days (when the removal of the goods from the market is carried out by the State Inspectorate for Market Supervision) or within 10 business days (when the detention of the goods is carried out by the Customs Authorities) with the Tirana District Court (Article 188(4) Law No. 9947).

Criminal proceedings

Criminal proceedings are provided for under Art. 149/a Criminal Code (violation of IP rights).

The competent judicial authority is the court of the district where the criminal infringement occurred, is occurring, was attempted or where its consequences have been suffered. If the place is unknown, the court of the residence or domicile of the defendant will have jurisdiction.

If jurisdiction cannot be determined, the court of the district where the prosecution office which first recorded the criminal offence is located will be competent to adjudicate.

“Manufacturing, distributing, possessing for commercial purposes, selling, offering for sale, supplying, distributing, exporting or importing for these purposes of:

a) a product or process protected by a patent, without the patent owner’s consent;

[...]

shall constitute a criminal offence and be punished by a fine or imprisonment of up to one year.

Where that offence has been committed in complicity, or more than once, it shall be punished by a fine or imprisonment of up to two years [...].”

The prosecutor will initiate criminal proceedings, conduct preliminary investigations and other investigations deemed necessary. Only the prosecutor has the right to initiate proceedings and submit it to the court for consideration. If the prosecutor fails to do so, the injured party who pressed the charges, may appeal the refusal to initiate proceedings.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Legal basis and case law

Violation of industrial property rights (Article 149/a of the Criminal Code)

Article 188 Law No. 9947

Austria

I Evidence

Title of the order

Antrag auf Vorlegung der Urkunde durch den Gegner, Sections 303-307 Austrian Civil Procedure Code (hereinafter “ZPO”): “Request for the production of a document by the opponent”.
OR

Antrag auf Vorlegung des Augenscheinsgegenstands durch den Gegner, Section 369 ZPO; “Request for the production of physical objects for inspection by the opponent”.

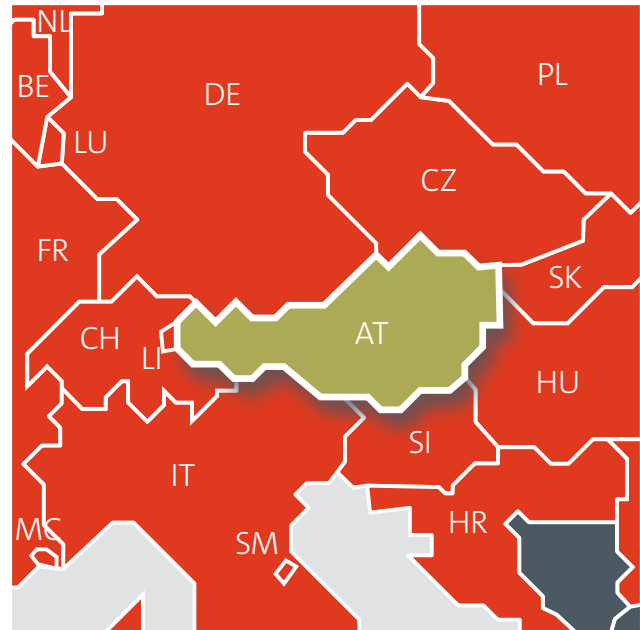
Basic procedural framework

The competent civil court where proceedings are pending, i.e. in the case of a patent litigation dispute, is the Commercial Court of Vienna¹.

The order to present evidence under Section 303 et seq. ZPO is only available during main proceedings.

Ahead of pending proceedings, it is only possible to apply for measures for preservation of evidence in the form of a preliminary injunction (see II below), or in the form of an application for the taking of evidence by the court itself (on-site inspection, hearing of witnesses or experts) under Section 384 ZPO. The latter is not considered to be an order to present evidence under Art. 6 ED.

The order cannot be enforced. The only “sanction” lies in the fact that the court is able to draw its own conclusions and make an adverse inference from the fact that the ordered party does not comply. This was explicitly deemed compliant with the ED by the Austrian legislator. The legislator’s main argument was that the Enforcement Directive only requires that the courts must be able to issue orders concerning evidence, but it does not require that the ordered presentation of evidence can actually be compelled. Moreover, the legislator justified the current provision as compliant by making reference to the TRIPS Agreement, which previously already expressly provided for the same sanction (Art. 43(2) TRIPS).



Provision of evidence by third parties

Available in certain circumstances and only with regard to documents, not other physical objects for inspection. The general obligation under Sections 303 et seq. ZPO obliges only the direct opponent; not even an intervener who joined the proceedings may be subjected to such orders, let alone any third parties.

However, under specific circumstances listed under Section 308 ZPO, a third party may be ordered to present a certain document:

- the document must be of relevance for a question presented to the court in proceedings; and
- if the third party is under a general legal obligation vis-à-vis the applying party to turn over the document concerned (e.g. by means of a contractual obligation or because it is the applying party’s property); or
- if the document is a “common document” of the applying party and the third party, i.e. a document drafted in the interest of both parties (e.g. a deed of transfer), or a document whose content concerns both parties (e.g. a physician’s notes about a patient).

The proceedings are identical to an order under Sections 303 et seq. ZPO – see “Basic procedural framework” above.

¹ In infringement cases concerning Austrian patents, the competent civil court is the Commercial Court of Vienna, which will be referred to throughout this summary.

Assessment of evidence in support of the application

The overall level of evidence required may be higher under Austrian procedural law than the “presentation of reasonably available evidence sufficient to support his claims” as set forth by Article 6 ED. Under Section 303 ZPO, the requesting party must produce a copy of the requested piece of evidence or specify it in detail as set out below. It must also present *prima facie* evidence (*bescheinigen*) that the information sought is “likely” in the possession of the opponent. There is no case law interpreting this standard, but it may be seen as higher than just evidence that is “reasonably available to support his claims”.

Moreover, the degree of specification of the content or character of the piece of evidence sought from the opposing party may be higher under Austrian procedural law than under the Directive. As set forth above, under Section 303 ZPO, the requesting party must either “produce a copy of the document” or specify its content “as exactly and completely as possible”, while Art. 6 ED merely requires that the evidence be “specified”. This requirement is aimed at preventing “fishing expeditions”, as has recently been confirmed by the Supreme Court (although not in the context of IPR infringements).

Protection of confidential information

The term “confidential information” as used in Art. 6.1 ED is not defined in the ZPO (see however, the implementation of the Trade Secret Directive as set forth below). Section 305 ZPO stipulates the right to deny orders to present evidence in case certain types of confidential information would have to be disclosed.

In particular, a denial of orders to present evidence is justified, if the opposing party alleges that the presentation would relate to private family matters (para 1), infringe an honorary duty (para 2), bring public disgrace to a party or a third party, or expose it to criminal prosecution (para 3), violate a recognised obligation to secrecy or any art- or trade-secrets (para 4), or in case there are “other equivalent reasons justifying a refusal” (para 5).

However, even where confidential information is concerned an order to present evidence may not be refused under three circumstance listed in Section 304 ZPO:

- the ordered party itself referred to the evidence as evidence for its case,
- the ordered party has a general legal obligation under civil law to produce the evidence, OR

- the evidence is a “common” object of both parties (e.g. a contract between both parties).

In cases where none of these circumstances apply the opposing party need not provide full proof that confidential information would be affected. It only needs to state them, and if doubted by the court, provide *prima facie* evidence to make such confidentiality objections plausible (*bescheinigen*).

Whether or not a refusal to present evidence based on the defence of confidential information is justified must be decided in ad hoc interim proceedings, following a motion by a party. In general, Austrian civil procedure foresees no possibility for an even stricter *in camera* review, e.g. limiting access to the requested information to an expert, who would then report to the court.

However, in course of the implementation of the EU Directive on Know-How and Trade Secrets ((EU) 2016/943; hereinafter “TSD”) comprehensive procedural measures protecting trade secrets during civil proceedings were introduced in Section 26h of the Austrian Unfair Competition Act (*Bundesgesetz gegen den unlauteren Wettbewerb*; hereinafter “UWG”). This provision provides that initially only enough information about the trade secret has to be disclosed to make its existence plausible. The court then has to take measures to prevent the disclosure of the trade secret. These measures may include that the trade secret is only fully disclosed to a court-appointed expert who then reports to the court and that the trade secret does not become part of the file which is accessible to the other party (*in camera* review). The court must also draft a version of its decision in which the passages containing the trade secret are deleted. However, at the substantiated request of a party, the court may order the disclosure of the trade secret if this is necessary for the defense of the opponent, for a fair trial or for the enforcement of other legitimate interests.

Furthermore, the definition of trade secret of Art 2 TSD is adopted in Section 26b UWG, according to which a trade secret is information that is secret, of commercial value, and is subject to appropriate confidentiality measures.

The interaction between the procedural measures of Section 26h UWG and Sections 304 and 305 ZPO raises several questions, on which there is no case law yet. In particular, it is not entirely clear whether the safeguards introduced in the UWG may be generally applied to proceedings where the trade secret is not the subject matter and/or which do not concern unfair competition; scholars disagree on this question.

Arguably Section 26h UWG is relevant in two circumstances: First, if according to Section 304 the opponent has to present evidence despite the fact that it contains trade secrets, the opponent may use Section 26h UWG to prevent or limit the disclosure of his trade secrets. Second, if the disclosure of a trade secret can be prevented by using the measures of Section 26h UWG arguably the fact that the piece of evidence contains trade secrets no longer justifies the complete denial of an order to present a piece of evidence. The complete refusal to produce evidence according to Section 305 ZPO could, therefore, only be used as a measure of last resort when Section 26h UWG cannot offer adequate protection. However, if courts will indeed apply Section 26h UWG in this way is in no way certain yet.

Non-compliance with an order

The competent judicial authority is the same civil court presiding over the main proceedings.

However, there is no procedure in this regard and the sanctions are limited to the court drawing an “adverse inference” (see “Basic procedural framework” above).

Appeal/review

The order can be appealed only together with an appeal against the final decision on the merits. The period for filing a request for an appeal of the order depends on the period for an appeal against the final decision on the merits, usually four weeks. Depending on the ruling for an appeal against the final decision on the merits, the appeal of the order can usually be brought before the Higher Regional Court of Vienna.

Admissibility of evidence

Evidence from other national as well as foreign proceedings is admissible. In fact, Austrian procedural law does not expressly provide for inadmissibility or use of improperly obtained evidence.

The EU Regulation 1206/2001 on cooperation between the courts of the member states in the taking of evidence does not affect the possibilities a party has to compel the production of evidence under the Austrian rules.

Legal basis and case law

Sections 303-307, 369, 384 ZPO
Section 26h UWG

OGH 02.02.2005, 9ObA7/04a, citing Kodek in Fasching/
Konecny III, Sect. 303 no. 26 ff (on confidentiality)
RS0131689; OGH 05.09.2017 4 Ob 83/17k (on confidentiality)
RS0079599: see e.g. OGH 02.02.2005, 9ObA7/04a (on trade
secrets)

II Measures for preserving evidence

Title of the order

Einstweilige Verfügung (zur Sicherung von Beweismitteln),
Section 151b Patentgesetz (Austrian Patent Act, hereinafter
PA): “Preliminary injunction (for the preservation of
evidence)”

Further available measures

While in principle there is also the possibility of securing evidence under the procedural rules of Section 384 ZPO (on-site inspections to secure evidence and witness statements by the court, as set forth above), this provision is now in practice superseded by the possibility of requesting such measures in the form of a preliminary injunction under Section 151b PA, which was specifically adapted to comply with Art. 7 ED.

Basic procedural framework

The Commercial Court of Vienna is competent to issue the order for preserving evidence.

The order is issued in preliminary injunction proceedings for the preservation of evidence, which may be brought even before and separate from a preliminary injunction request to cease and desist (and from main proceedings).

Contrary to the provisions applying to the right of information under Art. 8 ED (Section 151a PA), the language of these provisions does not explicitly require a prior showing of infringement. Rather, it establishes a new and independent substantive right to preserve evidence “with regard to” the claims deriving from infringement. Case law

has clarified that questions of infringement and the underlying right (here: patent) is required to be the subject of evidence and need not be assessed by the court (OLG Wien 22.02.2017, 34R129/16i; confirmed in this regard by the Supreme Court OGH 05.09.2017 4 Ob 83/17k).

The bailiff is responsible for enforcing the order in the course of enforcement proceedings.

Ex parte requests

In its recent decision, the Supreme Court, in line with Art. 7 ED, clarified that the danger of evidence destruction or irreparable harm (as recited under Section 151/4 PA) is a requirement for an *ex parte* grant only, but not a substantive requirement for the grant of a preliminary injunction to preserve evidence *per se* (OGH 05.09.2017 4 Ob 83/17k). There is no guidance available as to what the level of evidence is required to show a danger of evidence destruction/irreparable harm.

It is a generally applicable principle that preliminary injunctions will not be granted if they would result in a non-reversible situation, i.e. create facts that are not amenable to monetary compensation. Thus, a court would not grant a request e.g. for the destruction of infringing items in preliminary proceedings.

If a preliminary injunction is issued *ex parte*, the opposing party's right to review is not limited to appeal proceedings, as appeal proceedings are limited to legal questions and no new evidence may be presented. Rather, the opposing party may file a motion to review (*Widerspruch*) within 14 days from the decision, and present its arguments and evidence at the same time. Filing a motion to review generally does not have a suspensive effect on the effectiveness of the preliminary injunction, although such effect may be granted upon request in exceptional cases.

Protection available to defendant

Art. 7.2 ED requires that during the preservation of evidence, the protection of confidential information is insured. However, until the implementation of the TSD, Austrian provisions provided no guidance on how this protection should be insured. Nevertheless, the Austrian Supreme Court held that trade secrets should be protected "through procedural measures", albeit without specifying in any way how this protection is to be carried out. Now Section 26h UWG contains detailed procedural measures protecting trade secrets (see Part I "Protection of confidential information").

Art. 7.2 ED relating to the lodging of a security or equivalent assurance did not warrant any change to Austrian law, as this possibility was already available for preliminary injunctions. The interests of the defendant are often safeguarded by the claimant placing a bond at court, the amount of which is entirely at the discretion of the court. In high profile cases, bonds exceeding the value of EUR 1 million have been placed at court.

If a preliminary injunction turns out to be "unfounded", i.e. is granted and subsequently lifted again, whether on appeal or after main proceedings, the applicant would be liable for all damages the opponent suffered under the unjustified preliminary injunction. Such damages include lost profits, as well as the full amount of legal fees associated with the defence against the preliminary injunction.

Lost profits are difficult to assess. The court has a relatively broad discretion to set such damages if they cannot be fully evidenced, e.g. by expert opinions from audit firms. Depending on the circumstances of the case, opponents may also claim compensation for frustrated marketing expenses, a recall of products and other damages caused by the preliminary injunction. Thus, damages may be higher than lost profits, but lost profits are typically the most important factor in such disputes.

Period to initiate proceedings on the merits

This deadline is set at the discretion of the court and is usually between three and twelve weeks. If the deadline is not complied with, the preliminary injunction will lapse and is treated as if it was wrongly granted, which may have severe consequence in terms of liability.

Witness identity protection

No measures have been adopted to protect the identity of witnesses.

Non-compliance with an order

The competent judicial authority in case of non-compliance is the court competent for enforcement proceedings. This court is different from the court issuing the order (preliminary injunction), which in general is the Vienna Commercial Court.

For most enforcement proceedings, the competent court is the district court (*Bezirksgericht*) in whose district the opposing party has its seat.

However, for the enforcement of a preliminary injunction to preserve evidence, the competent court is the district court (*Bezirksgericht*) in whose district the preservation of evidence is carried out.

Since the order is issued in preliminary injunction proceedings, the enforcing party may apply for enforcement with the competent enforcement court immediately after the order is issued. Contrary to the enforcement of decisions taken in main proceedings, it is not necessary that the decision becomes final and binding. However, upon request, the court may grant an appeal with suspensive effect. Furthermore, if the order is dependent on the placing of a bond enforcement is only possible after this has occurred.

The enforcement court will instruct a bailiff who may engage the support of local police or – if the collection of evidence requires specialised knowledge – an expert, to carry out these measures on-site.

The proceedings before the enforcement court and all sanctions for non-compliance are governed by the general rules for the enforcement of final judgments and preliminary injunctions under the *Gesetz über das Exekutions- und Sicherungsverfahren* Austrian Enforcement Act, hereinafter AEA). If the opposing party does not comply, monetary penalties are levied on application of the requesting party.

The law stipulates that the amount of such penalty may range up to EUR 100 000 per violation (Section 359 AEA). In patent matters with high amounts in dispute a penalty is regularly requested for each day the order is not complied with, amounting to significant pressure to comply. Moreover, in theory, imprisonment of up to one year is possible for non-compliance with a granted order, but this is never applied in practice.

Appeal/review

The party subject to the evidence preservation preliminary injunction has the possibility to appeal against the decision to the appeal court (in patent matters, the Higher Regional Court of Vienna).

If the preliminary injunction is issued *ex parte*, the opposing party's may also file a motion to review (*Widerspruch*); see "Ex parte requests" above.

The period for filing a request for both appeal and motion to review is up to 14 days from service.

Both appeal and motion to review must be filed with the civil court presiding over the preliminary injunction proceedings, i.e. in patent matters the Vienna Commercial Court (not the enforcement court). The motion to review will be dealt with by the Vienna Commercial Court itself; the appeal will be dealt with by the Higher Regional Court of Vienna.

Non-compliance with UPC-issued order

While Art. 31 UPCA foresees that its jurisdiction shall be established according to the Brussels Ia Regulation (EU No 1215/2012) or, where applicable, the Lugano Convention, this does not apply to the enforcement of decisions and orders of the court. Enforcement is stipulated in Article 82 UPCA. Art. 82(3) UPCA reads: "[...] *Any decision of the Court shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.*"

Austria has not undertaken any implementation measures for the UPC Agreement. In principle, it should not be absolutely necessary that any implementation measures are taken, since Section 2 AEA specifically provides for the direct enforcement of foreign titles which have been held equivalent to national titles by virtue of an international agreement (or EU law). Here, Art. 82 UPCA governs, and the Brussels Ia Regulation is not applicable. Accordingly, not even a certificate of the issuing court pursuant to Art. 53 of the Brussels Regulation is required.

An Austrian Court would thus have to enforce a decision by the UPC the same way as any other national decision. It remains yet to be seen how courts will deal with cases where the decision is not in German. It may be beneficial to provide a German translation to facilitate the work of the enforcement court and the bailiff.

This would subject enforcement to the same procedure as for national precautionary measures (or judgments), making use of the options available under the AEA. Enforcement would thus follow the steps set forth above (see "Non-compliance with an order").

However, in view of Art. 82(4) UPCA, which stipulates that sanctions of recurring penalty payments "proportionate to the importance of the order" must be available, it is possible that the options available under the Austrian Enforcement Act may not be seen as sufficient, since the maximum penalty is capped at EUR 100 000 per day. This may prompt the Austrian legislator to implement a special regime for the enforcement of UPC decisions and orders.

Legal basis and case law

Section 151b Patent Act
Section 359 Austrian Enforcement Act

OGH 30.08.2017, 10b75/17m (on Art 7-type preliminary injunctions)
RS0131689; OGH 05.09.2017 4 Ob 83/17k (on confidentiality)
OLG Wien 25.1.1999, 4 R 6/99b (on PIs to secure evidence, prior to enactment of the ED)

III Right of information

Title of the order

Auskunftsanspruch (Section 151a PA): “Claim for information”

Persons obliged to provide information

The Austrian provision of the Patent Act specifies only the persons listed in Art. 8.1(a) to (c) ED. The PA specifically did not implement a section corresponding to letter (d) of Art. 8.1 ED, i.e. persons “indicated” by the persons cited in letters (a) to (c). The legislator construed the right to information as a substantive legal right, not a procedural right, and as such would at any rate encompass all persons involved in the actions cited in letters (a) to (c) (see legislative materials for BGBl. I Nr. 96/2006, RV 1423 XXII.GP).

Types of information to be provided

The provision of Section 151 PA implementing the material right to information specifically adopted a wording corresponding to Art. 8.2 ED. Adopting the Directive’s language, it is specified that the information sought may include the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers; and information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

The scope of information is explicitly tied to the proportionality standard prescribed by the Directive (Art. 3.2 ED). Information requests should not be used to illegitimately obtain information on competitor’s business intelligence. The relevant Austrian provision contains an explicit exception stating that a request may not be granted if it is “disproportionate to the severity of the infringement”. The relevance of this weighing of interests was emphasised

in a recent Supreme Court decision concerning trade mark infringement through parallel imports (which is also the only case law available on the subject of proportionality in this context). In this decision, the Supreme Court held that an information request is to be denied as disproportionate if it relates to a single occurrence of infringement only and a disclosure could threaten to have anticompetitive effects (OGH 17.11.2015 4 Ob 170/15a). The burden of proof that a claimant’s request is excessive lies with the defendant.

Competent authority

The competent judicial authority to order the provision of this information is the Commercial Court of Vienna.

Non-compliance with an order

See Part II “Non-compliance with an order”.

However, claims for information may only be asserted in main proceedings. As such, outside of preliminary injunction proceedings, enforcement action may only be applied for once the judgement becomes final and binding.

Appeal/review

The order may be appealed together with the main judgment to the appeal court (in patent matters, the Higher Regional Court of Vienna).

The period for filing an appeal to a judgment in main proceedings is four weeks from service. It is not extendable.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 151a PA

OGH 17.11.2015 4 Ob 170/15a (on proportionality of information requests)

IV Provisional and precautionary measures

Title of the order

Einstweilige Verfügung (Section 151b PA): “preliminary injunction”.

Basic procedural framework

The Commercial Court of Vienna is competent to issue preliminary injunctions in patent cases.

Preliminary injunction proceedings are separate from main proceedings, but heard by the same forum. In practice, a preliminary injunction request is frequently brought together with a complaint, initiating main proceedings, which are then stayed until the preliminary injunction proceedings are concluded.

The bailiff, in the course of enforcement proceedings, is responsible for enforcing the measures.

If the complaint is not brought simultaneously with the preliminary injunction application, the deadline to file a main action confirming a preliminary injunction is set by the court and generally ranges between three and twelve weeks. If the deadline to file a confirming main action is not met, the preliminary injunction will be lifted by the court.

Factors considered by the court

Austrian law does not provide for a balance of convenience test. Thus, a preliminary injunction in patent matters should be granted provided the applicant can show that it is the right holder and that the applicant’s valid patent is being infringed, under the reduced standard of evidence for preliminary injunction proceedings.

Contrary to preliminary injunction requests in areas other than IP and unfair competition cases, urgency is not a requirement for a preliminary injunction request in case of IPR infringements, and neither is a showing of irreparable harm. Preliminary injunctions can be applied for at any time, even while main proceedings are ongoing.

The defendant can question the validity of the patent in preliminary proceedings. However, despite Austria being a semi-bifurcation country as far as main proceedings are concerned, preliminary injunction proceedings will never be suspended if a nullity defence is raised. The validity of the patent must be assessed by the infringement court.

Courts will usually consider party expert opinions submitted by the parties on both validity and infringement. While there is case law from the Higher Regional Court of Vienna stating that the validity of a patent can only be successfully challenged in preliminary injunction proceedings if “serious doubts” about validity are raised by the defendant and the court is convinced that there is a “high probability” that the patent is invalid, in practice the court (sitting in a panel of three judges, one of whom is a lay judge, a patent attorney in patent cases) considers validity and infringement arguments on a case-by-case basis.

Recurring penalty payments

In case a granted preliminary injunction is not complied with, the applicant may request financial penalties at the competent enforcement court. In theory, this may be done on a daily basis for each day non-compliance can be shown. Each penalty may be set at a maximum sum of EUR 100 000. For further details, see “Non-compliance with an order” above.

The amount of each penalty payment lies at the discretion of the judge in enforcement proceedings. The importance of the case is one factor for determining the amount. There is not much case law on this because penalty payments are not imposed very often and even less often are such cases appealed and become publicly available. While Austrian courts are rather hesitant to impose high penalties there are cases in high profile matters where even the maximum sum of EUR 100 000, for each case of infringement (which may be requested on a daily basis) was imposed.

Provisional and precautionary measures against intermediaries

Austrian law does not provide specifically for an injunction against internet service providers (ISPs), and no such amendment was made in the implementation of the Enforcement Directive. The legislator pointed to the fact that no such amendment was needed, making reference to recital (23) of the Directive, which leaves the conditions and procedures relating to such injunctions to member states.

Under the general principles of Austrian civil law, any person aiding or abetting an infringer is liable the same way as the infringer (Section 1301 General Code of Civil Law, ABGB), and may as such be the target of a preliminary injunction. In the area of copyright law, case law confirmed this approach, ordering access providers to block its customers from accessing certain websites containing copyright-infringing

material under Section 81 (1a) Austrian Copyright Act (*Urheberrechtsgesetz*). No case law is available on measures against intermediaries in patent matters.

While intermediaries will only be held liable once they have notice about a specific infringement, the Supreme Court held that even the claims made in the complaint itself are considered sufficient to constitute “notice” about the designated infringing acts. Therefore any continued inaction on behalf of the host provider following the filing of the complaint may trigger liability (OGH 24.06.2014 4 Ob 71/14s, OGH 19.05.2015 4 Ob 22/15m).

Circumstances justifying an order for precautionary seizure

Preliminary injunctions may also be issued to safeguard payment claims. The claimant must demonstrate that without the injunction, future payment claims would be jeopardised. The legislator did not include any specific amendments to this effect, making reference to the existing possibility of seizure and blocking of bank accounts to safeguard monetary assets by way of a preliminary injunction (Section 379 AEA).

Assessment of required evidence

There is no specific implementation of Art. 9.3 ED under Austrian law. The typical requirements for obtaining a preliminary injunction are showing validity and infringement. Parties must submit *prima facie* evidence for their respective positions which is a degree below the standard of proof in main proceedings. The relevant terminology is “predominant likelihood” (*überwiegende Wahrscheinlichkeit*) which also in its original German wording is not entirely clear. The minimum degree of evidence, however, is that an occurrence of an infringement must be more likely than a non-occurrence.

In practice, party expert opinions are often used to support the allegations made by the applicant. Such party expert opinions are admissible in preliminary injunction proceedings, as only “readily available” evidence is considered, but would not be given much weight in main proceedings, where court-appointed experts are regularly engaged.

Conditions justifying an *ex parte* order

Although historically the AEA may have envisioned *ex parte* proceedings as the standard case, nowadays *inter partes*

preliminary proceedings are most common in IPR infringement cases. On receipt of an application for a preliminary injunction, the court may send it to the opponent for filing a reply.

Ex parte (“without notice”) proceedings are possible if the applicant shows that an *ex parte* order is necessary to prevent imminent irreparable harm or the destruction of evidence. In such cases, the opponent will be informed only once the PI is granted and enforceable. *Ex parte* grants of preliminary injunctions are rather rare in patent matters in Austria, and are mostly limited to clear-cut cases of infringement. The provision of Section 151b(4) PA allows for *ex parte* preliminary injunctions where a delay in granting the preliminary injunction would “probably” (*wahrscheinlich*) lead to irreparable harm or if there is a danger that evidence is destroyed. There is no case law stemming from IP matters to define what constitutes “irreparable harm”.

A defendant has the right both to oppose and to appeal *ex parte* preliminary injunctions.

However, under long standing case law for preliminary injunctions outside of IP and unfair competition matters (which require a threat of “irreparable harm” for any preliminary injunction, not just for an *ex parte* preliminary injunction), this is considered a “detriment to a person, its rights or its property which cannot be reversed and where monetary compensation cannot be made or would not be considered adequate”.

Consequently, “mere economic” damage is always considered to be compensatable and thus never irreparable. This does not apply where a defendant is insolvent (see e.g. OGH 4 Ob 20/92), but simple financial instability will not suffice for a threat of irreparable harm. Even the threat of a loss of market share was in some cases (again outside of IP matters) considered as a threat of irreparable harm (RS0005256). Cases where monetary compensation is considered “inadequate” include damage to health (RS0005319), or to the reputation of a person (e.g. OGH 4Ob 39/01s, RS0005275) or to immediate loss of shelter (OGH 7 Ob 709/82).

In patent litigation, irreparable harm may be assumed if it is likely to be impossible that damage caused by the actions of a defendant will be compensated through a later award of damages in main proceedings, e.g. because there is a limited time period to sell certain goods, because a change in pricing of a product is irreversible by law, because a market share is practically not recoverable.

Protections available to the defendant

The amount of an adequate security lies at the discretion of the court. However, it is usually influenced by arguments and evidence brought by the parties as to the likely financial impact of a preliminary injunction (e.g. showing of turnover figures). In high profile cases, bonds of EUR 1 million have been ordered by the court.

The subject of a granted preliminary injunction may claim damages if the injunction was wrongly granted (Section 394 AEA). The damages sought may include all financial losses caused by the preliminary injunction, irrespective of fault, and are not limited to the amount of a security order by the court. In practice, this includes lost profits and legal fees. The level of proof is lower than in standard tort proceedings and the court has a relatively broad level of discretion when assessing these damages.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 151b PA

Section 381 AEA

OGH 30.08.2017, 10b75/17m (on Art 7-type preliminary injunctions)

OGH 24.06.2014 4 Ob 71/14s, OGH 19.05.2015 4 Ob 22/15m (on PIs against intermediaries)

OGH 05.09.2017 4 Ob 83/17k (on conditions for an ex parte PI)

OGH 21.02.2017 4 Ob 141/16p (on the non-admission of recall orders in the course of a PI)

OGH 4 Ob 20/92, (RS0005256, RS0005319, OGH 4Ob 39/01s, RS0005275, OGH 7 Ob 709/82 (all on “irreparable harm” in the context of the AEA)

V Corrective measures

Title of the order

Beseitigungsanspruch (Section 148 PA): “claim for removal”.

Other available measures in Austria

No other specific measures are listed in the statute. However, the general wording of Section 148(1) PA provides for a “claim for removal of the state of affairs contrary to law” (*Beseitigungsanspruch*). The specific claims listed in Art. 10.1(a)-(c) ED are only listed as “in particular” rights. A request for a recall (*Rückrufanspruch*) is seen as a subset of the claim for removal (*Beseitigungsanspruch*), which also includes the claim for destruction (*Vernichtung*).

Basic procedural framework

The competent judicial authority is Commercial Court of Vienna. The bailiff is the official responsible for enforcing the measures in the course of subsequent enforcement proceedings.

Claims for removal are available in main infringement proceedings only, not in preliminary injunction proceedings. This was specifically confirmed by the Supreme Court in a recent decision concerning trade mark infringement. While not explicitly stated, this decision may be applied to patent matters, since the wording of the underlying statute is the same. The Supreme Court considered that granting a claim for removal would lead to an “irreversible situation” which should not be allowed to happen in PI proceedings (OGH 21.02.2017 4 Ob 141/16p). Claims for removal are available whenever a patent infringement is proven.

The statute does not provide for a specific procedure for the recall or definitive removal from the channels of commerce. Case law has confirmed that a request for a recall from the channels of commerce is possible as a subset of a claim for removal under Section 148 PA, but only as long as the defendant still has control over products in the channels of commerce, e.g. through a title retention, but not once infringing products were unconditionally purchased by third parties (OGH 14.07.2009, 17Ob12/09b *Transdermal-Pflaster*). However, in a recent decision, the Supreme Court expressed that even if the defendant no longer has control over the products, certain efforts to achieve a recall can arguably be requested from the defendant in main proceedings only. While not expressly granting such claim, the Supreme Court explained that in principle, a recall can be ordered by requiring the defendant to “seriously demand” that buyers

return infringing products in exchange for a refund of the purchase price. If the defendant's customers refuse to accept such offers, the defendant cannot be held liable to take further action, and the patent owner will need to take action against the defendant's customers, provided that they commit infringing acts on their own.

The Supreme Court, citing the Enforcement Directive in its reasoning, held that a recall request can be asserted in main proceedings only, not in preliminary proceedings (OGH 21.02.2017 4 Ob 141/16p Subkutaninjektionen). This line of reasoning has been criticised by scholars and may be subject to further development.

Section 148 PA specifically provides for a claim for destruction of infringing objects as well as their means of production. If the claimant is in possession of infringing objects and is able to carry out the corrective measure himself, he is entitled to do so at the expense of the infringer.

If separable, the court should identify certain non-infringing parts of the infringing objects, which will then be separated and spared destruction. In patent matters, the defendant may request that an expert is present when the destruction is undertaken, to ensure the order is accurately carried out.

In principle, the applicant may ask for measures in parallel, if it can be shown that this is required to remove the "state of affairs contrary to law" caused by the defendant's infringement.

The statute generally provides that all costs for destruction or recalls are to be carried out at the expense of the infringer. Austrian law does not foresee an option for these costs to be borne by anyone else. However, Austrian law also foresees the additional option for the plaintiff to demand that the infringing items be transferred to the plaintiff in consideration for a minor compensation, which shall not exceed the manufacturing costs.

Assessment of proportionality for ordering remedies

While not expressly stated in the PA, the principle of proportionality is recognised and should be implemented through the direct application of the Enforcement Directive. It is in practice implemented by granting the defendant the possibility to request that the court may refrain from ordering the destruction, if the infringing state can be remedied by another, less destructive manner. See "Basic procedural framework" above.

Evidence of destruction

Destruction is to be carried out by the defendant and must be subsequently evidenced to the court. Evidence of destruction must be provided to the civil court granting the order, i.e. the court competent in main proceedings.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

See Part III "Appeal/Review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Section 148 PA

OGH 21.02.2017 4 Ob 141/16p (on the availability of recall orders under a claim for removal)

OGH 21.02.2017 4 Ob 141/16p (on the non-admission of recall orders in the course of a PI)

VI Injunctions

Title of the order

Unterlassungsanspruch (Section 147 PA): "Claim for cease and desist".

Basic procedural framework

The competent judicial authority for issuing an injunction is the Civil Court (Commercial Court of Vienna in patent matters).

The bailiff, in the course of enforcement proceedings, is responsible for enforcing the injunction.

Injunctions against intermediaries

Permanent injunctions may be granted against all persons contributing to an infringing action, and, thus against all types of intermediaries.

In general, liability of direct infringers of patents for cease-and-desist claims is independent from any subjective element (such as negligence, knowing or wilful infringement), while contributory infringement does require a certain subjective element.

Contributory infringers of a patent may be liable if they acted in collusion or if the contributor is supporting or inducing the primary infringer. According to general civil law provisions (Section 1301 General Code of Civil Law, *ABGB*) and pertinent case law based on this provision, “support” is defined to mean “conscious support” (*bewusstes Fördern*). This again requires knowledge of the facts that make the act of the primary infringer unlawful. Under certain circumstances, ignorance of the relevant facts may also be equated to knowledge, e.g. if the supporter consciously turns a blind eye on these facts. “Conscious support” is assumed where the contributor is aware of the factual circumstances giving rise to the violation of the law and fails to act upon this knowledge by removing the infringing content.

Moreover, a claim of indirect infringement increases the potential number of infringers because the subjective requirements for liability are more limited. Indirect patent infringement is defined as a delivery (or any respective offer) by a supplier of an essential feature of the invention, in cases where it is apparent or known to the supplier that the means are suitable and intended to be used to practice the invention. This provision was modelled on the equivalent provision in the German Patent Act.

Compulsory licence as a defence

Although this is of very little relevance in practice it is possible to bring forward aspects justifying the grant of compulsory licence as a defence in infringement proceedings.

Court’s discretion if finding of infringement

If validity and infringement are established, there is no further exercise discretion in granting an injunction. There is no express requirement for a balance of convenience test.

Non-compliance with an order

See Part II “Non-compliance with the order”

Appeal/review

See Part III “Appeal/review”

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 147 Patent Act

RS0124898 (on the act of exporting)

RS0111372 (on the irrelevance of subjective elements)

RS0111375 (on the level of proof and the right of a licensee to sue)

RS0031304 and RS0031329 (on contributory patent infringement)

RS0071069 (on method patents)

RS0071205 (on the independent right to claims for cease and desist, removal and damages)

VII Alternative measures

Austrian law does not provide for any measures as stipulated in Art. 12 ED. Aside from the calculation of damages, subjective elements such as negligence are irrelevant for claims arising out of patent infringement.

VIII Damages

Calculation methods available in Austria

Under general principles of Austrian tort law, actual loss (*Schaden*) is composed of two elements: positive loss (*positiver Schaden*) and lost profits (*entgangener Gewinn*). Positive loss represents a reduction in the value of existing assets, while lost profits lie in the reduction in the level of profit that would have been made under regular circumstances but for the infringing act.

Under general Austrian damages principles, lost profits would only be compensated in cases of gross negligence. In commercial disputes, lost profits are always included in the notion of “actual loss”. As set forth below, in the context of infringement of patents, both positive loss and lost profits are always compensated as long as negligence is established, regardless of the degree of negligence.

The legal provisions relating to damages for the infringement of patents (including SPCs), utility models, trade marks and designs are worded identically and the respective case law for one of these IP rights is largely applied to all other types. Under these provisions, right holders have three options of claiming damages:

- (a) reasonable royalty (*angemessenes Entgelt*)
- (b) compensation of actual loss suffered by the right holder (*Schadenersatz*)
- (c) surrender of infringer’s profits (*Herausgabe des Gewinns*).

In principle, right holders are free to choose among these methods of claiming damages as alternatives, although options (b) and (c) are only available if at least negligence of the infringer is established (regardless of the degree of negligence).

Under Austrian law under the obligation to pay reasonable royalties (a) is seen as a claim based on unjust enrichment (and not damages), which arises irrespective of fault.

Option (a) may be claimed in all cases of infringement, regardless of negligence. In addition, in cases of gross negligence or wilful infringement, right holders are entitled also to (alternatively) claim double the amount of the reasonable royalty as a lump sum. This option serves as an additional benefit to the right holder by not having to evidence its actual loss or the infringer’s profits.

There are no punitive damages under Austrian law.

Basic procedural framework

The determination of the amount of damages ordered for the successful party is part of main proceedings.

The successful party may request disclosure of information as per Art. 8 ED as a first step in the course of the same main proceedings.

Methods of calculation

The right holder may choose between different calculation methods, provided at least negligence is established. See “Calculation methods in Austria” above.

While the three damages options outlined above may in principle be claimed in the alternative, it is only possible to claim actual losses that exceed what may be recovered under the reasonable royalty option if the right holder can provide evidence for such excess damages (or respectively, in case of negligence, if the actual damages exceed double the amount of the reasonable royalty, see *Walter*, OLG Innsbruck 31.3.1992, 1 R 281/91, NVTZ, MR 1993, 20).

It is observed that in practice, there are few cases where plaintiffs choose the “actual loss method”. This is likely because it would require the right holder to disclose his financial information.

Furthermore, the Supreme Court consistently held that the calculation of damages under the “actual loss” method may also be implemented by way of evaluating the reasonable royalty, which honest and reasonable parties would have agreed upon (pointing to consistent case law in Germany and stating that the same must apply for Austria). The courts therefore may award the same amount under the “actual loss” option as under reasonable royalties option, which can be used regardless of negligence (OGH 22.09.2015, 4Ob3/15t; RS0108479; *Weiser*, Patentgesetz, 3rd ed. (2016), Section 150 p. 585).

Equating “actual loss” with “reasonable royalty” is intended as a benefit to alleviate the burden of proof on the right holder, who may find it difficult to evidence actual losses through the actual reduction method. In addition, if gross negligence is established, the right holder is entitled to double the amount of reasonable royalties as a lump sum.

Thus, if the option of calculating the infringer’s profits is not attractive, damages will be calculated under the “reasonable royalty” method, evaluating the royalty base as what honest and reasonable parties would have agreed upon on the market (OGH 12.07.2005, 4 Ob 36/05f – *BOSS-Zigaretten IV*).

Also, it must be clarified that there is no true “lump sum” in Austria, because the calculation of the “reasonable royalty” still requires extensive evidence on how this amount is to be calculated. Rendering of accounts may serve a basis for calculating the hypothetical licence royalty. The willingness of the right holder to grant a licence is disregarded when calculating the royalty that would have been due (RS0108479).

Under the established principles to calculate a hypothetical royalty, the royalty base must be what honest and reasonable parties would have agreed upon on the market. The particularities of the case at hand must be considered, taking into account the general economic importance of the patent.

The principles to calculate a hypothetical royalty developed in patent law cases are also applied in trade mark law and vice versa. In trade mark cases, a quota licence is common, often applying a percentage of the total sales revenue. However, the question whether or not the infringer made a profit from its sales is irrelevant for the calculation of the royalty base.

In recent case law there are conflicting statements when it comes to the question whether the infringer is to be treated like a contractual licensee: a recent decision postulates that, in principle, when calculating the royalty base, the infringer should not be treated better or worse than a contractual licensee (see OGH 20.1.2014, 4Ob133/13g – *EDVFirmenbuch V*).

However, the same decision states that the advantages the infringer has vis-à-vis a contractual licensee must be considered (OGH 20.1.2014, 4Ob133/13g – *EDVFirmenbuch V* pointing to OGH 23.09.1997 4 Ob 246/97y; see also OGH 16.10.2001, 4 Ob 243/01s – *Sissy-Weißwein*). The advantage of the infringer may lie *inter alia* in not having to negotiate a licence agreement before exploiting the IP right; the disadvantage of the contractual licensee may be having to bear the risk of invalidity of the IP right in question (OGH 22.09.2015, 4 Ob 3/15t – *Blutgerinnungskonzentrat*).

Evidence of lack of knowledge

Austrian law does not contain a provision making use of the option of Article 13.2 ED. There is no order for recovery of profits or pre-established damages for cases of unknowing infringement. As set forth above, even for unknowing infringements, the infringer is liable to pay damages in the form of reasonable royalties.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 150 PA

OGH 23.09.1997 4 Ob 246/97y, OGH 07.08.2007 4 Ob 133/07y (on reasonable royalties)

OGH 23.09.1997 4 Ob 246/97y, OGH 22.09.2015 4 Ob 3/15t (on joint liability)

OGH 21.03.2018 4 Ob 243/17i (on disclosure requests)

RS0067054 (on subjective elements)

Walter, OLG Innsbruck 31.3.1992, 1 R 281/91, NVTZ, MR 1993,

20 (on mixing actual damages and reasonable royalty)

RS0108479, OGH 20.1.2014, 4Ob133/13g – *EDVFirmenbuch V*,

OGH 23.09.1997 4 Ob 246/97y; OGH 16.10.2001, 4 Ob 243/01s

– *Sissy-Weißwein*; OGH 22.09.2015, 4 Ob 3/15t –

Blutgerinnungskonzentrat (all on the calculation of reasonable royalties)

IX Legal costs

Overview of assessment of costs

The amount is always set in accordance with the Austrian Attorneys Tariff Act (“RATG”).

The losing party must reimburse the winning party’s legal fees and costs on the basis of the fees defined by the Austrian Attorneys Tariff Act (“RATG”). Even though the actual cost of attorneys and other expenses in IP litigation often exceeds the reimbursable cost under the RATG, this regime is generally considered to be in line with the Enforcement Directive, since it is up to the claimant to set a higher value on the litigation and obtain adequate compensation this way.

The legal costs and other expenses include: attorney fees as determined by the RATG, court fees and necessary disbursements, such as expenses for surveys, expert opinions or translations. What is considered “necessary” for a party’s claim is to be judged at the court’s discretion. In general, the cost for party expert opinions is only considered “necessary” and thus reimbursable in preliminary injunction proceedings, since only “readily available” evidence is admissible here. Contrary, in main proceedings the court will appoint an expert if it considers it necessary, thus the cost of private expert opinions will often not be reimbursable in

main proceedings. A party's own costs, e.g. internal costs of fact finding, are generally not reimbursable under Austrian law.

The cost of expenses such as court-ordered expert fees are usually paid in advance in equal shares by the parties, and the winning party's share is then subject to reimbursement by the losing party.

The costs are decided in the course of the main infringement action.

Generally, the reimbursable costs depend on the value of the litigation, which is set by the claimant. The claimant attributes a specific value to the case for the purposes of calculating of court fees and fees reimbursable to the winning party. In most cases, this value is lower than the actual business value of the case. The defendant may challenge the value chosen by the claimant, but this does not occur often.

Legal basis and case law

Section 44 et seq. ZPO
Austrian Attorneys Tariff Act

X Publication of judicial decisions

Title of the order

Anspruch auf Urteilsveröffentlichung (Section 149 PA "Claim for publication of judgment").

Basic procedural framework

The court may order the publication of all or certain parts of the judgment. Usually it is requested that the cease and desist part of the order is published. It may, upon request of the claimant, be supplemented by some explanatory notes, if necessary to inform the recipients about its content.

If infringement is found, the court may order the publication at the expense of the infringer, provided that the right holder can demonstrate a "justified interest" in this publication(s). This is assumed in case the infringement was made public in some form, requiring a correction of the public perception.

There are no binding guidelines as to where the publication needs to take place. This is left at the discretion of the court, but the qualification that the applicant must have "a justified interest" in the publication is interpreted in the

sense that the publication must be effective to counter any previous false information available the public. The extent of publication depends on the severity of the infringement. Where an infringement was widespread and publicly known, the publication order is often broader.

Measures typically include a statement on the defendant's website for a certain time, as well as publications in print or online newspapers and other media. At any rate, irrespective of the media involved, publication shall take place at the expense of the defendant. The costs involved may thus depend on the respective rates of the media in question.

The competent judicial authority in respect of such measures is the Vienna Commercial Court.

Non-compliance with an order

See Part II "Non-compliance with an order"

Appeal/review

See Part III "Appeal/review".

Non-compliance with UPC-issued order

See in Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Section 149 PA

OGH 10.07.2007 17 Ob 11/07b, RS0079615
OGH 24.04.2007 17 Ob 5/07w

XI Other appropriate sanctions

For criminal proceedings, see Part XII Additional options.

XII Additional options

Other available options in Austria

Criminal measures

The PA provides for the possibility of criminal sanctions in addition to civil law claims (Section 159 PA). Proceedings are initiated on request of an infringed claimant only. Applying

civil law standards, the infringed claimant would be the holder of the patent and possibly also an exclusive licensee.

In criminal IP matters, the federal prosecutor does not act in prosecution proceedings; the right holder assumes his role and has largely the same rights. The infringed claimant therefore has to file the criminal indictment with the criminal court, request searches and other coercive measures and argue the case before the court. The court authorises coercive measures, which then are carried out by the police – without participation of the right holder, see below.

A request to preserve evidence under Art. 7 ED cannot be used to initiate investigations by a prosecutor in criminal proceedings.

Criminal courts have jurisdiction to hear infringement proceedings. Criminal cases are exclusively heard before the Vienna Criminal Court and the Higher Regional Court of Vienna. However, the practical importance of criminal patent infringement proceedings is not significant. In cases of clear-cut infringements, criminal sanctions are sometimes requested to make use of “dawn raid” *saisie*-type actions.

Under a recent change of case law, the Supreme Court held that once criminal proceedings are initiated by a private party, including proceedings based on IP infringements, the right holder may no longer participate in searches of premises under criminal law. Rather, only the court (possibly aided by police) and the defendant are allowed to attend and carry out the search (OGH 23.08.2017, 15 Os 7/17v). This makes such searches more difficult and less attractive for applicants, and requires them to specify objects sought in a search in great detail to enable the court to identify infringing objects.

Border measures

Moreover, Austrian customs authorities will accept applications to enforce patent rights under the EU Regulation 608/2013, and are usually very helpful and effective in stopping counterfeit imports. Customs authorities are also open to receive training by right holders to better recognise infringing goods.

Non-compliance with an order

Criminal sanctions include monetary penalties and, in case of infringement on a commercial scale, imprisonment of up to two years.

Legal basis and case law

Section 159 PA
EU Regulation 608/2013

OGH 23.08.2017, 15 Os 7/17v (on “dawn raid” *saisie*-type actions under criminal law)

Belgium

I Evidence

Title of the order

Ordre de production de documents;
Bevel tot overlegging van stukken;
Anordnung zur Beibringung von Dokumenten
(Arts. 871 and 877-882 of the Code of Judicial Law, hereinafter “CJL”).

Basic procedural framework

Any judge in any proceedings may issue an order to present evidence.

There is no official responsible for enforcing the order. The order must be enforced by its addressee. See also “Non-compliance with an order” below.

Provision of evidence by third parties

Upon application by one of the parties, the competent judge may, in any proceedings, order a third party to present specified evidence in its control.

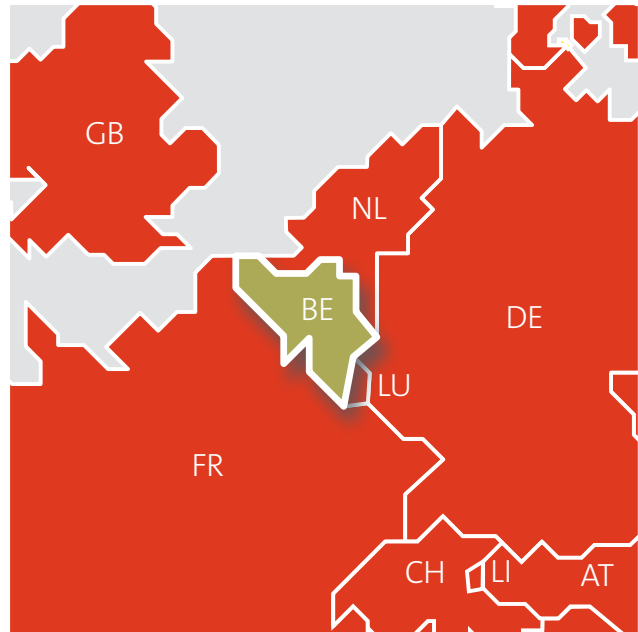
Assessment of evidence in support of the application

The applicant must provide evidence of “serious, precise and coinciding presumptions of the control by a party or a third party of a document containing the evidence of a relevant fact” (Art. 877 CJL).

Protection of confidential information

If a party requests the judge to issue an order to present evidence against its opponent, the judge must give said opponent the possibility to challenge that request (and thereby to request measures for protecting its confidential information if appropriate).

If such an order is requested against a third party, said third party has the right to file its observations in writing or in chambers (Art. 878 CJL). In addition, the judge who issued the order cannot order the addressee who refuses to



produce the document to pay damages if said refusal is based on a legitimate ground (which could include the protection of confidential information) (Art. 882 CJL).

Non-compliance with an order

In the case of non-compliance with an order, there are several means of enforcement:

- (i) If recurring or non-recurring penalty payments have been ordered (which is only possible if the addressee of the order is a party to the proceedings), the applicant may proceed to levy execution with the assistance of a bailiff. If the levy of execution is contested, the addressee of the order can oppose it before the judge of seizures, namely a judge within the courts of first instance who is competent to verify the legality of an execution levied or to grant permission to levy execution.
- (ii) If recurring or non-recurring penalty payments were not requested but the applicant would like to obtain them, e.g. because the addressee is not complying with the order, the applicant may file a request to that end with the judge who issued the order.
- (iii) The judge who issued the order is also competent to hear a request for damages from the applicant.

If the addressee provides false information by using a forged document the applicant may institute criminal proceedings

before the public prosecutor or the examining magistrate (*juge d'instruction; onderzoeksrechter; Untersuchungsrichter*), who may order a fine or even imprisonment (Art. 196 Code of Criminal Law, hereinafter CCL)¹.

The same applies if the addressee of the order destroys, alters or hides a document of which the production was ordered (Art. 495bis CCL)².

Appeal/review

An appeal may be filed before the Supreme Court within three months of the notification or service of the order upon the addressee.

Admissibility of evidence

Evidence obtained in other national criminal, administrative or civil proceedings is admissible, subject to the limitation that the evidence obtained through a descriptive seizure (see below under II) may only be used in further proceedings provided that proceedings on the merits have been initiated within the period determined by the judge ordering the descriptive seizure or, in the absence of such determination, a period not exceeding 20 working days, or 31 calendar days whichever is the longer, following the receipt of the expert's report (Art. 1369bis/9 CJL).

Evidence obtained in foreign proceedings is admissible, irrespective of whether or not the other country is an EU member state.

Legal basis and case law

Arts. 871 and 877-882 CJL

Art. 495bis CCL

Art. 196 CCL

Art. 1385bis-1385nonies CJL

Cass., 29 octobre 1991, RG 3185, Bekaert, Weyne / Duyck, *Pas.*, 1992, I, p. 162

Cass., 19 December 1994, S.A. R. / S., *R.W.*, 1995-96, p. 1207, obs. S. Van Overbeke

Cass., 14 December 1995, C.93.0383.N, Pysson / De Meurichy, *Pas.*, 1995, I, p. 1165

Cass., 11 September 2014, C.13.0014.F, BNP Paribas / Banca Monte Paschi, *J.T.*, 2015, p. 239

Cass., 16 October 2015, C.14.0512.F, BMW Belgium

Luxembourg / G. Business Services, *Pas.*, 2015, p. 2367

II Measures for preserving evidence

Title of the order

Saisie en matière de contrefaçon (also referred to as *saisie-description*);

Beslag inzake namaak;

Pfändung bei Nachahmung.

Further available measures

Further to the two measures mentioned in Art. 7.1 ED, the seizure of revenues that seem to find their direct origin in the alleged infringement may be ordered as well, but only as a precautionary measure (Art. 1369bis/1(4) CJL).

Basic procedural framework

The President of the Brussels Enterprise Court is competent to issue the order to preserve evidence (Art. 588, 15°, 633quinquies(3) and 1369bis/1 CJL), during separate proceedings, usually but not necessarily before the proceedings on the merits have been initiated.

Officials responsible for enforcing the order are a court-appointed expert, a bailiff and (if needed) the police.

Ex parte requests

If the request aims at obtaining descriptive measures only, the applicant must provide evidence that:

- (i) the intellectual property right at stake is *prima facie* valid; and that
- (ii) there are indications that said intellectual property right has been infringed or that there is a threat of such infringement.

If the request also aims at obtaining seizure measures, the applicant must provide evidence that:

- (i) the intellectual property right at stake is *prima facie* valid; that
- (ii) the infringement of said intellectual property right cannot be reasonably challenged; and that

¹ In case of a violation of Art. 196 CCL, an imprisonment between 5 and 10 years may be ordered.

² In case of a violation of Art. 495bis CCL, a fine between EUR 208 and EUR 8 000 and/or an imprisonment between eight days and two years may be ordered.

- (iii) after weighing up the interests involved, including the public interest, the facts and, where appropriate, the documents on which the claimant relies, there are sufficient grounds to reasonably justify the requested seizure measures.

The defendant or any other interested party can start third party opposition proceedings against the order granting the measures.

Protection available to defendant

Belgian legislation contains no specific guidelines as to how the adequate security referred to in Art. 7.2 ED is determined by the judge. The judge thus has a broad margin of discretion and needs to take all relevant facts and circumstances of the case into account. Case law and legal literature recognise that the (in)solvency of the applicant and the nature and quantity of seized goods are relevant criteria to take into account³. In case no security has been imposed on the claimant by the initial order, the lodging of such security may be requested afterwards through third party opposition proceedings.

Belgian legislation uses the same terminology as in the ED by providing that the judge may require the claimant to lodge “an adequate security or an equivalent assurance”, without further defining what such equivalent assurances may be (Art. 1369bis/3 CJL). In practice, such equivalent assurances could include a deposit with the bank account of the court office, a deposit in a blocked bank account or other kinds of bank securities.

The amount of the appropriate compensation referred to in Art. 7.4 ED for any prejudice suffered by the defendant is calculated according to the general rules of tort law. The main principle is that of *restitutio in integrum*, which means that the compensation should be equivalent to (no more and no less than) the actual prejudice suffered by the injured party. The purpose of this rule is to place the injured party back in the situation it had prior to the harmful event, as if the latter had not occurred.

Period to initiate proceedings on the merits

Either the period determined by the judge ordering the measures or, in the absence of such determination, a period not exceeding 20 working days, or 31 calendar days whichever is the longer, following the receipt of the expert’s report (Art. 1369bis/9 CJL).

Witness identity protection

No specific provisions have been adopted in Belgium with regard to the protection of witnesses’ identity.

Non-compliance with an order

In the case of non-compliance with an order, there are several means of enforcement:

- (i) If recurring or non-recurring penalty payments have been ordered, the applicant may proceed to levy execution with the assistance of a bailiff. If the levy of execution is contested, the addressee of the order can oppose it before the judge of seizures, namely a judge within the Courts of first instance who is competent to verify the legality of an execution levied or to grant permission to levy execution.
- (ii) If recurring or non-recurring penalty payments were not requested but the applicant would like to obtain them, e.g. because the addressee is not complying with the order, the applicant can file a request to that end with the judge who issued the order.
- (iii) The applicant may also request the payment of damages by initiating new proceedings before the competent judge, usually the Enterprise Court if the litigation is between two companies.

If the addressee provides false information by using a forged document the applicant may institute criminal proceedings before the public prosecutor or the examining magistrate (*juge d’instruction; onderzoeksrechter; Untersuchungsrichter*), who may order a fine or even imprisonment (Art. 196 Code of Criminal Law, hereinafter CCL)⁴.

Appeal/review

The applicant may appeal the order before the Brussels Court of Appeal if the President of the Brussels Enterprise Court refuses to grant the requested measures, in whole or in part. An appeal must be filed within one month of the notification of the order to the applicant.

The seized party or other interested party may initiate third party opposition proceedings against the order granting the measures. Third party opposition proceedings must be filed within one month of the notification or service of the order

³ F. de Visscher and P. Bruwier, *La saisie-description et sa réforme*, Larcier, Brussels, 2011, p. 119, citing Pres. Comm. Antwerp, 30 September 2008, *R.A.B.G.*, 2008, p. 1290.

⁴ In case of a violation of Art. 196 CCL, an imprisonment between 5 and 10 years can be ordered.

to or upon the seized party or other interested party. It is to be noted that the seized party must always be served with the order before the seizure begins. Third party opposition proceedings must be brought before the judge who issued the order, namely the President of the Brussels Enterprise Court or, if the measures were only granted after an appeal, the Brussels Court of Appeal.

Non-compliance with UPC-issued order

Article 82(3) UPCA provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. The rules applicable to the enforcement of decisions and orders of the UPC in Belgium are the same as those applicable to the enforcement of decisions and orders by “national” courts.

Legal basis and case law

Arts. 1396bis/1-1396bis/10 CJL

Arts. 1385bis-1385nonies CJL

Cass., 3 September 1999, C.96.0097.N, Sanac Belgium / Variantsystemet, *Ing.-Cons.*, 1999, p. 603; *I.R.D.I.*, 2000, p. 71

Cass., 3 January 2002, C.00.0012.N, Chiron Corporation / Innogenetics, *Pas.*, 2002, p. 14

Cass., 26 November 2009, C.08.0206.N, Ineos / Chevron Phillips Chemical Company, *Pas.*, p. 2781

Cass., 8 March 2010, C.08.0549.F, Coface / Infobase, *Pas.*, 2010, p. 735; *Ing.-Cons.*, 2010, p. 14; *I.R.D.I.*, 2010, p. 139

Cass., 25 November 2011, C.10.0559.F, Adobe Systems / Taquin, *Pas.*, 2011, p. 2607; *Ing.-Cons.*, 2011, p. 481; *I.R.D.I.*, 2012, p. 217

Cass., 2 May 2013, C.12.0150.F, Adobe Systems / P.J., *Pas.*, 2013, p. 1032

Cass., 12 September 2014, C.13.0232.N, Syral Belgium / Roquette Frères, *Pas.*, 2014, p. 1860; *Ing.-Cons.*, 2014, p. 615; *I.R.D.I.*, 2014, p. 634

III Right of information

Title of the order

Ordre de fourniture d'information;

Bevel tot mededeling van informatie;

Anordnung zur Erteilung von Auskünften.

Persons obliged to provide information

It is worth noting that the last category of person referred to in Art. 8.1 ED is not mentioned in Art. XI.334(3) of the Code of Economic Law (hereinafter “CEL”), which transposes Art. 8.1 ED into Belgian law. When transposing the ED into Belgian law, the Belgian legislator was of the opinion that this category of persons is to a large extent already covered by the first three categories of persons mentioned in that provision. According to the legal literature⁵, the omission of the last category of persons referred to in Art. 8.1 ED should not have any practical implications as a person who was “indicated” as being involved in the production, manufacture or distribution of the goods or the provision of the services, will have to be involved in the proceedings at stake according to Art. 6 of the ECHR, which will allow the judge to “find” whether or not the “indicated” person is involved in the infringing activities.

Types of information to be provided

Art. XI.334(3) CEL refers to any information on the origin and distribution networks of the infringing goods or services as well as “all data relating to it”. This broad formulation covers the information mentioned in Art. 8.2 ED and could possibly also cover other categories of data, as long as they relate to the origin and distribution networks of the infringing goods or services.

Competent authority

Any judge finding that an intellectual property right has been infringed can order such a measure.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

An appeal may be lodged within one month of the notification or service of the order to the Brussels Court of Appeal, but only together with the final decision (unless the judge expressly authorises an immediate appeal).

⁵ F. de Visscher, « La preuve des atteintes aux droits de propriété intellectuelle – Réforme de la saisie-description (article 6 à 8 de la directive 2004/48), in F. Brison (ed.), Sanctions et procédures en droits intellectuels, Larcier, Bruxelles, 2008, pp. 191-192.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. XI.334(3) CEL
 Art. 1385bis-1385nonies CJL
 Art. 495bis CCL
 Art. 196 CCL

IV Provisional and precautionary measures

Titles of the orders

Mesures provisoires et conservatoires;
Voorlopige en bewarende maatregelen;
Einstweilige Maßnahmen und Sicherungsmaßnahmen.

Basic procedural framework

Any judge is competent to order such measures, either in separate proceedings or in the main proceedings on the merits.

The period to initiate proceedings on the merits after the grant of provisional or precautionary measures is either determined by the judge ordering the measures or, in the absence of such determination, a period not exceeding 20 working days, or 31 calendar days whichever is the longer, following the service of the order upon the addressee.

There is no official responsible for enforcing the order. The order must be enforced by its addressee (in case of non-compliance, see “Non-compliance with an order”).

Factors considered by the court

The judge will verify the existence of a *fumus boni iuris* and balance the interests of the parties.

Recurring penalty payments

Recurring penalty payments are complementary to the main order, such as an injunction. The mere fact that such main order was issued is sufficient to justify the issuance of a recurring penalty payment, provided the claimant has requested it. However, a recurring penalty payment is not possible if the main order is a monetary one nor with respect

to claims relating to the execution of employment contracts (Art. 1385bis CJL).

The penalty payment may either be a one-off payment or a fixed amount per period or per breach. In the two latter cases, the judge may also determine a maximum aggregate amount for all penalty payments (Art. 1385ter CJL).

Provisional and precautionary measures against intermediaries

The right holder is in the position to apply for provisional and precautionary measures against intermediaries, given the broad powers of the judge deciding on a request for such provisional or precautionary measures. It suffices that the applicant demonstrates that he has an interest in the requested measures for such a request to be admissible.

Circumstances justifying an order for precautionary seizure

To obtain the precautionary seizure of the movable or immovable property of the alleged infringer, including the blocking of bank accounts and other assets, the claimant must provide evidence that

- (i) the intellectual property right at stake is *prima facie* valid;
- (ii) the infringement of said intellectual property right cannot reasonably be challenged; and
- (iii) after weighing up the interests involved, including the public interest, the facts and, where appropriate, the documents on which the applicant relies, there are sufficient grounds to reasonably justify the requested measures (Art. 584 CJL).

Assessment of required evidence

For the meaning of “reasonably available evidence” (Art 9.3 ED) see the conditions set out in the section “Circumstances justifying an order for precautionary seizure”.

The Belgian Supreme Court considers that for assessing the *prima facie* validity of a patent, the judge must take all relevant facts and circumstances of the case into consideration. In particular, if the patent was already revoked by a first instance judgment on the merits against which an appeal is pending, the patent can still form the basis of a

request for precautionary or provisional measures. However, the judge deciding on said request cannot justify its decision that the patent is *prima facie* valid by merely referring to the suspensive effect of the appeal lodged against the revocation decision. Similarly, if the patent was already revoked abroad, the judge deciding on a request for precautionary or provisional measures does not legally justify its decision that the patent is *prima facie* valid by merely referring to the limited territorial scope of the foreign revocation decision(s).

With regard to the second condition, reasonable certainty that the claimant's right is being infringed or that infringement is imminent, the threshold is clearly higher than the one applicable to a request for a descriptive seizure. Mere indications that an infringement has occurred or is likely to occur are therefore insufficient. On the contrary, it cannot be required from the applicant to establish the infringement beyond any doubt.

Finally, regarding the last condition of the balance of interests, the judge has a broad discretion.

Conditions justifying *ex parte* order

Precautionary or provisional measures can be obtained without the defendant having been heard either under the conditions set out above under Part II "*Ex parte* requests" in the framework of a request for a descriptive seizure or, outside that specific framework, in cases of "absolute necessity" (*nécessité absolue; volstreckte noodzakelijkheid; absolute Notwendigkeit*). The concept of absolute necessity is interpreted strictly and requires a very high degree of urgency or a strong likelihood that the measures will be ineffective in *inter partes* proceedings.

Belgian legislation does not contain any specific indication as to what constitutes "irreparable harm" as referred to in Art. 9.4 ED. This could be any harm that will be impossible or very hard to repair, such as a drop in market share or market value, damage to reputation, disappearance of evidence, risk of fraud or voluntary insolvency.

Protections available to the defendant

Belgian legislation contains no specific guidelines as to how the adequate security referred to in Art. 9.6 ED should be determined by the judge. The judge has a broad discretion and needs to take all relevant facts and circumstances of the

case into account. Case law and legal literature demonstrate that the (in)solvency of the applicant and the nature and quantity of seized goods are relevant criteria to take into account⁶. Belgian legislation uses the same terminology as in the ED by providing that the judge may impose the applicant to lodge "an adequate security or an equivalent assurance", without further defining what such equivalent assurances may be (Art. 1369bis/3 CJL). In practice, such equivalent assurances could include a deposit into the bank account of the court office, a deposit in a blocked bank account or other kinds of bank securities.

The amount of the appropriate compensation referred to in Art. 9.7 ED for any prejudice suffered by the defendant is calculated according to the general rules of tort law. The main principle is that of "*restitutio in integrum*", which means that the compensation should be equivalent to (no more and no less than) the actual prejudice suffered by the injured party. The purpose of this rule is to place the injured party back in the situation it had prior to the harmful event, as if the latter had not occurred.

Non-compliance with an order

In the case of non-compliance with an order, there are several means of enforcement:

- (i) If recurring or non-recurring penalty payments have been ordered, the applicant may proceed to levy execution with the assistance of a bailiff. If the levy of execution is contested, the addressee of the order can oppose it before the judge of seizures, namely a judge within the courts of first instance who is competent to verify the legality of an execution levied or to grant permission to levy execution.
- (ii) If recurring or non-recurring penalty payments were not requested but the applicant would like to obtain them, e.g. because the addressee is not complying with the order, the applicant may file a request to that end with the judge who issued the order (either in the same proceedings if they are still pending, or in separate proceedings).
- (iii) The applicant may also file a request for damages, either before the judge who issued the order (if the order was issued in main proceedings which are still pending) or (in case the measures were ordered in separate proceedings which are not pending anymore) before the judge competent for claims for damages,

⁶ F. DE VISSCHER and P. BRUWIER, *La saisie-description et sa réforme*, Larcier, Brussels, 2011, p. 119, citing Pres. Comm. Antwerp, 30 September 2008, R.A.B.G., 2008, p. 1290.

usually the Enterprise Court if the litigation is between two companies.

Appeal/review

An appeal may be lodged with the Brussels Court of Appeal within one month of the service of the order. In case the measures have been ordered in main proceedings on the merits, the appeal may be lodged only together with the appeal against the final decision (unless the judge expressly authorises an immediate appeal).

If the measures were obtained *ex parte*, the defendant may file opposition proceedings before the judge who issued the order within one month of the notification or service of the order to or upon the addressee of the measures. If the measures were only granted after an appeal, the opposition proceedings must be lodged before the Brussels Court of Appeal.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. 19(3) CJL

Art. 584 CJL

Art. 1369bis/1-1369bis/10 CJL

Art. 1369ter CJL

Art. 1385bis-1385nonies CJL

Cass., 8 September 2008, C.07.0263.N, Ratiopharm / Merck Sharp & Dohme, *Pas.*, 2008, p. 1879

Cass., 5 January 2012, C.11.0101.N, Mylan / Novartis, *Pas.*, 2012, p. 33; *Ing.-Cons.*, 2012, p. 209; *I.R.D.I.*, 2012, p. 262

Cass., 24 June 2013, C.12.0450.F, Eurogenerics / Lundbeck, *Pas.*, 2013, p. 1450; *Ing.-Cons.*, 2013, p. 507; *I.R.D.I.*, 2013, p. 294

Cass., 12 September 2014, C.13.0232.N, Syral Belgium / Roquette Frères, *Pas.*, 2014, p. 1860; *Ing.-Cons.*, 2014, p. 615; *I.R.D.I.*, 2014, p. 634

Cass., 26 January 2014, C.13.0336.N, Sandoz / AstraZeneca

V Corrective measures

Titles of the orders

Le rappel des circuits commerciaux, la mise à l'écart définitive des circuits commerciaux et la destruction;

De terugroeping uit het handelsverkeer, de definitieve verwijdering uit het handelsverkeer of de vernietiging;

Rückruf aus den Vertriebswegen, endgültige Entfernung aus den Vertriebswegen und Vernichtung.

BE

Other available measures in Belgium

No further measures as the ED has been transposed literally on these points. However, see Part XI “Other appropriate sanctions”.

Basic procedural framework

The competent judicial authority is the same judge as the one competent for deciding on the infringement. In patent matters, this judge is of the Brussels Enterprise Court. The order may be issued in the main proceedings on the merits.

There is no official responsible for enforcing such measures. When requesting the measures, the right holder may however ask the court to provide that the execution of the order by its addressee will be controlled by a bailiff.

The following factors are taken into account by the court when exercising its discretion in ordering such measures: the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties, in line with Art. 10.3 ED.

The recall from the channels of commerce, the definitive removal from the channels of commerce as well as the destruction of infringing goods, materials and implements must be requested by the claimant in the operative part of its submissions in the proceedings on the merits.

The claimant may ask for two of the abovementioned measures in parallel.

Belgian legislation does not provide any detail on what the “particular reasons” referred to in Art. 10.2 ED for not carrying out the measures at the expense of the infringer could be. A lack of proportionality between the seriousness of the infringement and the costs of the remedies requested by the applicant should constitute such a “particular reason”.

Assessment of proportionality for ordering remedies

The court will balance all interests involved in considering whether to order corrective measures.

Evidence of destruction

There is no general rule governing this question. It will depend on the way the order is phrased (which in turn will depend on the way the request was phrased). Sometimes the order foresees that the destruction must occur in presence of a bailiff, who will report it. The order may also simply foresee (explicitly or implicitly) that the addressee must provide the claimant with proof of the destruction.

Non-compliance with an order

In the case of non-compliance with an order, there are several means of enforcement:

- (i) If recurring or non-recurring penalty payments have been ordered, the applicant may proceed to levy execution with the assistance of a bailiff. If the levy of execution is contested, the addressee of the order can oppose it before the judge of seizures, namely a judge within the Courts of first instance who is competent to verify the legality of an execution levied or to grant permission to levy execution.
- (ii) If recurring or non-recurring penalty payments were not requested but the applicant would like to obtain them, e.g. because the addressee is not complying with the order, the applicant must institute new proceedings before the judge who issued the order.
- (iii) The applicant can also file a request for damages before the judge competent for claims for damages, usually the Enterprise Court if the litigation is between two companies

Appeal/review

An appeal may be lodged before the Brussels Court of Appeal by any party to the proceedings within one month of service of the order.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. XI.334(2) CEL
Art. 1385bis-1385nonies CJL

VI Injunctions

Title of the order

Ordre de cessation;
Stakingsbevel;
Unterlassungsbefehl.

Basic procedural framework

The same judge as the one competent for deciding on the infringement is competent for issuing an injunction. In patent matters, this judge is the Brussels Enterprise Court.

The right holder is responsible for enforcing the injunction. To enforce the injunction, the right holder will need the assistance of a bailiff (first for serving the order upon the defendant, and afterwards to levy execution where recurring or non-recurring penalty payments have been ordered).

Injunctions against intermediaries

Injunctions against intermediaries are explicitly foreseen (Art. XI.334(1) CEL).

Compulsory licence as a defence

It is possible to raise a request for a compulsory licence as a defence but there is no case law on this in Belgium.

From a procedural point of view, it is worth noting that once the defendant has applied for a compulsory licence based on public health grounds, any proceedings in which a patent infringement claim is raised against him are suspended on the infringement question until a decision is taken on the application for a compulsory licence (Art. XI.38(3) CEL).

The opposite solution applies if the defendant has applied for a compulsory licence based on lack of exploitation or dependency. In that case, the administrative grant procedure is suspended until a final decision was rendered on the infringement claim. If the defendant is found to infringe the patent, the application for a compulsory licence is rejected (Art. XI.37(3) CEL).

Court's discretion if finding of infringement

The issuance of an injunction is statutorily automatic in Belgium, but there is legal literature suggesting that exceptions to this principle should be possible under exceptional circumstances⁷. In principle, the judge has no discretion.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Art. XI.334(1) CEL

Art. XI.37(3) CEL

Art. XI.38(3) CEL

Art. 1385bis-1385nonies CJL

Arts. XV.103 and XV.107 CEL

Cass., 6 December 2001, C.01.0094.N, Bertelsmann Music Group Belgium / L.H. et Piet Roelen Productions, *Pas.*, 2001, p. 2025; *Ing.-Cons.*, 2002, p. 14

VII Alternative measures

The transposition of Art. 12 ED is optional and the Belgian legislator chose not to transpose it.

VIII Damages

Calculation methods available in Belgium

Belgian statutory law provides that when there is no other way to quantify damages, the judge may order the payment of a lump sum, determined by the principles of fairness and reasonableness. This last method is regularly followed in case law, in particular when it comes to assessing a prejudice other than pure loss of profits.

When the courts attempt to quantify damages more concretely than by awarding a lump sum compensation, they usually take two main categories of damages into account:

- (i) the loss of (direct) profits that the right holder would have made if the infringement had not occurred (*lucrum cessans*); and
- (ii) the actual costs and losses incurred by the injured party (*damnum emergens*).

There are two ways to calculate lost profits, depending on whether or not the claimant is personally exploiting the intellectual property right in question. If the claimant is exploiting said right, the loss of profits is usually calculated on the basis of lost sales, i.e. the loss of sales for products (or services) not sold due to the infringement. Alternatively, if the claimant is not exploiting the intellectual property right, the calculation is usually based on the royalties that the right holder would have received, had there been no infringement.

As far as the actual costs and losses incurred by the injured party are concerned, categories often taken into account are the costs for identifying and pursuing the infringement and moral damages or harm to reputation of the claimant or the concerned intellectual property right.

Basic procedural framework

In patent infringement proceedings on the merits, the determination of the amount of damages is usually part of the main proceedings, but generally takes place in a subsequent stage of said proceedings, after the decision on the infringement. However, this is not necessarily the case. In particular, if the right holder chooses to institute fast track proceedings specifically aimed at obtaining an injunction (*action en cessation; stakingsvordering; Unterlassungsklage*), damages will have to be determined afterwards, in separate proceedings.

In Belgium, the only judicial authority competent to determine the amount of damages resulting from a patent infringement is the Brussels Enterprise Court.

If the determination of the amount of damages is the subject of separate proceedings, the successful party may request the information as per Art. 8 ED either in advance (eg. during the initial infringement proceedings) or during said separate proceedings.

⁷ For example, C. De Meyer, « Het bevel tot staking naar Belgisch recht », in *Sanctions et procédures en droits intellectuels*, Larcier, 2008, pp. 198-201.

Methods of calculation

The choice between different calculation methods is made by the judge according to the principles indicated under “Calculation methods available in Belgium” above.

Different calculation methods may be applied for the determination of different categories of damages (e.g. royalties to compensate for loss of profits and a lump sum for moral damage).

Evidence of lack of knowledge

The transposition of Art. 13.2 ED is optional and the Belgian legislator chose not to transpose it.

Non-compliance with an order

The only sanction is to levy execution. The judicial authority competent to levy execution is the bailiff. If the levy of execution is contested, the defendant can oppose it before the judge of seizures.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. XI.335 CEL

Art. 1382 of the Civil Code

Cass., 23 June 1981, RG 6521, Verheyden / De Rijck, *Pas.*, 1981, I, p. 1221

Cass., 15 March 1985, RG 4482, LLOYD belge / Etat belge, *J.T.*, 1986, I, p. 8

Cass., 23 December 1992, RG 23, Fonds commun de garantie automobile / Lamy, *Pas.*, I, 1992, p. 1406

Cass., 13 April 1995, C.94.126.F, Meuris / Axa Belgium, *J.T.*, 1995, p. 649

Cass., 2 April 2008, P.07.1685.F, M.S. / Sabam, IFPI Belgium e.a., *Pas.*, 2008, p. 807

Cass., 13 May 2009, P.09.0121.F, J. M., Y., H., M. / Sabam, IFPI Belgium, *A&M*, 2009, p. 384

IX Legal costs

Overview of assessment of costs

In Belgium, each final judgment must determine, even *ex officio*, the award of costs against the unsuccessful party, unless particular legal provisions provide otherwise and without prejudice to an agreement of the parties. However, unnecessary costs are always borne by the party who caused them.

Lawyers’ fees are reimbursed through the award of a so-called “procedural indemnity” (*indemnité de procédure; rechtsplegingsvergoeding; Verfahrensentanschädigung*) to the successful party. This procedural indemnity is a lump sum determined by statutory law. Upon request of a party, the judge may depart from this lump sum, but must always stay within a fixed range that is also determined by statutory law. If the judge decides to depart from the basic amount, the decision must be reasoned and take into account the following four criteria:

- (i) the financial capacity of the unsuccessful party, but only for decreasing the amount;
- (ii) the complexity of the case;
- (iii) contractual indemnities agreed between the parties for the successful party; and
- (iv) the fact that the situation is clearly unreasonable.

In patent cases, the second criteria is almost always accepted to justify the award of the highest possible amount within the range. This amount usually remains significantly lower than the actual lawyers’ fees, which is the reason why the conformity of the Belgian system with the ED has been questioned before the CJEU (CJEU, 28 July 2016, C-57/15, *United Video Properties*).

In Belgium, there is a set list of legal costs and expenses. This list is the following:

- 1) the various registry and registration fees as well as the stamp duties that were paid before the repeal of the Stamp Duty Code;
- 2) the cost, emoluments and salaries relating to judicial documents;
- 3) the cost of the authentic copies of judgments;
- 4) the costs of any measures of inquiry, including the remuneration of witnesses and experts;

- 5) the travel and subsistence expenses of the magistrates, clerks and parties, when their travel was ordered by the judge, and the expenses relating to acts done especially for the trial;
- 6) the procedural indemnity as above;
- 7) the fees, emoluments and expenses of the court-appointed mediators; and
- 8) the contributions to the budgetary fund for second-line legal assistance.

Legal basis and case law

Arts. 1017 to 1024 CJL
 Royal Decree of 26 October 2007 determining the amounts of the procedural indemnities referred to in Article 1022 CJL
 CJEU, 28 July 2016, C-57/15, United Video Properties

X Publication of judicial decisions

Title of the order

Affichage et publication de la décision;
Aanplaking en bekendmaking van de beslissing;
Anschlagung und Veröffentlichung des Beschlusses.

Basic procedural framework

What is required to be published remains at the judge's discretion. It may be the entire decision or a summary of it. It is also at the judge's discretion where the publication takes place. The infringer may be ordered to post the decision (or a summary of it) both inside and outside its premises, or to publish it in newspapers, on its website or otherwise.

Given the negative consequences such dissemination of information can have for the infringer, it is not easily granted by Belgian courts. Factors that are taken into consideration are, amongst others, the fact that the infringement lasted for a long time, that the damage caused to the right holder cannot easily or adequately be repaired otherwise, that such dissemination could contribute to put an end to the infringement or that the infringer was acting in bad faith.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Art. XI.334, Sect. 4, CEL
 Arts. 1385bis-1385nonies CJL

XI Other appropriate sanctions

Name and type of sanctions

Belgian legislation contains three sanctions that are alternatives or additions to the sanctions of the ED.

First, the judge may order the infringer to deliver the infringing goods to the right holder and, in appropriate cases, the materials and instruments mainly used in the creation or manufacture of said goods, and which are still in its possession. This delivery replaces the payment of damages. However, if the value of these goods, materials and instruments is higher than the actual damage, the right holder must reimburse the difference to the infringer.

Second, if the right holder demonstrates that the infringer acted in bad faith, the judge may, instead of quantifying and awarding damages, order the infringer to surrender, in whole or in part, the profits made as a result of the infringement. Only the costs directly relating to the infringing activities can be deducted for determining said profits. If the profits made by the infringer are higher than the actual damage, the right holder is not bound to reimburse the difference.

Third, also in case the infringer acted in bad faith, the judge can order the confiscation, for the benefit of the right holder, of the infringing goods and, in appropriate cases, of the materials and instruments mainly used in the creation or manufacture of said goods, and which are still in the possession of the infringer. If said goods, materials or instruments are not in the possession of the infringer anymore, the judge can award a sum equivalent to the price obtained for them by the infringer. This confiscation absorbs the damages to the amount of the confiscation. In this case, if the value of the goods, materials and instruments concerned is higher than the actual damage, the right holder is not bound to reimburse the difference.

The two last sanctions can thus lead to a compensation of the right holder that is higher than the damage he actually suffered.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Legal basis and case law

Art. XI.335 CEL

Arts. 1385bis-1385nonies CJL

XII Additional options

Other available options in Belgium

Criminal proceedings are available but almost never used in patent cases. To launch such proceedings, a complaint must be filed with the public prosecutor or examining magistrate (*juge d'instruction; onderzoeksrechter; Untersuchungsrichter*).

Border measures are available as well, in accordance with EU Regulation 608/2013 concerning customs enforcement of intellectual property rights. To obtain such measures, a request for intervention must be addressed to the Federal Public Service Finances, Administration of the Customs and Excise.

Non-compliance with an order

In case of criminal proceedings, the sanctions can be a fine between EUR 4 000 and EUR 800 000 and/or imprisonment between one and five years.

In case of border measures, the sanction may be the destruction of the seized goods.

Legal basis and case law

Arts. XV.70, XV.103 and XV.107 CEL

Law of 15 May 2007 on the repression of counterfeiting and piracy of intellectual property rights

Bulgaria

I Evidence

Title of the order

Задължение на страната за представяне на документ
(obligation of the party to present a document)

Задължение на трето лице да представи документ
(obligation of a third party to present a document)

Basic procedural framework

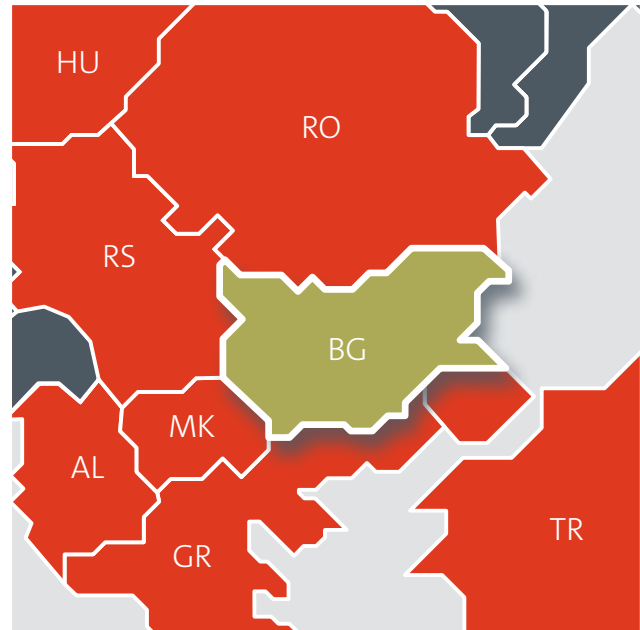
The Bulgarian Law of Patent and Utility Model Registration in force since 1993 (hereinafter LPUMR) does not contain special provisions implementing Art. 6 ED. General provisions for collecting evidence in the possession of the defendant exist in the Civil Procedural Code (Arts.190 and 191), but they are relatively limited in scope. They give the claimant the right to request the court to order the defendant to present one or more specific documents, but not other type of evidence or “information” as such. As the Civil Procedural Code does not limit the use of the documents presented by the defendant only to the specific civil procedure and there is no obligation for confidentiality, the defendant may refuse to present the documents, if they relate to his personal or family life, can lead to a loss of reputation or to criminal prosecution of the defendant or his/her close relatives.

The Sofia City Court is competent as the first instance court in patent infringement proceedings (Art. 64(1) LPUMR) and is the competent authority to issue such an order. As an exception, such an order may also be issued by the second instance court, the Sofia Court of Appeal, as the parties may submit evidence before the second instance court if they were not aware of such evidence during first instance proceedings or prior to submitting the appeal.

The order may be issued only in main proceedings on the merits upon request by the claimant specifying the document(s) requested.

Provision of evidence by third parties

If the document is in the control of a third party, the court may order this party to present the document (Art. 192 Civil Procedure Code) upon written application by the claimant. The written application specifying the document(s) is sent by the court to the third party which is obliged to present



them. In practice, the court will often issue to the claimant a certificate, confirming that a third party is obliged to present document or information. The claimant will then present the certificate to the third party and obtain the documents or the information requested from that third party. This method of collecting evidence slightly broadens the scope of the facts that may be presented before the court, but is limited only to documents/information possessed by third parties.

Assessment of evidence in support of the application

The law does not request the applicant to support his application with evidence. The assessment will be made mainly on the basis of the explanation of the applicant and with respect to the facts that need to be proven with the documents/information.

Protection of confidential information

There is no obligation of confidentiality.

Non-compliance with an order

It is at the court’s discretion to decide how to proceed if the defendant or third party does not comply with the order. There is no specific procedure foreseen.

If it is the defendant who does not comply with the court order, the court may consider the facts or circumstances for which the defendant impedes the collecting of evidence as proven. If it is a third party who does not comply with the court order, this third party would bear civil responsibility for damages to the claimant for not presenting the requested evidence or information.

The court may impose a penalty on either party (the defendant and a third party) of up to BGN¹ 2 000 (approx. EUR 1 000) for every individual act of non-compliance with the order (Art. 405(1) Judicial Power Act).

Appeal/review

The order may not be appealed, but it can be reviewed by the same court that issued the order.

If the defendant or the third party does not possess the requested documents, it may inform the court of this circumstance and may ask for a review of the order to avoid negative consequences described above. In practice however the court very rarely formally reviews its order, it will generally assess the defendant's willingness to co-operate with the order together with the rest of the evidence. With respect to third parties, the court will generally either abandon this method for substantiation (if the explanation is justified) or impose the penalty mentioned above.

The request for review of the order must be filed within the term given by the court for presenting the documents or information requested.

Admissibility of evidence

From other national proceedings

Evidence obtained in criminal, administrative or other civil proceedings is admissible in civil proceedings, but it has to be pointed out that Bulgarian legislation does not provide for criminal responsibility for patent infringement, so practically it is very difficult to have direct evidence of patent infringement obtained in a criminal procedure.

From foreign proceedings

Evidence obtained in proceedings before a court of another country is in principle admissible in civil proceedings before Bulgarian courts, but it must be presented by the parties. Bulgarian courts do not possess a legal mechanism to request evidence obtained by a court of another country (whether EU or not) within the framework of proceedings before that court. A Bulgarian court may only request official documents, such as decisions, rulings, extracts from state registers etc.

With respect to witness statements given before a foreign court, they are inadmissible before the Bulgarian court. According to the Civil Procedural Code the witness should appear in person before the court and give oral testimony.

EU Regulation 1206/2001 and other existing bilateral judicial co-operation agreements to which Bulgaria is a party do not affect the above responses, as they provide a mechanism for collecting evidence specifically designed for a specific court procedure, but not for use of evidence already collected in another court case abroad.

Legal basis and case law

Civil Procedural Code, Arts.190, 191, 192
LPUMR, Art. 64(1)
Judicial Power Act, Art. 405(1)

II Measures for preserving evidence

Title of the order

Обезпечение на доказателства

Further available measures

The LPUMR does not contain special provisions implementing Art. 7 ED. Such provisional measures are deemed not to be applicable in the field of patents and utility models, mainly due to the peculiarity of the civil proceedings in which, at the preliminary stage, the court is usually not competent to assess on its own whether the defendant's actions indeed constitute an infringement. Technical expertise is usually required to reach such a conclusion, but cannot be appointed at the preliminary stage.

¹ Bulgarian leva (BGN)

Despite the fact that the Civil Procedural Code contains provisions for preserving evidence (Arts. 207 and 208) they do not correspond with Art. 7 ED, since they require the defendant to be informed in writing before the measure is ordered by the court.

Taking some measures which will eventually lead to preservation of evidence is possible, but through different procedures provided for in the Civil Procedural Code. The patent owner has the right to request the destruction of the goods which infringe the exclusive rights granted by the patent or the utility model, as well as the means of production (Art. 28 LPUMR). A patent owner may include a collateral claim for precautionary seizure (distrain) of those items (Art. 397(1) p. 2 Civil Procedural Code). The alleged infringing goods and production means themselves are in essence evidence to establish infringement. The end effect is that a precautionary seizure leads to the preservation of evidence.

The information below will refer to this specific measure and the procedure related to it.

Basic procedural framework

The Sofia City Court is competent as the first instance court in patent infringement proceedings and is the competent authority to issue such an order. As an exception, such an order may be issued by the Sofia Court of Appeal, as the parties may submit evidence before the second instance if they were unaware of such evidence during first instance proceedings or prior to submitting the appeal.

The distrain order may be issued within the main proceedings on the merits upon request by the claimant, but may also be issued before commencing the main procedure. The request for distrain should be supported by written evidence that the main claim (pending or future) is likely to be well-founded, or that a security should be lodged. The court may reject the request if, depending on the circumstances, it is not supported by appropriate evidence or is not well-founded. The ruling is subject to appeal before the Sofia Court of Appeal and (optionally) before the Supreme Court of Cassation² which if it revokes the lower court ruling, will issue the distrain order.

At the claimant's request a public or private bailiff will enforce the distrain order. The bailiff will make a detailed description of the goods and/or means of production, seize them and will appoint a "keeper", who is responsible for their safekeeping until completion of the procedure on the merits. The "keeper" may be a third party, the claimant or, depending on the circumstances, even the defendant.

Ex parte requests

The measure is a collateral claim and always ordered in closed session without the other party being heard. The claimant must persuade the court on the basis of the written evidence that the main claim (pending or future) is likely to be well-founded, or be willing to lodge a security.

The Civil Procedural Code (Art. 391) requires that the order to lodge a security must be justified by the fact that without it, it would be impossible or at least very difficult for the claimant to achieve the result he claims in the proceedings. The court will have to assess whether such danger really exists based on the facts and circumstances established before it.

The ruling of Sofia City Court allowing a collateral claim may be appealed by the defendant before the Sofia Court of Appeal within one week from being officially informed by the bailiff of the seizure of the goods and/or means of production. The ruling of the Sofia Court of Appeal is final.

If the appeal is allowed by the Sofia Court of Appeal then the appeal should be filed before the Supreme Court of Cassation.

Protection available to the defendant

The legal basis for determining security is Art. 391(3) Civil Procedural Code. It is estimated by the court on the basis of its understanding of the direct damage that may be caused to the defendant if the collateral claim is not well-founded.

Bulgarian legislation does not provide for "equivalent assurances" (as referred to in Art. 7.2 ED).

² A cassation appeal is possible only in limited circumstances, defined in Art. 280 of the Civil Procedural Code, namely:
 – if the ruling is contrary to the obligatory practice of the Supreme Court of Cassation on interpretative decisions, or contrary to established practice of the Supreme Court of Cassation;
 – if the ruling is contrary to practice of the Constitutional Court of Bulgaria, or the Court of the European Union;
 – if the matter in question is of significant importance to the correct implementation of the law or development of the legal framework.
 Whether a cassation appeal is admissible (i.e. complying with these provisions) is ruled upon by the Supreme Court of Cassation itself.

Compensation (as referred to in Art. 7.4 ED) in Bulgarian legislation is always equivalent to the amount of direct damage suffered by the defendant, who bears the burden to proving that amount.

Period to initiate proceedings on the merits

The period to initiate proceedings on the merits is to be determined by the court allowing the collateral claim, but it cannot exceed one month.

Witness identity protection

The LPUMR does not include provisions for the protection of witnesses' identity. On the contrary, each party should be aware of who the witnesses of the other party are, and provided with opportunity to question them. The hearing of witnesses is always in an open court session to which the parties are summoned.

Non-compliance with an order

If the defendant or a third party refuses access to the goods and/or means of production specified in the distraint order, the bailiff may ask the police for assistance.

Additionally, a financial penalty may be imposed by the bailiff. The maximum amount is BGN 200 (approx. EUR 100), but may be imposed repeatedly until the party complies with the order. Furthermore, obstructing a bailiff is a criminal offence, carrying a sentence of up to three years' imprisonment and a fine of between BGN 500 and 2 000 (Art. 270 Penal Code).

Appeal/review

The defendant may file a written appeal to the court (first instance court or Court of Appeal) that allowed the collateral claim and issued the distraint order. A copy of the appeal is to be sent to the claimant who has one week to respond. The higher court (Court of Appeal or Supreme Court) makes a ruling in closed session on the basis of the evidence available.

The ruling of Sofia City Court allowing the collateral claim may be appealed by the defendant before the Sofia Court of Appeal within one week from being officially informed by the bailiff for the seizure of the goods and/or means of production. If the appeal is allowed, the ruling of Sofia Court of Appeal is final, no further appeal is provided for in the law.

If the collateral is allowed by the Sofia Court of Appeal, then the appeal should be filed before the Supreme Court of Cassation.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Bulgaria.

The authority (bailiff) will be the same, but the exact procedure it is not clear. At the time of writing, no steps to implement the UPCA are being taken on a national level and there is no clarity as to whether the orders of the UPC will be enforced by the bailiff directly or whether any intermediary act of the Bulgarian court will have to be issued.

Legal basis and case law

LPUMR, Art. 28(1) p. 1 and (2) p. 2
Civil Procedural Code, Arts. 207, 208, 209
Civil Procedural Code, Chapter 34 and 35

III Right of information

Title of the order

“Право на информация” (right of information)

Persons obliged to provide information

There are no persons obliged to provide the information other than those indicated in Art. 8.1 ED.

The list of persons is limited to:

- (a) a person found in possession of the infringing goods on a commercial scale; and
- (b) a person indicated by the person referred to in point (a) as being involved in the production, manufacture or distribution of such goods.

Types of information to be provided

There is no information other than that listed in Art. 8.2 ED to be provided. Information relating to “the intended wholesalers and retailers” is not included in Bulgarian legislation.

Competent authority

The Sofia City Court is the competent authority to issue such an order.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Civil Procedural Code, Arts.190, 191, 192

LPUMR, Art. 64(1)

Judicial Power Act, Art. 405(1)

IV Provisional and precautionary measures

Titles of the orders

Запор на банкови сметки (blocking of bank accounts);

Възбрана на недвижим имот (restraining sale of real estate);

Запор на движими вещи (seizure of movable assets)

Basic procedural framework

The LPUMR does not contain special provisions implementing Art. 9 ED. The Civil Procedural Code, however, contains provisions for blocking the defendant’s bank accounts and other assets. These provisions existed prior to the implementation of the ED.

The purpose of blocking bank accounts is to secure the enforcement of monetary claims against the defendant, i.e. claims for damages or lost profit resulting from the infringement. The claimant may file a request for a collateral claim in the form of blocking bank accounts or seizing other movable assets of the defendant (distrain) or in the form of an order restraining the disposal real estate (Art. 397(1) p. 1 and 2 Civil Procedural Code).

The order for restraining the sale of real estate is implemented by including the order in the real estate register.

See also Part II “Basic Procedural Framework”.

Factors considered by the court

The claimant must persuade the court on the basis of written evidence that the main claim (pending or future) is well-founded, or lodge a security. The Civil Procedural Code (Art. 391) states as a condition to allow the collateral claim that without it, it would be impossible or at least very difficult for the claimant to achieve what he claims in the proceedings. Whether such a danger really exists is assessed by the court based on the facts and circumstances.

Recurring penalty payments

There are no provisions for recurring penalty payments in Bulgarian legislation, except when imposed by a bailiff in the enforcement procedure, see below.

Provisional and precautionary measures against intermediaries

The claimant may not apply for provisional and precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

An order for precautionary seizure is made on a case by case basis and depends on the circumstances.

Assessment of required evidence

The fact that the claimant is a right holder is to be proven by presenting a copy of the patent or the utility model certificate and, if the patent or the utility model certificate is transferred to the claimant, an official document proving the transfer. If the claimant is an exclusive licensee, an official document proving that the licence is entered in the register should be presented as well. With regard to demonstrating with sufficient degree of certainty that claimant’s right is being infringed, or that such infringement is imminent, this is assessed on a case-by-case basis by the court.

There is no definition or court practice in Bulgaria with regard to “sufficient degree of certainty” (as referred to in Art. 9.3 ED); it depends on the perception of the court and circumstances of the case.

Conditions justifying *ex parte* order

The distraint order is a collateral claim and always issued without the other party having been heard, not only in “appropriate cases” (as referred to in Art. 9.4 ED).

The Civil Procedural Code (Art. 391) lays down as a condition for allowing the collateral claim, that without it impossible or at least very difficult for the claimant to achieve what he claims in the proceedings. In the context of monetary claims, “irreparable harm” (as referred to in Art. 9.4 ED) would mean that by transferring all his assets to third parties in order to avoid enforcement of the decision, the defendant may block the collecting of the compensation, thus making the court decision pointless.

Protection available to the defendant

See Part II “Protection available to the defendant”.

Non-compliance with an order

If the defendant or a third party refuses access to the assets specified in the distraint order, the bailiff may ask the police for assistance.

If the bank does not block the bank account of the defendant on time, it bears civil responsibility for the damage caused. If the officer of the real estate register does not enter the restraint on the sale he/she will bear disciplinary responsibility and the state will bear civil responsibility for damage suffered.

In such cases of non-compliance a financial penalty may be imposed. The penalty is imposed by the bailiff on the person responsible for not complying with the order (e.g. bank employee, officer in the real estate registry, third party in possession of assets, the defendant, etc.). The fine will be recurring, until the order is complied with. Furthermore, obstructing a bailiff may also constitute a criminal offence, which carries a sentence of up to three years’ imprisonment and a fine between BGN 500 and 2 000 (Art. 270 Penal Code).

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

LPUMR, Art. 28(1) and (2) p. 2
Civil Procedural Code, Chapter 34 and 35

V Corrective measures

Titles of the orders

Иск за преустановяване на нарушението (claim for discontinuing (stopping) the infringement);

Иск за унищожаване на стоките, предмет на нарушението (claim for destruction of the infringing goods).

Bulgarian legislation in the field of patents and utility models recognises “recall from the channels of commerce”, (as referred to in Art. 10 ED) which is discontinuing or stopping the infringement, as well as destruction of infringing goods.

Bulgarian legislation does not differentiate between “recall from the channels of commerce” and “definitive removal from the channels of commerce”. The order to stop the infringement (see also Part VI “Injunctions” below) would have the same effect.

The claimant is also entitled to request the destruction of the means (implements) of production of the infringing goods if the defendant acted with intent. The burden of proof that the defendant acted with intent is on the claimant.

Other available measures in Bulgaria

The claimant may request that the infringing goods are altered, rather than destroyed. However, in practice this is rarely requested (it is more likely to be a part of an *inter partes* amicable settlement of the case).

Basic procedural framework

The competent authority would be the court issuing the decision on the merits, as these measures are an integral part of the decision on the merits. In patent infringement proceedings the competent court is the Sofia City Court. A state private bailiff is the authority that legally enforces a court decision, should the infringer fail to do so voluntarily.

The abovementioned measures are provided for as separate claims, at the discretion of the claimant. The only prerequisite for finding these claims as well-founded is that the main claim with regard to infringement is deemed well-founded.

All available measures may be claimed in parallel in the same proceedings.

The procedure is a general one. After a decision is rendered, it will be enforced by the bailiff, through an enforcement procedure, in which the defendant will be invited to voluntarily comply with the court decision. If the defendant fails to do so, recurring fines will be imposed until he does.

In the case of an order for destruction of infringing goods, materials or implements, the bailiff will destroy the goods, in the presence of both parties (if they wish to be present). The use of special equipment or a facility (depending on the type of goods) is permitted and it is at the bailiff's discretion to determine the exact method of destruction (generally this is agreed between the bailiff and the claimant). The claimant will generally be responsible for disposal of waste, transportation of the goods and other particulars.

Bulgarian patent legislation does not contain any specific provisions that exempt the defendant from bearing the expense for measures imposed following a decision. With regard to an order for recall of infringing goods, the court shall order the infringer to recall all infringing products from the market at his own expense. Failure to comply would result in possible actions against him, including fines for failure to comply with a court order (within the enforcement procedure as described above) and possibly, even criminal sanctions for failure to comply with a court decision.

Assessment of proportionality for ordering remedies

The principle of "proportionality" (as referred to in Art. 10.3 ED) is not explicitly provided for in the Bulgarian patent legislation. However, the court will at its discretion, rule on whether the requested measures are appropriate (and proportionate) with regard to the circumstances of each

case. Interests of third parties may also be subject to the same assessment. For example, the interests of the defendant's distributor who may incur losses following the recall of goods would not impede that measure. The distributor would have to resolve the matter directly with the defendant through a civil claim for damages, for example.

However, the court would not order a recall from final consumers, who have purchased infringing goods on the market before the infringement was stopped.

Evidence of destruction

Destruction of goods is proven with a protocol that destruction was carried out. The protocol is prepared and signed by the bailiff. If the destruction is voluntarily carried out after the decision was rendered, the two parties involved (claimant and defendant) would complete a protocol for the actions taken, which would serve as proof of the destruction.

Non-compliance with an order

The competent authority would again be a state or private bailiff.

Failure of the defendant to comply with the order would incur fines, imposed by the bailiff until the defendant complies. This would be a part of the enforcement proceedings, described in "Basic procedural framework" above.

The sanctions would be in the form of recurring penalty payments (fines). Failure to comply with a court decision is also a criminal offence and may lead to imprisonment of up to three years and a fine of up to BGN 5 000, if prosecuted.

Appeal/review

Since an order for corrective measures is part of the decision on the merits, the appeal procedure is the same as for an appeal on the decision on the merits, i.e. before the Sofia Court of Appeal, and if applicable, before the the Supreme Court of Cassation.

The term for appeal is one week from the date of notification of the decision on the merits.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

LPUMR, Arts. 28(1) p. 3 and 64(1)
Civil Procedural Code, Chapter 25 (with regard to the civil procedure before the court) and Chapter 38 (with regard to execution)

VI Injunctions

Title of the order

Иск за преустановяване на нарушението (claim for discontinuing the infringement)

Basic procedural framework

An injunction is a separate claim, to discontinue the infringement. In Bulgaria, it significantly overlaps the concept of “recall from the market” (see Part V “Corrective measures” above).

As this is a separate claim, it is to be filed by the claimant together with the other infringement claims with the Sofia City Court.

The Sofia City Court will issue the order as an integral part of the decision on the merits. The order will be enforced by a bailiff.

Injunctions against intermediaries

The legislation in the field of patents in Bulgaria does not have a provision for an injunction against intermediaries.

Compulsory licence as a defence

The LPUMR explicitly states that a compulsory licence may not be granted to a patent infringer.

Court’s discretion if finding of infringement

The injunction is a separate claim which has to be filed by the claimant. The court does not have a discretion with regard to this claim. If the claimant does not file a claim to cease the infringement, the court would not issue an injunction on its own motion.

However, court practice is split as to whether when finding the claim to be successful, it is relevant to assess if the infringement is ongoing at the time of rendering of the decision, or if it has already ceased. Some court panels see a claim for discontinuing the infringement proceedings as unfounded, if it cannot be proven that the infringement is still ongoing at the time of completion of the court proceedings. Other panels take the opposite approach and grant the order even if the infringement is no longer taking place, as the ruling should have a preventative effect for the future. The goal is to prohibit the defendant to commit future infringements of the patent. So far the Supreme Court of Cassation has not issued a ruling on this issue.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

See Part V “Legal basis and case law”.

VII Alternative measures

Bulgarian legislation does not provide for any specific alternative measures within the meaning of Art. 12 ED.

VIII Damages

Calculation methods available in Bulgaria

The general principles of Bulgarian tort law dictate that the claimant (right holder) is to be compensated only for the actual prejudice caused by the infringement. Punitive damages are not recognised in Bulgarian law.

Whilst the notion of “fair compensation, that should have a preventative and deterrent effect on the infringer and the society” can be found in the legislation relating to trade marks, designs, geographical indications (GIs) and copyrights and related rights, it has not been transposed in the LPUMR regarding patents and utility models.

Basic procedural framework

The determination and award of damages is a part of the main proceedings, but only if such a claim has been specifically filed by the claimant.

The claimant is obliged to prove that the damage suffered was caused by the infringement. The LPUMR contains no explicit provisions in accordance with Art. 13.2 ED.

Methods of calculation

The claimant is obliged to prove the amount of damage suffered, in order for damages to be awarded by the court. In that regard, the claimant may choose the appropriate calculation method, providing justification why that particular method has been chosen and providing evidence that it reflects the amount of damage suffered (bearing in mind that only actual damage suffered may be compensated).

The court does not apply a method for the calculation of damages on its own. It assesses if the damages claimed by the claimant are justified, including the method for their calculation.

In Bulgarian court practice, the amount of royalties that the claimant would have received if a licence agreement had been concluded with the defendant is as a rule, considered actual prejudice (unless extraordinary circumstances dictate otherwise). This is also the most commonly applied method for proving damage as it can be most easily proven in the majority of cases. Lost profits may also be claimed, however they will also have to be proven as actual prejudice by the claimant.

The LPUMR does not provide for the awarding of a lump sum (as referred to in Art. 13.1(b) ED).

Evidence of lack of knowledge

Lack of knowledge (as referred to in Art. 13.2 ED) is not addressed in the Bulgarian legislation. The only place where the LPUMR differentiates based on “intent” (and not “knowledge with reasonable grounds”) is concerning the liability of third parties, who offer infringing products for sale, produced by another person. Such third parties are liable only if they acted with intent (Art. 27(2) LPUMR). Also, the means of production of infringing goods are subject to destruction only if the defendant acted with intent (Art. 28(2), p. 2 LPUMR).

Non-compliance with an order

The order for remuneration of damages is issued with the decision on the merits by the Sofia City Court. After completion of the case the claimant is entitled to receive a writ of execution.

After obtaining the writ of execution, an enforcement procedure must be initiated with either a state or private bailiff, at the domicile of the defendant or his registered place of business. The bailiff will send the defendant an invitation to voluntarily pay the amount awarded. If the payment is not made within a seven-day period from receipt of the invitation, the bailiff will commence a procedure for collecting the debt by various means, depending on the matter and the defendant’s assets. These could include the distraint of bank accounts, seizure of assets or company shares, sale of property or real estate, etc.

The sanction for not complying with the order to pay damages results in penalty interest being added to the sum owed by the defendant, until final payment. The amount of penalty interest applied is equal to the General Domestic Interest Rate (determined each year by the State), increased by 10 percentage points. Interest is compounded until the final payment of the amount awarded i.e. partial payments first cover expenses in the enforcement proceedings, then the interest accrued to that specific point in time, and finally, the amount awarded.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

See Part V “Legal basis and case law”.

IX Legal costs

Overview of assessment of costs

The LPUMR, and other IP legislation in Bulgaria, does not contain specific rules regarding the awarding of legal costs. However, the general principle established in Bulgarian law is that the losing party bears the costs of litigation of the successful party.

Attorney fees in Bulgaria are in general not subject to restrictions as to their maximum amount. There is a restriction for the minimum amount, in the “Regulation for Minimal Amounts of Attorney Fees”. Fees may not be less than the amounts stipulated in the Regulation, depending on the type of procedure. However, in litigation each party is entitled to challenge the attorney fees of the other party as excessive having regard to the complexity of the case. When such a challenge is made, the court will decide whether the attorney’s fees are excessive. If the fees are deemed to be excessive, taking into account the complexity of the case, the court may decrease the awarded amount at its discretion, but may not award an amount that is under the minimum prescribed by the Regulation.

In order for expenses to be awarded, they must actually be paid out, and proof of that must be presented to the court, along with a complete list of claimed expenses (presented at the end of each case). Costs that have not been listed, or for which proof of actual payment has not been provided, will not be awarded. With regard to attorney’s fees, success fees cannot be claimed despite the fact that such fees may be agreed between the attorney and the client.

Where a claim is only partially successful, expenses will be awarded proportionally at the discretion of the court. This could result in expenses of the losing party partially or completely offsetting the fees of the successful party, and, in some (rare) cases may result in the successful party having to pay expenses to the losing party, where a significant proportion of the claim is dismissed and is only successful in a minor respect.

Litigation costs include state fees for filing claims and requests in court, attorney fees, as well as other fees incurred within the litigation procedure, such as expert fees (the amount of which is determined by the court), fees for summoning of witnesses (again determined by the court) and travel fees for witnesses and experts (if applicable, and again determined by the court, taking into consideration the distance of travel and method of transport). Litigation costs do not include expenses for collection of evidence (test purchases, surveys, copies of documents, etc.), expenses for translation of documents, expenses related to the preparation of cases, expenses for negotiations with the other party (regardless of whether those are successful or not) and any other expenses related to the case. Such costs are not accepted and will not be imposed on the unsuccessful party.

Costs are ruled upon with the decision on the merits within the infringement proceedings. The court decision on the merits may be appealed solely with regard to costs awarded.

Legal basis and case law

Regulation on minimal amounts of attorney fees
Civil Procedural Code, Chapter 8, part II

X Publication of judicial decisions

Title of the order

Публикуване на решението в два ежедневника за сметка на ответника (publication of the decision of the court in two daily newspapers at the expense of the defendant).

Basic procedural framework

The LPUMR contains an explicit provision, in line with Art. 15 ED (in place before the adoption of the ED), allowing the successful claimant to request the court to order that the decision of the court is published in two daily newspapers at the expense of the defendant.

These provisions however are not commonly invoked in practice by claimants. Whilst courts are willing to grant such decisions, it is generally regarded by claimants as an ineffective measure and is rarely requested.

According to the LPUMR there is no specification as to what part of the decision should be published. Other IP laws³ in Bulgaria explicitly provide that only the part of the decision containing the ruling on the merits is to be published. Despite the fact that this is not explicitly stated by law, practice dictates that only the part of the decision containing the ruling on the merits is published in patent and utility model matters, too.

The LPUMR does not contain any specifics on where the ruling should be published. It only states that it has to be published in “two daily newspapers”. In contrast, the other IP legislation explicitly states that the court determines in which newspapers the publications are to take place. The lack of clarification in the LPUMR leaves room for debate as to whom will determine exactly where the decision is to be published. The claimant may request specific newspapers, or the defendant may simply publish the decision in two daily newspapers of his choice and comply with the order.

The ruling on publication is part of the decision on the merits and is issued by the Sofia City Court or the appeal courts.

If there has been the appropriate claim by the claimant, the court has no discretion whether to grant the publication order. The grant of the order only depends on the success of the infringement claim.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

See Part V “Legal basis and case law”.

XI Other appropriate sanctions

None available.

XII Additional options

Other available options in Bulgaria

Criminal measures

Crimes against intellectual property rights are covered in Chapter III, Section VII of the Penal Code (Arts. 172a to 174). However, unlike trade mark, copyright, design and GI infringement, infringement of exclusive rights over patents or utility models does not constitute a crime under the current Penal Code legislation.

Border measures

Border measures apply with regards to patents and utility models, under the Regulation (EC) 608/2013 of the European Parliament and the Council.

The relevant authority would be the respective customs office where the seizure of goods takes place. The imposition of border measures follows the procedure set out in Regulation 608/2013, with the Central Customs Office being the general administration that grants “Applications For Action” decisions, and the local customs offices carrying out the monitoring of the borders themselves.

When the customs authorities identify goods that may be considered to infringe IP rights, the goods are detained and the right holder is notified. Then the goods are either

- released (if the right holder does not respond, or requests their release); or
- destroyed (if the right holder wishes and the importer/exporter does not object).

If the importer/exporter contests the rights of the right holder, a procedure for protection of rights must be initiated within 10 working days. That procedure could be criminal, administrative, or civil.

³ Such as the Law on Trademarks and Geographical Indications, Law on Copyright and Related Rights and the Law on Industrial Design

Non-compliance with an order

Non-compliance with a court decision is a criminal offence, which may result in a fine and/or additional imprisonment. A customs violation such as smuggling is a criminal offence and may result in imprisonment.

BG

Legal basis and case law

Penal Code, Arts. 173 and 174 (provisions relating to other IP rights)

EU Regulation 608/2013

Switzerland

I Evidence

Title of the order

Vorsorgliche Beweisführung (German), *Preuve à futur* (French), *Assunzione di prove a titolo cautelare* (Italian). This translates to “Precautionary Taking of Evidence” and is foreseen by Art. 158 of the Code of Civil Procedure.

Basic procedural framework

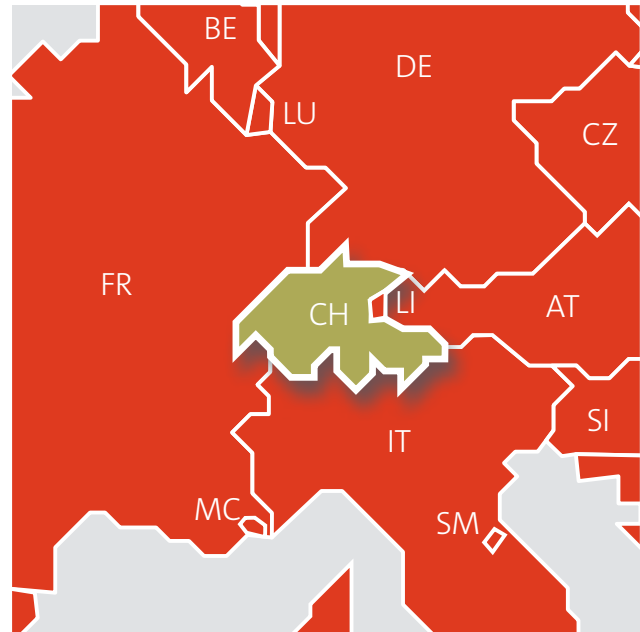
If the requesting party substantiates either that the evidence is at risk or that it has a legitimate interest (which includes the interest to clarify the chances of success in future main proceedings), the tribunal orders the taking of evidence at any point in time, including in separate proceedings before the proceedings on the merits have been initiated.

During main proceedings, a party may request that the opposing party provides evidence on specific points (*Editionsbegehren*) or that it otherwise cooperates in the taking of evidence. If the requesting party has neither a statutory right to obtain the evidence from the opposing party, nor can it substantiate a risk or a legitimate interest as explained above, the Court has a wide discretion whether or not to order the production of evidence.

In patent matters the competent court is mainly the Federal Patent Court¹, and is responsible for enforcing its order.

Provision of evidence by third parties

Third parties (as in the case of the opposing party) have a procedural duty to cooperate in the taking of evidence. On application of a party, if the conditions set out in the answer above are met, the court may issue an order which requires third parties to produce evidence. In addition to the procedural duty to cooperate there are various statutory provisions regarding substantive duties to provide documents, including, among other provisions, Patent Act Art. 66 (b). The parties may enforce these obligations in the framework of an independent action for production of documents.



Assessment of evidence in support of the application

The party filing a motion for preliminary taking of evidence must show a *prima facie* case either

- (a) that evidence is at risk (e.g. it may be destroyed by the opposing party or by other circumstances) and may not be available anymore at the evidentiary stage of the main proceedings or
- (b) that it has a legitimate interest in the taking of evidence.

The latter option in particular requires the party to show a *prima facie* case of infringement of a valid patent claim, but not the specific element for which the taking of evidence is being requested. The existence of such specific element does not need to be established, but it must be alleged in detail as to why, if it does exist, it could lead to a patent infringement.

Protection of confidential information

The court must take appropriate measures to ensure that taking evidence does not infringe the legitimate interests of any parties or third parties. In case of a conflict between the interest of the party requesting the measure and the interest

¹ In Switzerland, the Federal Patent Court is the only competent authority in civil proceedings related to patent infringement or validity. In other civil proceedings related to patents (in particular proceedings related to the ownership of patents), the claimant may choose to file a motion with the Federal Patent Court or the competent cantonal civil courts. For the purposes of this country profile, the competent authority will be the Federal Patent Court unless otherwise indicated.

of the party opposing the measure, the court balances the interest in the evidential need for the evidence against the interest in protecting confidential information and business secrets.

Non-compliance with an order

If the original court order was made under the threat of a criminal penalty in case of non-compliance, the competent authority is the competent cantonal criminal court.

Depending on the sanctions threatened in the original court order, a new application for enforcement of the order can be made with the Federal Patent Court or a criminal complaint must be lodged with the competent public prosecutor.

If the order is made under the threat of a criminal sanction, the sanction is a fine of up to CHF 10 000.

However, an order to provide (documentary) evidence against a party cannot be made under the threat of criminal sanctions. If the party refuses to comply with a final court order to provide evidence, the court shall take this into account when appraising the evidence and can make an adverse inference against the factual allegations of non-cooperative party.

Appeal/review

The order for preliminary taking of evidence of the Federal Patent Court can be appealed before the Federal Supreme Court.

Evidentiary orders (*Editionsverfügung*) made during the evidentiary phase of main proceedings are purely procedural rulings of the court. Such orders can be appealed only if they threaten to cause irreparable harm to the party, which is a very high threshold in Swiss procedural law.

The objection must be filed in writing and with a statement of grounds with the Federal Supreme Court within 30 days of service of a decision.

Admissibility of evidence

Evidence obtained in criminal, administrative or other civil proceedings is admissible in civil proceedings, except upon contrary order of the relevant court or administrative body.

Evidence obtained in proceedings before a court of another country is admissible in civil proceedings before national court. If the relevant evidence is not in one of the official languages of Switzerland, the court may order the filing of translations. There are no further special regulations on the admissibility of foreign evidence.

Switzerland is a party to various international treaties on the subject of taking of evidence, such as the Hague Convention of 1 March 1954 on civil procedure and the Hague Convention of 18 March 1970 on the taking of evidence abroad in civil and commercial matters.

Legal basis and case law

Art. 150 et seqq. Code of Civil Procedure²

II Measures for preserving evidence

Titles of the orders

Genaue Beschreibung (German), *description précise* (French), *descrizione esatta* (Italian). This translates to “detailed description”.

Further available measures

There are no other measures than the two mentioned in Art. 7.1 ED that may be ordered.

Basic procedural framework

Measures for preserving evidence are understood to be preliminary measures under Swiss law. The court may order a preliminary measure both before and after initiating proceedings. A detailed description is generally applied for in separate proceedings before the proceedings on the merits have been initiated, as the goal is generally to obtain sufficient evidence to initiate main proceedings.

A member of the Federal Patent Court carries out the order, if necessary with the assistance of a court-appointed expert or local authorities, such as the police.

In the framework of a “detailed description”, the court can order, as a preliminary measure, the description or seizure of the allegedly infringing product, process and means of

² Unofficial English translation is available under <https://www.admin.ch/opc/en/classified-compilation/20061121/index.html>

production based on a *prima facie* showing of actual or imminent infringement. This option is available before initiating proceedings, and the findings resulting from the description or seizure can be used in later infringement proceedings in Switzerland or abroad. The party seeking this measure does not need to show irreparable harm, that is, that the evidence is likely to be destroyed or abandoned. Showing another legitimate interest is not required either.

Under the Civil Code of Procedure, a party can at any time (that is even before initiating proceedings) request the court to order the provisional seizure of evidence if it is *prima facie* established that this evidence is likely to be destroyed or abandoned or there is another legitimate interest in the seizure, such as the need to establish the merits of a future lawsuit. It is generally assumed that a seizure can only be ordered if it appears necessary for the purposes of the description, i.e. if the description cannot be made on the premises of the respondent in a reasonably short period of time.

While it is recognised that a full substantiation of the case is not possible at such an early stage, a claimant seeking either of the above options must substantially allege all relevant facts known to him/her and explain why the requested information is relevant. Fishing expeditions are not permitted.

***Ex parte* requests**

In the case of a detailed description (as in case of any preliminary measure), an order is generally only issued after hearing the opposing party. However, in cases of “qualified urgency”, i.e. if it is shown *prima facie* that hearing the defendant may jeopardise the taking of evidence or that the applicant cannot be reasonably expected to wait until the defendant is heard, the detailed description can be ordered as an *ex parte* measure. A *prima facie* showing requires the preponderance of evidence to favour the claimant’s version of the facts, even when some doubts cannot be entirely ruled out.

The court ordering an *ex parte* measure summons the parties to a hearing or sets a deadline for the defendant to file an answer in writing. After hearing the parties, the court can either cancel (and thus not disclose the results of the taking of evidence to the claimant) or confirm the measure. This is done automatically by the court and a separate application by the opposing party to be heard is not necessary.

Protection available to defendant

The amount of the security to ensure compensation for any prejudice suffered by the defendant is determined by the estimated loss that the defendant may suffer as a result of the measure being ordered. Such loss can generally only be estimated based on information from the defendant.

There are no specific rules on the nature of the security to be provided by the claimant. If the court orders that a security must be provided, it generally requests either a payment in cash to the court’s bank account or an irrevocable guarantee of a (Swiss) bank.

The claimant is liable for any damage resulting from unjustified preliminary measures. Such damage is to be asserted in proceedings that are formally unrelated to the initial order of detailed description and can consist, e.g., in the impossibility to sell the seized devices. If a detailed description is ordered without seizure of the infringing goods, the damage will be difficult to calculate and may consist e.g. in loss of reputation or the like.

If the claimant can prove that its application was filed in good faith, it can avoid paying any compensation to the other party.

Period to initiate proceedings on the merits

For precautionary taking of evidence proceedings in general, and for detailed description in particular, the applicant has no duty to initiate main proceedings. As a result, there is no deadline corresponding to Art. 7.3 ED in Swiss law. However, if goods are seized in the framework of a detailed description, legal doctrine suggests that a short deadline be set by the court (at the court’s discretion, but generally between 30 and 60 days) to the applicant to initiate main proceedings, failing which the measure will be revoked.

Witness identity protection

Unlike in criminal proceedings, there are no specific measures to protect witnesses’ identity in civil proceedings.

Non-compliance with an order

If the court orders a preliminary measure, the order is generally made under the explicit threat of criminal penalties or of a procedural fine per each day of non-compliance. The following answers will refer only to this latter group of cases where the losing party refuses to comply with such an order.

The competent authorities are the Federal Patent Court (for the enforcement of a procedural fine) or a criminal court (for the enforcement of a monetary penalty), depending on what sanctions have been provided for in the initial order. The payment of a procedural fine is ordered by the Federal Patent Court.

The criminal penalty is imposed by a criminal court upon request of the successful party. The maximum criminal penalty for non-compliance amounts to CHF 10 000. The maximum procedural fine is CHF 1 000 per day of non-compliance.

Appeal/review

The order of the Federal Patent Court may be appealed to the Federal Supreme Court. Since the measure to preserve evidence constitutes a preliminary measure, the appeal is only available if the appellant can show that it suffers irreparable harm of a legal nature. The Federal Supreme Court has a strict interpretation of the requirement of legal irreparable harm, which means that the possibility to appeal a preliminary measure decision is in practice excluded in most cases.

The period for filing an appeal is 30 days after service of the judgment.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Art. 23 and Art. 26 Patent Court Act³
 Art. 77 Patent Act⁴
 Art. 158 and Art. 261 et seqq. Civil Procedure Code

III Right of information

Title of the order

Auskunftspflicht (German), *Droit à l'information* (French), *Diritto all'informazione* (Italian), which translates to "obligation to provide information".

The Patent Act (Art. 66(b)) obliges any person to notify the authority concerned of the origin and quantity of products in his possession which are unlawfully manufactured or placed on the market, and to name the recipients and disclose the extent of any distribution to commercial and industrial customers.

Persons obliged to provide information

According to Swiss law only the current owner and the former owner (i.e. the supplier) of infringing products, as well as the commercial customer are obliged to provide this information.

Types of information to be provided

According to Swiss law the obligation to provide information extends to origin and quantity of allegedly infringing products, i.e. addresses of suppliers, manufacturers and other previous owners and customers. Quantity also includes the purchase and sales prices as well as a detailed statement of the quantities and prices with details of the purchase and delivery times.

Competent authority

In civil lawsuits regarding patent infringement, the Federal Patent Court is competent to order the provision of the information.

³ Unofficial English translation is available under <https://www.admin.ch/opc/en/classified-compilation/20071763/index.html>

⁴ Unofficial English translation is available under <https://www.admin.ch/opc/de/classified-compilation/19540108/index.html>

Non-compliance with an order

Providing false information under such a court order may constitute a felony under common criminal law. The cantonal criminal courts are competent to deal with the consequences of such acts. The cantonal criminal courts are also competent to deal with the criminal consequences of the refusal to disclose information requested by the court.

The Federal Patent Court is competent to order the payment of a procedural fine per day of refusal to provide information if the order was issued under the threat of a procedural fine.

Providing false information under such a court order may constitute a false certification, a felony that is prosecuted *ex officio*, i.e. there is no need to lodge a criminal complaint.

Refusing to provide information under an order made under the threat of a criminal penalty is a misdemeanour and will only be prosecuted upon lodging a criminal complaint. If the defendant acted for commercial gain, he shall be prosecuted *ex officio*.

If the order is issued under the threat of a procedural fine or a criminal penalty, the claimant may request the Federal Patent Court to order the payment of the fine or lodge a criminal complaint for non-compliance with a court order.

The maximum amount of the procedural fine is CHF 1 000 per day of non-compliance.

The criminal penalty for the refusal to disclose information to the competent authority is imprisonment of up to one year or a monetary penalty of up to CHF 540 000. The penalty is imprisonment of up to five years and a monetary penalty of up to CHF 540 000, if the offender acted for commercial gain.

Appeal/review

Decisions of the Federal Patent Court can be appealed before the Swiss Federal Supreme Court. The appeal is limited to a review of the legal issues (as opposed to facts). More specifically, the appellant must show that the first instance court misapplied or misinterpreted federal law (that is, patent law or procedural law). Findings of fact and the assessment of evidence can only be reviewed if they are blatantly wrong or arbitrary.

The period for filing an appeal is 30 days after notification of the reasoned judgment.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Arts. 66(b), 73 and 81 Patent Act

IV Provisional and precautionary measures

Titles of the orders

Vorsorgliche Massnahme (German), *mesures provisionnelles* (French), *provvedimenti cautelari* (Italian), which translates to “preliminary injunction”.

Basic procedural framework

A preliminary injunction may be requested *inter alia* to preserve the existing state of affairs or to provisionally enforce claims for injunctive relief.

A preliminary injunction is issued by the Federal Patent Court and is most often requested and ordered in separate proceedings that are initiated prior to the proceedings on the merits. However, it is also possible to initiate preliminary injunction proceedings in parallel to or during the proceedings on the merits.

All preliminary injunctions must be confirmed in main proceedings. After issuing a preliminary judgment, the Federal Patent Court will set a deadline for the commencement of main proceedings (in general 30 to 60 days). If no main proceedings are initiated, the measure lapses and the applicant is liable for any damages caused to the defendant.

In patent infringement proceedings, the Federal Patent Court is responsible for enforcing the measures.

Factors considered by the court

The court shall issue a preliminary injunction if the applicant shows *prima facie* that the following four conditions are met:

- a) a valid patent claim is infringed by the defendant's conduct;
- b) the infringement will cause irreparable harm;
- c) the claimant cannot be expected to wait until the issue of a permanent injunction in proceedings on the merits (urgency);
- d) the requested injunction is proportionate, i.e. suitable and necessary for the infringing acts to cease, and the balance of interests favours the applicant.

If all four conditions are met, the court shall issue a preliminary injunction. In other words the court has neither discretion to refuse an order if the conditions are met, nor discretion to issue an order if one or more conditions are not met.

Recurring penalty payments

A preliminary injunction against the use, import, manufacture, distribution, etc. of infringing devices is ordered upon request of the right holder, under the threat of either a procedural fine per day of non-compliance or a criminal penalty. No additional conditions need be met for issuing an order under the threat of a procedural penalty per day of non-compliance, other than those set out in "Factors considered by the court" above.

The amount of the penalty per day of non-compliance is determined in the court's discretion. The maximum amount of the penalty is CHF 1 000 per day.

Provisional and precautionary measures against intermediaries

Any person inducing or contributing to a patent infringement is potentially liable and can be made a defendant to proceedings. It is also a contributory infringement to supply (or offer to supply) materials or parts that are suitable for putting and intended to put the invention into effect. Showing of fault (i.e. negligence or wilful misconduct) is not required for issuing a preliminary injunction against such an intermediary.

Circumstances justifying an order for precautionary seizure

The difficulty to recover damages (e.g. because the defendant is in a remote jurisdiction or because it does not

appear to be solvent) can be taken into consideration when assessing the proportionality of the preliminary injunction, in particular the balance of interests between the parties (see "Factors considered by the court" above).

Assessment of required evidence

Due to the speed and nature of preliminary injunction proceedings, only readily available evidence (most often documentary evidence) is admitted. In principle, no witnesses will be heard and no experts appointed, although there may be exceptions if such means of evidence do not unduly extend the duration of the proceedings.

The degree of proof required in preliminary injunction proceedings is less strict than in proceedings on the merits. The applicant must show a *prima facie* case of all four conditions set out in "Factors considered by the court" above, in particular that the defendant is committing or threatens to commit patent infringement. A *prima facie* showing requires the preponderance of evidence to favour the claimant's version of the facts, even when some doubts cannot be entirely ruled out.

Conditions justifying *ex parte* order

Ex parte injunctions are available only in cases of particular urgency. Particular urgency exists, for example, if there is a risk that the opponent could thwart the success of the measure by taking precautions which make the subsequent enforcement of the measure impossible or if it appears that the claimant cannot be expected to wait until the defendant is heard by the court in "ordinary" preliminary injunction proceedings.

Irreparable harm is required both for *ex parte* injunctions and "ordinary" preliminary injunctions.

Protections available to the defendant

The court may make the preliminary injunction conditional on the payment of security by the applicant if it is anticipated that the measures may cause loss to the defendant. The amount is determined by the damage that the defendant may suffer as a result of the injunction. It is up to the defendant to provide a basis for the calculation of the estimate.

According to Swiss law the claimant is liable for any damage resulting from unjustified measures. The compensation is calculated based on the difference between the actual

economic position of the party who suffered a loss (defendant) and the hypothetical economic position of the same party, had the preliminary injunction not been issued.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Art. 77 Patent Act and Art. 264 Civil Procedure Code

V Corrective measures

Titles of the orders

Rückruf, Beseitigung und Zerstörung (German); *Rappel, suppression et destruction* (French); *Richiamo, disposizione e distruzione* (Italian).

This translates to “recall, removal and destruction” in English.

Other available measures in Switzerland

The court may order the forfeiture and sale of the unlawfully manufactured products or equipment, devices and other means that primarily served for the manufacturing of the infringing goods.

Basic procedural framework

The order may be issued in the main proceedings. It is in theory not excluded to have infringing goods recalled (within the limited meaning of this term as set out above) or

removed from the market (again, within the limited meaning of this term as set out above) in preliminary injunction proceedings. However, the destruction of infringing goods would not be considered proportionate in preliminary injunction proceedings.

The abovementioned measures are only ordered upon a respective request by the right holder in court proceedings.

The infringing goods are seized and destroyed only if the proceedings have been terminated by a final decision, if the right holder has requested the destruction and if the right holder’s interests justify the destruction. In addition, destruction is only ordered as a last resort, i.e. if no other means are available to protect the right holder’s interests (e.g. modification of the goods to render them non-infringing).

Swiss law does not foresee a recall or definitive removal within the meaning of Art. 10 ED, such measures have a more limited scope in Switzerland:

Recall (*Rückruf*): The statute does not explicitly provide for the recall of infringing goods. Given that in this case the infringing goods are under the control of third parties (who are not a party to the proceedings), no direct injunction is available against such third parties. However, the applicant can request that defendant be ordered to inform its customers about the order and to ask them to return the goods against reimbursement of the purchase price (without the customers having any obligation to do so). The right holder must file such a specific request in court proceedings.

Removal (*Beseitigung*): The removal of goods (seizure) can also only be ordered with regard to goods that are under the control of the defendant. Third parties who are not a party to the proceedings cannot be ordered to surrender any goods to the claimant, the defendant or the court. The right holder must file a specific request in court proceedings.

Destruction (*Zerstörung*): As is the case for the previous two measures, seizure and destruction of goods can only be ordered with regard to goods under the control of the defendant. The right holder must file a specific request in court proceedings. In addition, destruction can only be ordered if the measure appears to be proportionate, in particular if no other measure is available to protect the right holder’s interests (see above).

The applicant may ask for two of the abovementioned measures in parallel. The Federal Patent Court is responsible for enforcing the measures.

Assessment of proportionality for ordering remedies

Proportionality is assessed by three cumulative factors. The measure must

- (1) be suitable, and
- (2) necessary to avoid future infringing acts, and
- (3) the balance of interests must favour the right holder.

With regard to the last condition, the measure must appear to be the least severe means to achieve its goal. Proportionality is assessed with regard to the destruction of the infringing goods, but in principle not with regard to the recall (in the limited sense as set out above in the Title of the order above), nor with regard to the removal (seizure) of the goods. The latter measures are ordered if the court finds that a valid claim is infringed by the defendant, subject to the right holder having filed the relevant request.

Evidence of destruction

Although there is no case law on this issue, it can be assumed that a written and signed confirmation by the defendant regarding the destruction would be deemed sufficient evidence. The Federal Patent Court is the authority involved.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Art. 69 and 72 Patent Act

VI Injunctions

Title of the order

Unterlassungsentscheid (German), *décision de cessation* (French), *decisione di cessare e desistere* (Italian), which translates to “injunction to cease and desist”.

Basic procedural framework

The Federal Patent Court grants an injunction as part of its decision in main proceedings. An injunction can be requested in stand-alone proceedings or in the framework of bifurcated proceedings where the court issues an injunction, together with an order requiring the defendant to provide information, in a first stage, which is followed by a second stage wherein the requested compensation is quantified based on the information provided by the defendant.

Injunctions against intermediaries

An injunction is strictly confined to the infringing product or process. It only binds the defendant(s) to the proceedings and therefore has no direct effect on third parties (such as suppliers or customers) and cannot be enforced directly against them.

However, any person inducing or contributing to a patent infringement is also potentially liable and can be made a defendant to proceedings. It is also a contributory infringement to supply (or offer to supply) materials or parts that are suitable for putting and intended to put the invention into effect.

Compulsory licence as a defence

The alleged infringer can argue that he is entitled to a compulsory licence. This may be the case in any of the following circumstances:

- a) the alleged infringer has an invention that is dependent on the prior invention;
- b) the prior invention is not exploited in Switzerland;
- c) public interest requires a compulsory licence.

The grant of a compulsory licence must be requested by way of counterclaim (together with the statement of defence) or in separate proceedings. In the latter case, the defence can only be raised in the infringement proceedings where the separate proceedings have resulted in the grant of a compulsory licence.

Court's discretion if finding of infringement

If the patent is infringed and the claimant requests a permanent injunction, the court has no judicial discretion to deny the grant of the injunction.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

See Part III "Appeal/review".

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Art. 72 Patent Act

VII Alternative measures

Swiss law does not provide for alternative measures within the meaning of Art. 12 ED.

VIII Damages

Calculation methods available in Switzerland

Financial compensation is referred to as *finanzielle Wiedergutmachtung* (German), *compensation financière* (French), and *compensazione finanziaria* (Italian).

Basic procedural framework

The rules regarding financial compensation to the injured party are set out in the Code of Obligations.

Similar to common tort actions, monetary remedies in patent actions are assessed on the basis that the claimant must be placed in the position it would have been in if no infringement had occurred. The claimant can request:

- a) compensation for the pecuniary loss that it has suffered due to the infringement (damages).
- b) surrender of the profits the infringer made as a result of the sale of the infringing products (account of profits)
- c) surrender of any unjust enrichment of the infringer deriving from the infringing act

The claimant must choose between damages, account of profits or surrender of unjust enrichment. The court will not, in respect of the same infringement, award pecuniary relief based on multiple grounds. Usually, the claimant will pursue multiple remedies in parallel as alternative claims, and in the end choose the remedy that yields the best result.

In addition and cumulatively to damages, account of profits or surrender of unjust enrichment, the claimant may seek damages for ancillary losses arising from the infringement. Ancillary losses can include:

- a) legal expenses incurred before initiating the action;
- b) expenses directed at mitigating the impact of the infringement;
- c) lost sales of ancillary products.

The determination of the amount of damages ordered for the successful party is generally part of the main patent infringement proceedings. In practice, financial compensation is generally ordered in a two-stage proceeding: the court first issues a partial decision on the question of the infringement (and validity, if validity was contested) and orders the infringer to disclose information on the turnover and profits made through the infringing acts (first stage). Once the information is disclosed, the claimant can substantiate its request for financial compensation and court renders a final decision, including the amount of financial compensation (second stage).

An action for damages may only be brought after the patent has been granted. The defendant may, however, be held liable for loss or damage caused from the time when he first obtained knowledge of the content of the patent application, after the publication of the application.

Formally, there are no separate proceedings. If the Federal Patent Court renders a first partial decision on the principle of infringement (and validity), the same court will also render the final judgment regarding the amount of financial compensation.

It is not possible to request information relevant to damages in advance. However, the goal of the first stage of infringement proceedings is to obtain (in addition to an injunction) an order against the defendant to disclose information about the turnover and profits made through the infringement. Once this information is disclosed, the claimant can specify the amount of its monetary claims.

Methods of calculation

The claimant must choose between damages, account of profits or surrender of unjust enrichment. The court will not, in respect of the same infringement, award pecuniary relief based on multiple grounds.

There are three alternative possibilities to calculate the compensation arising out of patent infringement. First, there is the “direct damage” which consists of lost profits, e.g. the appearance of patent infringing products on the market leads to a drop in sales or to a price reduction which leads to a loss in profit. A second option calculates the compensation based upon the profit achieved by the infringer. Finally, the third method is assessing the compensation by analogy to a licence agreement. The infringer must compensate the owner of the patent in the amount of remuneration (reasonable royalty rate) that would have been agreed upon at the conclusion of a licence agreement.

In principle, the different ways of calculating financial compensation cannot be mixed and matched and the right holder must choose one of them, generally at the second stage of the proceedings (see “Basic procedural framework” above). However, this question has not yet been entirely clarified in legal doctrine or case law and some authors indicate that claims for damages and the surrender of profits are not always mutually exclusive in every case.

According to Art. 42 of the Swiss Code of Obligations the injured party who is not able to quantify its claim for damages in advance, may apply to the judge to estimate the damage. The estimation of the damage may concern both the amount of the damage and the existence of damage.

In practice, the licence analogy is of importance if comparable third party licences exist. Surrender of profits is also often applied for, but it supposes that the infringer has actually made a profit from the infringement, which may or may not be the case, especially if the infringer is stopped by a court injunction shortly after entering the market.

The right holder often wants to avoid the disclosure of its own profit margin, which is generally necessary to calculate direct damage in the form of lost profits.

In Switzerland, the alternative of setting “damages” as a lump sum as referred to in Art. 13.1(b) ED is only available as part of a reasonable royalty rate where the compensation is assessed by analogy to a licence agreement (see above).

Evidence of lack of knowledge

Where the infringer did not knowingly infringe as referred to in Art. 13.2 ED, it is not possible to recover lost profits or an account of profits in Switzerland, unless the right holder can establish that the infringer should have known. However, even where the right holder cannot show that the infringer should have known it is still possible to obtain a compensation based on unjust enrichment law where the compensation is assessed by analogy to a licence agreement (reasonable royalty rate; see above).

Non-compliance with an order

If the infringer does not comply with a court decision ordering the payment of financial compensation, the right holder must commence debt collection proceedings with the competent Debt Collection Office.

The procedure is governed by the Federal Act on Debt Collection and Bankruptcy. The debt collection procedure is divided into two sections: the initiation procedure (*Einleitungsverfahren*), in which a court examines the enforceability of court order and the continuation procedure (*Fortsetzungsverfahren*) in which the debtor’s assets are confiscated in order to satisfy the creditor.

In order to commence the procedure, the creditor has to file a Debt Collection Request (*Betreibungsbegehren*) with the Debt Collection Office. The Debt Collection Office then issues an order for payment (*Zahlungsbefehl*). If the debtor opposes the order for payment the creditor must request the a court to set aside the opposition. The court has a very limited discretion and basically only examines whether the court decision is enforceable. The only grounds on which the debtor can oppose enforcement are

- (1) that the amount has already been paid,
- (2) that the debtor has validly declared a set-off with other claims and
- (3) that the claim is barred by the statute of limitations.

If the opposition is set aside, the right holder can apply for the confiscation of the debtor's assets.

Appeal/review

See Part III "Appeal/review".

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Art. 41 seqq. Art. 62 seqq Art. 423 Code of Obligation
 Art. 66 seqq. and 73 Patent Act
 Art. 38 seqq. Art. 69 seqq and Art. 80 Debt Enforcement and Bankruptcy Law
 For the licence analogy see decision of the Federal Supreme Court BGE 132 III 379

IX Legal costs

Overview of assessment of costs

The rules on the apportionment of legal costs are set out in the Code of Civil Procedure. The amount of the legal costs is set out in an ordinance of the Federal Patent Court.

Under the Code of Civil Procedure, the costs are apportioned based on the "loser pays" principle. The winning party can generally recover its legal costs, based on a tariff set out in the statute, from the other party, as well as the actual amount of its disbursements.

After assessment by the court, the successful party will generally recover about 50% of its actual legal costs and all disbursements (including fees for retaining a patent agent in patent litigation) actually incurred in the proceedings.

The court can exceptionally refuse to make a costs order in favour of the winning party or can penalise this party if it has abused the process of the court, or has contributed to an undue delay of the proceedings in any other way.

There are two types of costs involved in civil proceedings: (i) court costs and (ii) party costs. The rules are the same in patent litigation as in general civil procedure law and are based on the same set of statutes, with some additional matters related to patent litigation set out in an ordinance of the Federal Patent Court.

Court costs include, *inter alia*, a judgment fee based on the amount in dispute and all expenses of the court (e.g. costs of taking evidence, translation).

Party costs include attorney's fees and necessary expenses of the winning party. In patent litigation cases, necessary expenses include, *inter alia*, patent agent fees.

Costs are decided in the final decision in the infringement action.

Awards for court costs and attorney's fees are based on a statutory tariff, which in turn is based on the value of litigation. The tariff foresees that the award can be adjusted to reflect "special circumstances", such as the complexity of the dispute or if the award appears to be disproportionately high or low. The amounts awarded can be (and are generally) reduced in summary proceedings (especially in preliminary injunction cases).

External patent agents' costs are awarded by the Federal Patent Court to the winning party as part of that party's expenses. That is to say, the amount invoiced by the patent agent is in principle the amount awarded to the winning party. However, pursuant to case law of the Federal Patent Court, the award for patent agent costs is in principle capped at the amount of the tariff for the attorney's fees, even if the actual costs of the patent agent were higher.

Legal basis and case law

Art. 95 et seqq. of the Code of Civil Procedure
Ordinance regarding the Costs of the Proceedings before the Federal Patent Court⁵
Decision O2012_043 of the Federal Patent Court, which sets forth that the amount of expenses awarded for patent agent fees cannot be higher than the amount of the tariff for attorney's fees (see above).

X Publication of judicial decisions

Title of the order

Urteilsveröffentlichung (German), *publication du jugement* (French), *trasmissione delle sentenze* (Italian), which translates to "publication of the decision".

Basic procedural framework

The claimant may request the publication of the decision at the defendant's cost. The court must order the publication if there is a finding of patent infringement, the claimant has a legitimate interest in the publication and the publication appears to be proportional to the harm caused to claimant. These conditions are cumulative.

Under the relevant statutory provisions, the court determines the form, extent and timing of the publication and has a very wide discretion in implementing it. The court takes into account all relevant circumstances and the interests of both parties prior to deciding what and to what extent shall be published. It is very rare that courts order the publication of the entire judgment.

Swiss courts have very wide discretion in deciding where the publication shall take place. Most importantly, the place and the extent of the publication must be proportional to the harm caused by the infringement. For example, if an infringing device was offered only to professionals of a specific narrow technical field, a publication in a magazine targeted to these professionals would be considered proportional; a publication in a major daily newspaper in the same case would probably be disproportionate.

The court rendering the decision on the merits also decides upon any request to publish the judgment.

The claimant must in particular show a legitimate interest in the publication. Pursuant to case law, there is a legitimate interest in requesting the publication if it appears necessary to inform a large group of people that an infringement has been found, e.g. because they have been misled by the infringing acts. In addition, the publication of the decision serves as an additional method of compensating for the harm caused by the infringement.

Non-compliance with an order

If the publication of the judgment is ordered, the court allows that the winning party to arrange for the publication at the cost of the losing party. Since the losing party has no control over the publication process, there are generally no issues with regard to non-compliance by the losing party.

If the court orders a form of publication that is controlled by the losing party (e.g. a publication on the website of the losing party), the order is generally made under the explicit threat of criminal penalties or of a procedural fine per day of non-compliance. The following answers will refer only to this latter group of cases where the losing party refuses to comply with such an order.

Non-compliance with an order to publish by the court can lead to the sanctions explicitly threatened in the main decision: criminal fine and/or procedural fine for each day of non-compliance.

The criminal penalty is imposed by a criminal court upon request of the winning party. The procedural fine ordered by the Federal Patent Court must be enforced before the Federal Patent Court.

The maximum criminal penalty for non-compliance amounts to CHF 10 000. The maximum procedural fine is CHF 1 000 per day of non-compliance.

Appeal/review

See Part III "Appeal/review".

⁵ Available in German, French and Italian under <https://www.admin.ch/opc/de/classified-compilation/20112815/index.html>

Non-compliance with UPC-issued order

The UPC does not have jurisdiction in Switzerland, as Switzerland is not a signatory to the UPCA. Decisions of the UPC must be enforced in Switzerland pursuant to the terms of the Lugano Convention.

Legal basis and case law

Art. 70 of the Federal Patent Act.

XI Other appropriate sanctions

Swiss law does not foresee any further sanctions other than those set out above and below.

XII Additional options

Other available options in Switzerland

Under Swiss law, intentional patent infringement constitutes a criminal offence. In addition, the right holder can apply for border measures and request the seizure and destruction of infringing items.

Criminal sanctions

Cantonal courts and cantonal public prosecutors are competent for patent infringement matters.

Patent infringement is prosecuted only upon complaint of the right holder, which must be made six months at the latest after having knowledge of the infringement. Once a criminal complaint is filed, the state prosecutor investigates the matter and decides on the procedural consequences (acquittal, penalty order issued by the prosecutor or referral to the criminal court for trial).

If the infringer acted to obtain a commercial gain, prosecution must be started *ex officio* (even in the absence of a criminal complaint).

Border measures

The Federal Customs Administration is competent to enforce border measures.

The right holder must apply for border measures with the Federal Customs Administration (FCA) and, in particular, describe the infringing items. If the FCA seizes potentially infringing items, it informs both the claimant (generally the right holder) and the owner of the goods. The right holder must obtain an order (generally an *ex parte* order) within ten working days (which can be extended by further ten working days), failing which the items will be released by the FCA. The items can only be destroyed if the applicant requests so and only upon a final court order or with the consent of the owner. The owner is deemed to consent to the destruction if it fails to react within the deadlines set by the FCA.

Non-compliance with an order

The criminal sanctions for patent infringement are either a monetary penalty or imprisonment for up to one year. The sanction can be imprisonment up to five years if the accused acted to obtain a commercial gain.

Legal basis and case law

Art. 81 et seqq. Federal Patent Act

Cyprus

I Evidence

Title of the order

- (1) *Αποκάλυψη εμπιστευτικών πληροφοριών* (Disclosure of Confidential Information)
- (2) Discovery and Tracing Order (“Norwich Pharmacal Order”).

Basic procedural framework

The Supreme Court¹, in its first instance jurisdiction, is the competent authority under the Cyprus Patent Law (hereinafter PL), to issue these orders.

The applicant will file an application for disclosure of documents within the main proceedings or as an interim application prior to the commencement of the main application.

The bailiff will serve the order on the defendant requiring the submission of the evidence in court.

Provision of evidence by third parties

Within any proceedings under the PL that refer to infringement of a patent, on the application of the interested party, the court may order a third party to submit the evidence in its control.

In Norwich Pharmacal proceedings a third party may be obliged to disclose information or documents which shall assist the claimant to identify the person who is the main cause of the wrongdoing. Subsequently, the court may issue an order for discovery, ordering the defendant to disclose all relevant facts.

Such orders are discretionary and must meet the criteria of Art. 32 of the Courts of Justice Law No. 14/1960. These criteria are:

- (i) it must be held or alleged that a tort has been committed by an alleged infringer;



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- (ii) there must be a need for an order so as to permit an action to be brought against the alleged infringer; and
- (iii) the person against whom the issue of an order is sought is
 - (a) involved in such a way as to facilitate the offence; and
 - (b) in a position or likely to be in a position to provide the necessary information to enable an action to be brought against the alleged infringer.

Assessment of evidence in support of the application

“Reasonably available evidence” will be assessed at the discretion of the court when a party

- (a) was found to possess infringing goods in commercial quantities or
- (b) was found to use the infringing services on a commercial scale or
- (c) it was established that he offered services infringing the patent on a commercial scale or

¹ In Cyprus, patent issues and damages relating to patent infringement are tried by the Supreme Court.

- (d) he was identified out by the persons in (a), (b) or (c) above as involved in the production, the manufacture or the distribution of goods or the offer of such services.

Protection of confidential information

Article 62A(3) PL provides that confidential information given under this article is used only as the court order stipulates.

Non-compliance with an order

The competent judicial authority in case of non-compliance is the court that issued the order.

The procedure begins with a filing of an application for contempt of the court. The court may impose penalty payments or imprisonment, payment of damages or writ of attachment².

The Supreme Court may impose a fine of EUR 59 801 or a term of imprisonment of three years or both or the Court may order any other remedy provided by the law.

If pecuniary compensation is to be paid, the mode of execution of the judgment in the event of default is the issue of a “writ against movables”³ and/or a “memo on immovable property”⁴ and/or payment by instalments or attachment on property.

Appeal/review

The order may be appealed or reviewed by way of an application for writ of *certiorari*.

For both procedures the period for filing is 14 days from the date of the order. The requests shall be filed before the Supreme Court, exercising its appellate jurisdiction.

Admissibility of evidence

The evidence obtained in other national proceedings (such as criminal, administrative or other civil proceedings) is admissible, provided that the rules of admissibility (such as the test of relevance etc.) are satisfied. Similarly, the evidence obtained in foreign proceedings is admissible if it complies with the Cyprus law relating to evidence.

The EU Regulation and other bilateral agreements signed with other countries with which Cyprus has judicial co-operation, simplify cooperation between the courts of the member states and these other countries, in taking evidence in civil or commercial matters. The EU Regulation is applied in Cyprus without additional formalities.

Legal basis and case law

Patents Law No. 16(I)/1998, Arts. 61, 62A
Civil Procedure Rules
Civil Procedure Law (Cap 6), Article 9
Courts of Justice Law (No. 14/1960), Article 32
Evidence Law (Cap. 9), as amended

Krashias Shoes v Adidas (1989) 1 CLR (E) 750, Safarino v Sun Shoes (1984) 1 CLR 738
Norwich Pharmacal Co v Customs and Excise (1974) AC133.
TBF (Cyprus) Ltd and others v Emporikis Meleton Sxediasmou kai Epichrimatikou Kefalaiou Anonimis Etairias and others (2001) 1 CLR 153.
Avila Management Services Limited and others v Frantisek Stepanek and others (2012) 54/2012 dated 27/6/2012
Mitsui & Co Ltd v Nexen Petroleum UK Ltd (2005) EWHC 625

II Measures for preserving evidence

Title of the order

Προστασία αποδεικτικών στοιχείων (interim order to preserve evidence, also called the “Anton Piller” order).

Further available measures

See Part XII “Additional options” below.

Basic procedural framework

In accordance with Article 32 Courts of Justice Law, the courts are vested with the power to issue an interim Anton Piller order, ordering the defendant to allow the plaintiff to enter his premises or the premises under his control to inspect such documents or to obtain and preserve documents or items, or to protect and secure material from destruction or alteration or counterfeiting for future proceedings or in some cases to enable execution to be

2 A writ of attachment is a prejudgment writ of attachment which may be used to freeze assets of a defendant while a legal action is pending. The writ of attachment is issued in order to satisfy a judgment issued by the court.

3 A writ against movables is the confiscation of movables to be sold to pay the damages adjudicated.

4 A memo on immovables is a memo that enables the sale of the immovable property to repay the damages adjudicated.

levied against the infringing material.

The competent authority to issue the order to preserve evidence is the Supreme Court before which the main proceedings are pending. Accordingly, the application is filed within the main proceedings. The responsible official to enforce the order is the bailiff as officer of the court.

***Ex parte* requests**

For the order to be issued without the other party having been heard, *prima facie* evidence and reasonable grounds must be presented, to show that a delay is likely to cause irreparable harm that cannot be remedied later and *prima facie* evidence to show a risk of evidence being destroyed.

The decision of the court (both against the refusal to grant an *ex parte* request or an appeal by the third party) may be reviewed by *certiorari* or an appeal and both are before the Supreme Court, exercising its appellate jurisdiction.

Protection available to defendant

There is no specific provision under the Cyprus IP laws which provides for the lodging of a security or an equivalent assurance to compensate a defendant for any prejudice suffered. However, under the Civil Procedure Rules, where a claimant in an action is a non-resident, the defendant may apply to the court for an order requiring the claimant to deposit a sum as security for the costs.

Also the lodging of a security may be ordered by the court under the general provisions of the Civil Procedure Law and Rules where in an interlocutory procedure for the issue of an injunction the claimant's claim may fail and harm may be suffered by the defendant. Either party may also apply to the court for an interlocutory order, otherwise known as a Mareva injunction, to freeze the bank account or other assets of the defendant so as not to prevent the transfer of a specific sum until final determination of the main proceedings.

Further, under Article 32(3) of the Courts of Justice Law, where it is apparent to the court that a prohibitory order was issued on the basis of inadequate grounds or where the claimant's claim has subsequently failed or there was no reasonable cause of action, the court may order, upon the defendant's application, the payment of reasonable compensation for the costs and injury caused to the defendant by the order.

Period to initiate proceedings on the merits

Proceedings must be initiated within five years from the day of the infringement (Article 61 PL).

Witness identity protection

Under the Protection of Witnesses Law No. 95(I)/2001 the court may at its discretion order measures to protect a witness.

Where the court considers a witness to be in need of assistance, the court may order measures which, in its judgement will improve the quality of testimony given by the witness. Such measures may include the protection of the witness's identity.

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under "Non-compliance with an order".

Legal basis and case law

Patents Law No. 16(I)/1998
 Constitutional Law 1960
 Civil Procedure Rules
 Civil Procedure Law Cap. 6, Art. 9
 Criminal Code Cap. 154
 Courts of Justice Law No. 14/1960, Art. 32
 Evidence Law (Cap. 9)
 Protection of Witnesses Law No. 95(I)/2001
 Trade Descriptions Law No. 5/1987
 Control of the Movement of Goods Infringing Intellectual Property Rights Law 2018 No. (61(I)/2018).

Anton Piller K.G. v Manufacturing Processes Ltd (1976) ch.55
 Re Cristoforos Pelekanos and others (1989) CLR 467
 Re Neophytou Grigoriadi (2013) Appeal 10/2011 dated 14/6/2013

III Right of information

Title of the order

Αποκάλυψη πληροφοριών (disclosure of information)

Persons obliged to provide information

The persons obliged to provide information are only those listed in Art. 8.1 ED and not others.

Types of information to be provided

The information is that listed in Art. 8.2 ED.

Competent authority

The court before which the main proceedings are pending, the Supreme Court in patent cases.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

Patents Law No. 16(I)/1998, Article 62B
Constitutional Law 1960
Civil Procedure Rules
Civil Procedure Law Cap 6
Courts of Justice Law No. 14/1960
Evidence Law Cap. 9, as amended

IV Provisional and precautionary measures

Titles of the orders

Ενδιάμεσο Διάταγμα ή παρεμπίπτον διάταγμα (interim order or interlocutory injunction).

Basic procedural framework

Interlocutory injunctions in Cyprus are governed by the provisions of the Civil Procedure Law Cap. 6 and the Courts of Justice Law, which give the Cyprus courts the power to issue a variety of injunctions, including a prohibitory injunction, a mandatory injunction, a perpetual or final injunction, and *quia timet* order. The interlocutory injunctions, otherwise known as interim injunctions, are decrees intervening in the regular progress of the proceedings in order to preserve or safeguard property or prevent damage or to commit or stop any act prior to the decision in the main proceedings.

The competent authority to issue such orders is the court before which the main proceedings are filed. The application for an order shall be filed as part of the main proceedings. The bailiff will deliver the order to the defendant and in the event of non-compliance, the applicant will file an application for contempt of court before the court that issued the order. The main application must be filed within five years from the day of the infringement.

Factors considered by the court

- (1) The claimant must show that there is a serious matter to be heard (i.e. “arguable case” as referred to below)
- (2) Damages will not be adequate remedy and the claimant has a right to a remedy
- (3) The claimant will suffer irreparable harm i.e. which cannot be remedied at a later stage

(Art. 32 Courts of Justice Law & Art. 61(2)(c) PL)

In the case of *Antonis Andreou v. Colossos Signs Ltd* (2008) 1 SCD 626, the court illustrated how these conditions are applied, citing the following passage from Halsbury’s Laws of England:

“Infringement of a patent may be restrained by interlocutory injunction if the plaintiff can establish that he has an arguable case on the merits of the case, normally validity and infringement, and that, if the injunction is refused, he will not be adequately compensated by an award of damages at the full trial.”

Moreover under Art. 9 Civil Procedure Law interlocutory orders may also be made without notice to the other party (*ex parte*) on proof of urgency or other particular circumstances justifying an *ex parte* order, but no order may remain in force for any longer period than is necessary for service of notice of the order on all persons affected by it and so as to enable them to appear before the court and object to it.

Recurring penalty payments

In the event of a recurring penalty payment the Court may issue an interlocutory injunction or call for the issue of a guarantee intended to ensure the compensation of the right holder.

This is at the discretion of the court but the court may take into account the repetition of the offence and the scale of damages (Article 61(2)(b) PL).

Provisional and precautionary measures against intermediaries

It is possible to apply for provisional and precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

Legislation does not provide for specific examples of circumstances justifying an order for precautionary seizure. Each case will be examined on its own facts. In most circumstances, the claimant will need to demonstrate that there is real risk that the wrongdoer will alienate his or her property, and apply for a Mareva injunction.

Assessment of required evidence

Further to the “Factors considered by the court” as described above the Court will assess the facts of the case and the evidence submitted to satisfy the court in its evaluation of the evidence.

Real evidence, documentation from reliable sources may at the discretion of the court be considered sufficient evidence in respect of “Sufficient degree of certainty”.

Conditions justifying *ex parte* order

Appropriate cases are those referred to above where there is proof of urgency or other particular circumstances justifying *ex parte* orders.

Protections available to the defendant

Protections available to the defendant are at the court’s discretion, taking into account the circumstances of the case.

There is no specific provision under the Cyprus IP laws which provides for the lodging of a security or an equivalent assurance to compensate for any prejudice suffered by the defendant. However, under the Civil Procedure Rules, where a claimant in an action is a non-resident, the defendant may apply to the court for an order requiring the claimant to deposit a sum as security for the costs.

The appropriate compensation is calculated according to the claim of damages and the evidence given to support the amount of damages claimed. See also Part II “Protection available to the defendant”.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

The Court of Justice Law No. 14/1960, Article 32
Patents Law No. 16(I)/1998
Constitutional Law 1960

Civil Procedure Rules
Civil Procedure Law Cap 6
Courts of Justice Law No. 14/1960

Odysseos Andreas v A. Pieris Estates Ltd & another (1987)
ICLR 583
Antonis Andreou V. COLOSSOS SIGNS LTD (2008) 1 AAD 580
and (2008) 1AAD 626 Case 1/2007 dated 16/5/2008
MERCK & CO INC and others V. MEDOCHEMIE LTD (1998)
1AAD 2184
REMEDICA LTD V. BAYER AKTENGESELLSHAFT (1998) 1AAD
p. 1815
MEDOCHEMIE LTD V. UCB S.A. (1998) 1A.A.D. 2159
Chrysostomos Kampanellas V. The Republic of Cyprus,
Ministry of Agriculture, Water Development Department
Case 1/2011 dated 15/6/2016 (time for filing lapsed the
5 years)

V Corrective measures

Titles of the orders

- *Απόσυρση από το εμπόριο* (recall from the channels of commerce)
- *Οριστική απομάκρυνση από το εμπόριο* (definitive removal from the channels of commerce)
- *Καταστροφή* (destruction)

Other available measures in Cyprus

Other corrective measures in Cyprus include:

- (1) Under the Trade Description Law No. 5/1987 (Article 26) officers of the Ministry of Energy, Commerce, Industry and Tourism under authorisation of the Minister may enter premises and examine and seize goods subject to a patent, and
- (2) Under the law that controls the Movement of Goods that infringe the Intellectual Property Rights of 2018, the Court may, where a decision is delivered in favour of the applicant, order that all the goods that infringe the intellectual property rights, are destroyed or are treated in any other way in accordance with Article 25 of EU Regulation 608/2013, as it may deem proper, as well as for any costs that may be incurred.

Basic procedural framework

The Supreme Court is the competent judicial authority. These measures may be applied for within the main proceedings. The bailiff (at the request of the claimant) is responsible for enforcing the measures.

The claimant may request both the definitive removal from the channels of commerce as well as the destruction of the infringing goods, materials and implements in the main application.

The claimant may request two of the abovementioned measures in parallel.

There is no specific provision under Cyprus IP law as to what constitutes “particular reasons” not to carry out the measures at the expense of the infringer. Under Article 43 of the Courts of Justice Law the court has wide discretionary power with regard to the order for costs. As a general rule the claimant is liable for the costs suffered by an innocent third party unless the third party was involved in the commission of the civil wrong with the infringer, in which case the court is free to exercise its discretion as it deems correct.

Assessment of proportionality for ordering remedies

Courts in Cyprus apply the principle of proportionality, which is set out in Arts. 24 and 28 of the Cyprus Constitution.

In the case of Panayiotis Triantafyllou, Lana Ambou Al Taxer v. Cyprus Republic dated 22.10.2015 the court cited “Cases and Materials on EU Law”, by Stephen Weatherill, 8th Edition, p. 435: “Measures taken on grounds of public policy or public security shall comply with the principle of proportionality and shall be based exclusively on the personal conduct of the individual concerned. Previous criminal convictions shall not in themselves constitute grounds for taking such measures”.

Evidence of destruction

Once the court orders the destruction of the infringing goods, the bailiff together with the police are the competent authority to carry out destruction.

Non-compliance with an order

The competent judicial authority in case of non-compliance with the order is the court issuing the order. The procedure is application for contempt of court.

In addition to the destruction of the infringing goods, the court may impose penalty payments, imprisonment and/or assess damages.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

Patents Law No. 16(I)/1998
 Courts of Justice Law No. 14/1960
 Civil Procedure Law Cap. 6
 Civil Procedure Rules
 Trade Descriptions Law No. 5/1987
 Control of the Movement of Goods Infringing Intellectual Property Rights Law of 2018 No. (61(I)/2018)

Panayiotis Triantafyllou, Lana Ambou Al Taxer v. Cyprus Republic dated 22/10/2015
 TOTALPACK (CYPRUS) LTD v. Republic of Cyprus Case 9660/07 dated 27/3/2014
 D. & E. NATIOTIS LTD v. Republic of Cyprus DIRECTOR OF CUSTOMS DEPARTMENT Case 1028/2005 dated 26/6/2007
 DIRECTOR OF CUSTOMS DEPARTMENT v. Thomas Kyriacou & Co Ltd and another Case 16728/06 dated 5/2/2008
 M.A.HOUSE OF COTTON LTD v. The Attorney General Action 3226/2011 dated 29/8/2017

VI Injunctions

Title of the order

Final Order or Permanent Order

Basic procedural framework

After a judicial decision is issued, the court may issue an order prohibiting the continuation of the infringement.

The Supreme Court is the judicial authority competent for issuing an injunction.

The claimant is expected to take measures to enforce the injunction through a bailiff, who is an officer of the court.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries.

Compulsory licence as a defence

An application for a compulsory licence may be a defence in infringement proceedings.

Court’s discretion if finding of infringement

Once infringement is established the Supreme Court has discretion to issue a permanent injunction unless there is a compulsory licence still in force. The Supreme Court will take into account the actions of the infringer and the effect of the permanent injunction.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Sanctions may be penalty payments, imprisonment and/or damages.

In the event of adjudication of damages, a writ against movables or a memo on immovable property may be issued.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

Patents Law No. 16(I)/1998
The Constitution Law 1960
Courts of Justice Law No. 14/1960
Civil Procedure Law Cap. 6
Civil Procedure Rules

VII Alternative measures

Title of the order

Αποζημίωση (compensation)

Basic procedural framework

The judicial authority competent to issue these alternative measures is the Supreme Court

However, it must be noted that cases concerning application of alternative measures as laid out in Art. 12 ED are not frequent.

The basis for the calculation of the pecuniary compensation is the actual damages and the profit that the infringer has made after disclosing accounts. In other words, the basis is constituted by the difference between the actual damages suffered by the claimant and the profit made by the infringer after disclosing accounts. For example, if before the infringement the company had a turnover of EUR 1 000 and after trading the infringed products the turnover was increased to EUR 2 500 by reason of the infringement then the difference of the EUR 1 500 may be the profit gained as unjust enrichment due to the infringement.

In the event that there is a compulsory licence, then pecuniary compensation to the claimant may appear reasonably satisfactory.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

The period for filing a request for an appeal/review of the order is within 14 days after the issue of an interim order and 42 days after the issue of a final judgment.

The judicial authority is the Supreme Court.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

Patents Law No. 16(I)/1998
Constitution Law 1960
Courts of Justice Law No. 14/1960
Civil Procedure Law Cap. 6

VIII Damages

Calculation methods available in Cyprus

The calculation methods as indicated in Articles 13.1(a) and (b) ED are available in Cyprus.

Basic procedural framework

The allocation of damages may be calculated within the main proceedings or may be in separate proceedings.

In case the calculation of damages is subject to separate proceedings, it is calculated by the Supreme Court. Additionally, in separate proceedings, the claimant may request disclosure of accounts for the calculation of damages.

Methods of calculation

The right holder may choose between different calculation methods to determine damages. It is up to the court to determine as to whether it shall abide by the request of the right holder.

The judicial authorities may mix and match different calculation methods to determine damages, but the other party may oppose this.

Loss or damage must be the direct result of the actions or omissions of the defendant. The claimant must strictly prove financial or other loss and/or damage suffered. General allegations of loss are not acceptable. There is no procedure for relaxation of this rule. The standard of proof is that of the balance of probabilities.

Finally, the loss must be reasonably foreseeable and not too remote. The test is whether a reasonable man would regard the damage as likely to occur as a result of the defendant's infringement. The damage must fulfil the following criteria:

- (a) it must be of a kind recognised by law,
- (b) foreseeable,
- (c) the damage sustained must be the same as the damage foreseen and is a question of fact.

The relevant principles are established by an English precedent (*Barnett v Chelsea and Kensington Hospital Management Committee* (1969) 1 QB p. 428).

Evidence of lack of knowledge

There are no reported cases to date on the effect of the lack of knowledge of infringement but the Supreme Court may likely take into account the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the patent.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

An appeal may be filed before the Supreme Court, within 42 days from the day of the judgment.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under "Non-compliance with an order".

Legal basis and case law

Patents Law No. 16(I)/1998
 Constitution Law 1960
 Courts of Justice Law No. 14/1960
 Civil Procedure Law Cap. 6
 Civil Procedure Rules

Barnett vs Chelsea and Kensington Hospital Management Committee (1969) 1 QB p. 428.

MERCK & CO INC., v ASTRO MED SRVICES LTD and the Republic of Cyprus (2009) 1 AAD.568 Case 1/2006 dated 22/5/2009

ANTONIS ANDREOU v. C. ATALIOTIS NICHE ADVERTISING LTD case 2/2011 dated 24 /10/2014 and Appeal 365/14
Chrysostomos Kampanellas V. The Republic of Cyprus, Ministry of Agriculture, Water Development Department Case 1/2011 dated 25/1/2018

IX Legal costs

Overview of assessment of costs

As a general rule the unsuccessful party will be ordered to pay the successful party's legal costs which are assessed the court registrar and approved by the judge. The courts apply the principle of reasonableness and proportionality, which is set out in Articles 24 and 28 of the Constitution.

Under Order 59 rule 11 of the Civil Procedure Rules, where the court deems it proper to adjudge costs to any litigant, it may order that the litigant's costs be assessed, and give directions by and to whom costs should be paid.

Legal costs are the costs which are assessed on the basis of the court scale of the action. Other "expenses" will include court stamps, expenses of service, witnesses etc.

Costs are calculated after an application to the registrar of the court.

Legal costs are calculated under the Advocates Law and Rules.

Legal basis and case law

Advocates Law, Cap. 2

X Publication of judicial decisions

Title of the order

Court decisions are published both on the internet website www.cylaw.org and in annual editions of the Supreme Court.

Basic procedural framework

Article 61(1) PL provides that the court may, at the request of the claimant and at the expense of the defendant, order the full or partial publication of the decision or any other measure deemed appropriate for the dissemination of information relating to the decision.

Furthermore, judicial decisions are reported on the database of the Cyprus Bar Association which is available to the general public. Therefore, there is full disclosure of the facts and information of a case. The publication may be in the Official Gazette and on the website www.cylaw.org. It is unusual for a judge to order the publication of a decision in a trade journal.

The judge drafts and signs the finalised version of the decision.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

An appeal should be filed before the Supreme Court within 42 days from the day of the judgment.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

N/A

XI Other appropriate sanctions

No other sanctions pursuant to Art. 16 ED are available in Cyprus.

XII Additional options

Other available options in Cyprus

Border measures

Under the Trade Descriptions Law No. 5/1987 the authorised officer of the Ministry of Commerce / Industry and Tourism may seize goods infringing a patent.

Under the The Control of the Movement of Goods Infringing Intellectual Property Rights Law 2018 No. (61(I)/2018), which corresponds to EU Regulation 608/2013, a criminal court may order the destruction of goods that may infringe a patent or any other treatment of the counterfeit goods as it may deem proper. Under this latter legislation, any owner of an IP right who is aware of counterfeit goods which infringe the IP right and is circulating in Cyprus, or who believes that such goods will arrive in Cyprus from outside the European Union, or from within the European Union without having entered into free circulation may apply for the intervention of the Customs Authorities requesting the Customs Authorities to suspend the delivery and detain the goods for which there is suspicion that they infringe intellectual property rights and which are or should be under the supervision of the Customs or Customs’ control within the Customs’ territory of the Republic of Cyprus.

Criminal proceedings

Criminal proceedings may be initiated for the offence of fraud. Anyone who by fraudulent trick or invention obtains from another anything that may be the object of theft, or instigates another to deliver to any person money or goods or money greater than that which would be paid or the quantity of goods greater than that which would be delivered if he did not use such a trick or a device, is guilty of felony and is subject to five years’ imprisonment.

The competent judicial authorities are the Criminal Court and the District Court.

The procedure begins with filing a complaint to the police or filing an application before the court.

Non-compliance with an order

The Supreme Court in the case of non-compliance may impose both a sentence and a fine. The penalty may sum up to EUR 59 801, the imprisonment cannot exceed three years. The criminal courts may impose a term of imprisonment after a conviction for the offence of fraud.

Legal basis and case law

The Control of the Movement of Goods Infringing Intellectual Property Rights Law 2018 No. (61(I)/2018)

Czech Republic

I Evidence

Title of the order

Dokazování (evidence)

Basic procedural framework

The Municipal Court in Prague is competent in all industrial property matters in the first instance.

The parties to the proceedings shall indicate evidence in support of their claims. Generally, the court takes into account only evidence indicated by the parties. Nevertheless, the court can admit other evidence than indicated by the parties to the proceedings where such evidence is necessary in order to establish facts of the case and such evidence follows from the content of the case-file.

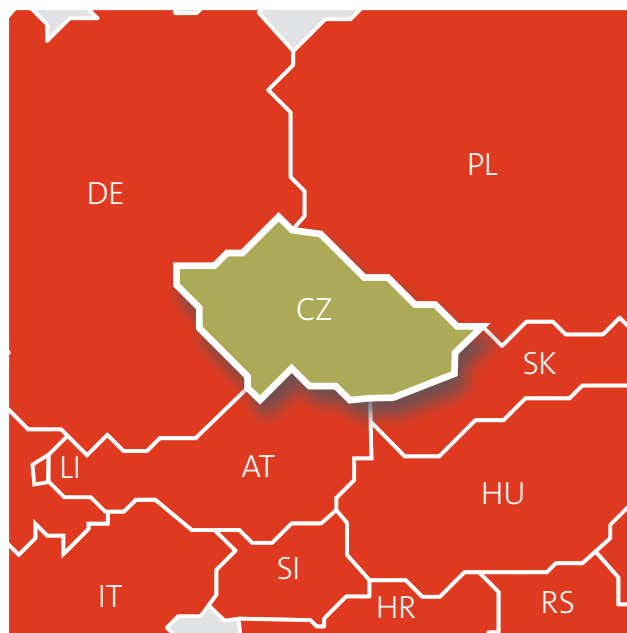
The evidence is taken by the court during the oral hearing and the parties may comment on all the evidence taken by the court. Generally, the parties to the proceedings shall indicate all the evidence during the first oral hearing, as the evidence indicated later (for example during the appellate proceedings) shall not be taken into account unless this evidence occurred later or could not have been indicated by the party earlier not being the party's fault.

The court may order the defendant to present evidence in the main proceedings on the merits. The claimant may request the court to issue an order for documents but it is at the court's discretion whether to do so and to what extent the claimant's request will be granted. In general, this procedure is rather exceptional and burden of proof lies with the claimant.

The court is responsible for enforcing the order.

Provision of evidence by third parties

The court may order a third party to present specific evidence under Section 129(2) Czech Code of Civil Procedure (hereinafter "CCP") during main proceedings on the merits. The court may issue such an order in case that the circumstances which should be proven by the specific evidence are contentious and essential for the court's



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decision. Furthermore, the party proposing the order should prove that the evidence is in the possession of the person against whom the order is proposed. The decision on the order is at the court's discretion. There are no further specific provisions, but in practice the courts will for example, order to a party to submit evidence to a court-appointed expert.

Assessment of evidence in support of the application

The court assesses evidence at its own discretion. The court assesses each piece of evidence individually and all the evidence together taking into account the relationship between them. The court shall assess legality, relevancy and truthfulness of the evidence. The court is not obliged to admit all the pieces of evidence proposed by parties to the proceedings. However, in case the court decides not to admit any piece of evidence, it shall explain why the evidence has not been admitted in the reasoning of its decision. Furthermore, in the reasoning of its decision, the court shall state on which evidence the decision is based and explain the considerations the court made when it assessed the evidence. The assessment of evidence can be reviewed by the appellate court.

Reasonably available evidence (as referred to in Art. 6.1 ED) means any evidence available in the public domain that can be obtained by the claimant at reasonable cost proportionate to the value of the claim.

Protection of confidential information

The defendant may request that the court orders confidential information to be exempt from file inspection and is only made available to the court or a court-appointed expert.

Non-compliance with an order

The court will enforce the order in case of non-compliance and may impose recurring fines.

The sanctions constitute income of the government and each of the recurring fines may be up to CZK 50 000 (approx. EUR 2 000).

When the court assesses the evidence, non-compliance may be reflected to the detriment of the party which failed to comply with the order (see Judgment of the Czech Supreme Court 29 Cdo 440/2013 below).

Appeal/review

The order for presentation of evidence may not be appealed, but the decision on imposing a penalty for failure to submit evidence may be appealed.

The appeal is decided by the appellate court (High Court in Prague) on a request filed within 15 days from receipt of the decision.

Admissibility of evidence

From other national proceedings

All means of evidence that may assist in determining whether there is infringement may be considered, excluding evidence obtained illegally.

From foreign proceedings

Evidence obtained in foreign proceedings is admissible in civil proceedings before a Czech court. However, the Czech court will assess each piece of evidence at its own discretion. If it deems necessary, the court may request the taking of evidence by a court of another EU member state through the Czech Ministry of Justice under the procedure set out in EU Regulation 1206/2001, although this seldom occurs.

Legal basis and case law

At the time of implementing ED, Czech legislators concluded that the existing provisions of the Czech CCP were sufficient to comply with the ED and no new specific provisions were introduced to implement Art. 6 ED.

Sect. 129(2), Code of Civil Procedure, Act No. 99/1963 Coll., as amended

Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets (formerly Industrial Property Right Enforcement Act, Act No. 221/2006 Coll., as amended)

Judgment of the Czech Supreme Court 29 Cdo 440/2013: the court stated that when the court assesses the evidence, the failure to comply with the court's order to present specific evidence may be reflected to the detriment of the party which failed to comply with such a court's order.

Resolution of the Prague High Court 4 VSPH 1673/2015-B-45: this decision confirmed that the court may order the defendant to present specific evidence upon a request of the claimant in contentious proceedings and impose a fine upon the defendant in case the defendant fails to comply with such an order.

II Measures for preserving evidence

Titles of the orders

Zajištění předmětu důkazního prostředku ve věcech týkající se práv z duševního vlastnictví (securing subject matter of evidence in matters relating to intellectual property) under Sections 78b-78g CCP; and

Zajištění důkazu (securing evidence) under Sections 78-78a CCP.

Further available measures

There are no other measures explicitly mentioned in the legislation, but the general wording of the provision on preliminary measures allow other measures such as physical seizure of infringing goods to be ordered as a preliminary measure, although it is not usual practice.

Basic procedural framework

Under Sects. 78b-78g CCP, the regional court, in whose territory the relevant evidence is located, will be competent to issue the order. This procedure involves securing physical objects, i.e. goods suspected to infringe an IP right, materials or tools or documents, which may be used as evidence in future proceedings. In such a case, the physical object is only secured and kept secured for future proceedings on the merits (i.e. the evidence procedure is not completed under this procedure).

Under Sects. 78-78a CCP, it is the district court, in whose territory is of the relevant evidence located or the court which would be competent to hear the proceedings on the merits (i.e. the Municipal Court in Prague), that actually obtains and completes the evidence procedure in the prescribed form that can be used by another court, for example, the testimony of a witness. This procedure can be used only if there are concerns that it would not be possible to obtain and complete the evidence procedure later or concerns that obtaining and completing the evidence procedure in the future would cause great difficulties (e.g. a witness is terminally ill or a witness who is going to travel abroad for a long time). Contrary to the procedure under Sect. 78b-78g CCP, under this procedure, the court actually completes the evidence procedure. Furthermore, this procedure can be used in all types of civil proceedings, whereas the procedure under Sect. 78b-78g CCP can be used only in matters relating to intellectual property.

Both procedures are separate preliminary proceedings before proceedings on the merits.

Ex parte requests

In order for a request to be granted, the claimant must demonstrate the likelihood of infringement and that the securing of the alleged infringing product etc. is necessary as evidence. The request for securing evidence is always *ex parte*.

Protection available to defendant

The court may order the claimant to lodge a security, or a refundable deposit of up to CZK 100 000 (approx. EUR 4 000) to compensate for potential damage or other injury to the

defendant as a result of the order. The refundable bond is payable within eight days. If the claimant fails to lodge the security, the court shall reject the application for the preliminary order.

The defendant must seek compensation for any injury caused in separate proceedings against the claimant. Compensation for actual damage, lost profits or immaterial injury (i.e. moral injury) may all be claimed towards the award of compensation.

There is no “equivalent assurance” (as referred to in Art. 7.2 ED) under the CCP. The claimant is liable for damage caused to anyone as a result of the order for securing evidence if the claimant is not successful in the main proceedings.

Period to initiate proceedings on the merits

The court shall determine the period to initiate proceedings on the merits. In practice it is generally 30 days.

Witness identity protection

Under Czech law, there are no provisions to protect witnesses’ identity in civil proceedings. This is only available in criminal proceedings provided for in the Criminal Procedure Code.

Non-compliance with an order

The court is competent to decide in case of non-compliance.

If the defendant fails to deposit the ordered evidence with the court or another appropriate custodian, the court shall recover the goods through a bailiff.

Such non-compliance with the order may result in fines.

Appeal/review

The defendant may file an appeal to the appellate court. The claimant will receive notice of the appeal and have the opportunity to respond.

For procedures under Sects. 78b-78g CCP, an appeal must be filed within 15 days from receipt of the order, before the Prague or Olomouc High Courts¹ depending on territorial competence.

For procedures under Sects. 78-78a CCP, an appeal must be filed within 15 days from receipt of the order, before the locally competent regional court or before the Prague High Court (in case the evidence has been seized by the Municipal Court in Prague).

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Czech Republic. The procedure to enforce orders issued by the UPC has yet to be implemented into Czech law.

Legal basis and case law

Sects. 78-78g, Code of Civil Procedure, Act No. 99/1963 Coll., as amended
Act 37/2001 Coll., on special protection of witnesses and other persons in connection with criminal proceedings

Prague High Court Resolution 3 Cmo 197/2011: this decision confirmed that it is admissible to secure alleged infringing goods as evidence for infringement proceedings. The court refused to issue order to secure the original of a purchase agreement on the grounds that the complainant failed to prove that that this evidence would no longer be available in infringement proceedings.

III Right of information

Title of the order

Právo na informace (right of information)

Persons obliged to provide information

Only persons listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

There is no other information to be provided other than that listed in Art. 8.2 ED.

Competent authority

The competent authority is the Municipal Court in Prague.

Non-compliance with an order

The court or private executor² will be competent in case of non-compliance based on the choice of the person seeking enforcement of the measure.

The claimant shall apply for enforcement of the judgment by means of penalty payments. Once the application for enforcement is filed by the claimant, enforcement proceedings are initiated and the court or private executor takes steps towards enforcement of the order and imposes recurring penalty payments. Each of the recurring penalty payment may be up to CZK 100 000 (approx. EUR 4 000). The enforcement proceedings are separate proceedings independent of the proceedings on the merits.

Generally, the infringer bears the costs of the enforcement proceedings.

Appeal/review

Under Czech court practice, right of information can only be granted as part of proceedings on the merits, so the standard appellate procedure will apply.

An appeal may be filed with the Prague High Court within 15 days after the delivery of the written decision. The appeal is sent to the other party with a possibility to respond.

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

1 Appeals against decisions of district courts are heard by Prague or Olomouc High Courts depending on which district court issued the first instance decision (appeals against decisions of district courts located in Bohemia are heard by the Prague High Court whereas appeals against decisions of district courts located in Moravia and Silesia are heard by the Olomouc High Court).

2 Private executors are private legal practitioners (bailiffs) who may be appointed by the court at the request of the claimant to enforce court judgments.

Legal basis and case law

Code of Civil Procedure, Act No. 99/1963 Coll., as amended

Sect. 3, Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets

Czech Supreme Court Judgment 23 Cdo 4407/2011: the court clarified that the obligation to provide information applies to both the actual infringer as well as third parties

IV Provisional and precautionary measures

Titles of the orders

Předběžná opatření (preliminary measures under Sects. 74-77a CCP)

Předběžné zajištění movitého a nemovitého majetku (precautionary seizure)³.

Basic procedural framework

The Municipal Court in Prague is competent to issue preliminary measures in patent matters.

These measures may be ordered before or during proceedings on the merits.

In ordering the preliminary measure, the court shall require the claimant to file a main action within a specified period. The court may also decide that the preliminary measure shall last only for a specified period.

Factors considered by the court

In general, the criteria required by case law for granting a preliminary measure in patent matters are: likelihood of infringement, urgency and risk of irreparable harm or risk that the enforcement of a future judgment may at risk.

Recurring penalty payments

The order for a preliminary measure does not contain penalty payments. Penalties are ordered in separate

enforcement proceedings (see “Non-compliance with an order” below).

Provisional and precautionary measures against intermediaries

A preliminary measure may be imposed upon a third party provided that the court considers it is right to do so.

Circumstances justifying an order for precautionary seizure

To justify an order for a precautionary seizure, the claimant must satisfy the court of the likelihood that the recovery of damages (i.e. the enforcement of a future decision) is endangered.

Assessment of required evidence

In preliminary measure proceedings, it is sufficient to demonstrate likelihood of infringement. The standard of evidence will be lower than in main proceedings on merits. In patent matters, judges often require a statement by court-appointed expert confirming the likelihood of infringement, i.e. that the infringing product falls within the scope of the patent.

Conditions justifying *ex parte* order

Under the CCP, the court at first instance decides on all preliminary measure applications without hearing the other party.

“Irreparable harm” (as referred to in Art. 9.4 ED) means an injury that cannot be compensated for with relief following main proceedings on the merits such as monetary compensation or a permanent injunction. An example may be price erosion resulting from entry of the first generic pharmaceutical product.

Protections available to the defendant

In order to secure compensation for possible damage or other injury caused by a provisional measure, the claimant must deposit a refundable security of CZK 50 000 (approx.

³ Czech law / language does not make any distinction between preliminary injunction and preliminary measures. Czech national law does not have a special term for “precautionary seizure”. The effect of a precautionary seizure can be achieved by means of a preliminary measure. The term “*předběžné zajištění movitého a nemovitého majetku*” can be found in the Czech translation of the UPCA.

EUR 2 000) with the court together with the request for the measure. If the court concludes that such amount would be insufficient to secure compensation for damage or other prejudice caused by the preliminary measure, the court may set a higher amount for the security. Adequate security is a mandatory requirement for granting a preliminary measure. “Equivalent assurances” (as referred to in Art. 9.6 ED) are not provided for in Czech legislation.

Under Section 77a CCP, the obligation of the claimant to provide compensation is broadly defined as damage or other injury suffered by the defendant or any third party. It refers to any damage or injury caused by the imposition of the preliminary measure.

Czech law on the assessment of damages consisting of lost profits is relatively strict and requires proof that the profits would have been obtained by the defendant with a high likelihood close to certainty. Financial assessment of damages is generally carried out by a court-appointed expert.

Non-compliance with an order

See Part III “Non-compliance with an order”

Appeal/review

See Part III “Appeal/review”.

An appeal may be filed with the Prague High Court within 15 days after the delivery of the written decision. The appeal is sent to the other party with a possibility to respond.

The appellate court then decides usually without oral hearing in six to twelve months. In the case of appeals against decisions on merits, the proceedings usually take longer than six to twelve months.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Sects. 74-77a, Code of Civil Procedure, Act No. 99/1963 Coll., as amended.

V Corrective measures

Titles of the orders

Opatření k nápravě (remedial measures)
Stažení výrobků z trhu (recall from the channels of commerce)
Trvalé odstranění (permanent removal)
Zničení výrobků (destruction of products)

Other available measures in the Czech Republic

The court may, at the defendant’s request, order the payment of financial compensation to the claimant instead of an order for recall and destruction, if the defendant did not know or could not have reasonably known about the infringement, if such measures would cause inappropriate damage and financial compensation to the claimant would appear to be sufficient. This is an application of Art. 12 ED. See also Part VII “Alternative measures”.

Basic procedural framework

The competent judicial authority is the Municipal Court in Prague.

The court may order recall and/or destruction of infringing goods and of materials, tools and devices used exclusively or predominantly for infringing activities within proceedings on merits after a finding of infringement.

The court shall not order destruction if the infringing products could be otherwise removed and destruction would not be proportionate to the infringement.

If the corrective measures are ordered against goods, materials, tools or devices that are owned by third parties, the court shall take into account the interests of third parties, in particular consumers and *bona fide* purchasers of the goods, etc.

Under general court practice, an order for recall is considered to be complied with if the defendant contacts its direct customers the request for recall of the infringing goods. The defendant is not obliged to remove infringing goods from third parties.

Corrective measures may be requested in parallel by the claimant. Corrective measures shall be executed at the defendant’s expense.

Assessment of proportionality for ordering remedies

In its assessment of proportionality the court takes into account all relevant circumstances, such as disproportionate economic consequences, including lost profits suffered by the claimant, unjustified enrichment of the defendant, intentional infringement by the defendant, and possibly also non-economic considerations, such as moral injury to the claimant.

Evidence of destruction

If an enforcement procedure is initiated for non-compliance with a judgment, the defendant must prove compliance in order to prevent recurring penalty payments.

Non-compliance with an order

See Part III “Non-compliance with an order”

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Code of Civil Procedure, Act No. 99/1963 Coll., as amended Sect. 4, Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets

VI Injunctions

Title of the order

Zdržovací nárok (cease and desist claim)

Basic procedural framework

The Municipal Court in Prague is the competent court to issue an injunction order.

The claimant must apply for enforcement with the court or a private executor to impose fines.

Injunctions against intermediaries

The claimant may apply for an injunction against intermediaries as set out in Sect. 4(3) Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets.

Compulsory licence as a defence

There is no express provision or case law justifying such a defence.

Court’s discretion if finding of infringement

Under Czech court practice, in order to obtain an injunction, the claimant must not only prove past infringement, but also a threat of continued infringement. For example, if the claimant only submits evidence of a past one-off transaction involving infringing goods, but no threat of continued infringement, the court is likely to refuse the grant of a permanent injunction.

If the above conditions are satisfied, the court will generally grant an injunction. However, the court will always maintain a discretion in cases where the infringer did not know or could reasonably have known about the infringement, or if the injunction would cause disproportionate harm and financial compensation appears to suffice. This is an application of Art. 12 ED. See also Part VII “Alternative measures”.

Non-compliance with an order

See Part III “Non-compliance with an order”

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Code of Civil Procedure, Act No. 99/1963 Coll., as amended
Sect. 4, Act on Enforcement of Industrial Property Rights and
Protection of Trade Secrets

VII Alternative measures

Title of the order

Alternativní opatření

Basic procedural framework

The Municipal Court in Prague is the competent judicial authority in this matter.

The basis for calculation of pecuniary compensation is likely to comprise lost profits of the claimant and any unjustified enrichment of the defendant.

The Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets does not define specific cases. No further circumstances in addition to Art. 12 ED are specified.

Non-compliance with an order

See Part III “Non-compliance with an order”.

Non-compliance may also result in direct payments or collection from bank accounts or movable or immovable assets.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Code of Civil Procedure, Act No. 99/1963 Coll., as amended
Sect. 4(4), Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets

VIII Damages

Calculation methods available in the Czech Republic

Both methods set out in Arts. 13.1(a) and (b) ED are available.

Basic procedural framework

The determination of damages may be part of the main patent infringement proceedings as well as subsequent separate proceedings. In both circumstances the competent authority is the court that decided on the claim for patent infringement.

The claimant may request an order for information as per Art. 8 ED as part of the judgment on the merits and then seek damages pursuant to the obtained information in subsequent separate proceedings.

Methods of calculation

The claimant may choose whether to request damages based upon lost profits or the unjust enrichment of the defendant, in which case he will have the burden of proof. Alternatively he may request damages as a lump sum, amounting to at least double or a higher multiple of the usual royalty.

Czech court practice concludes that the claimant must opt for one or the other method.

Claimants often choose the alternative of a lump sum (royalty multiple) over actual lost profits or unjustified enrichment because it is easier to claim such lump sum than to carry the burden of proof on lost profits or unjustified enrichment to the standard required by Czech case law (high probability bordering certainty).

When determining the multiple for the lump sum, the court will consider all relevant circumstances such as whether the defendant knew or should have known about the infringement, the scope and type of infringement, unfair profits gained by the defendant and any moral injury to the claimant.

In IP litigation matters, it is common practice that the claimant requests damages as a lump sum amounting to at least double or higher multiple of the usual royalty. In order to calculate such damages, it is necessary to establish the usual royalty. Experts are then used for the purpose of determining the usual royalty as well as the actual amount of damages.

Evidence of lack of knowledge

With regard to Art. 13.2 ED, the defendant will have to demonstrate to the satisfaction of the court that the infringement occurred despite exercising due care and taking reasonable measures to avoid infringement, such as obtaining a declaratory judgment of non-infringement from the Czech Patent Office.

Non-compliance with an order

See Part VII “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Code of Civil Procedure, Act No. 99/1963 Coll., as amended
Sect. 5, Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets

IX Legal costs

Overview of assessment of costs

The court does not assess reasonable and proportionate costs (as referred to in Art. 14 ED), but applies the Decree of the Ministry of Justice on fees and remuneration of attorneys-at-law on the basis of full or partial success on the merits. The court however has discretion to award costs differently than on the basis of success on the merits. Such discretion is seldom exercised.

The court will award the successful party costs of proceedings necessarily incurred for enforcing its claim or defence against the unsuccessful party. Legal costs and other expenses comprise legal fees and cash expenses of the parties and attorneys, court fees, costs of obtaining evidence and interpretation and VAT.

Czech court practice on legal costs is somewhat restrictive and pre-litigation warning letters sent by lawyers, for example, are not separately recoverable. In practice, when seeking non-financial claims such as injunctions, the amounts recovered through a cost award represent only a minor portion of legal fees actually incurred by the successful party. Reimbursement is calculated based upon the value of the dispute. If compensation is sought by a claimant, the compensation is thus calculated from the value of the dispute. If a non-financial claim is sought, the compensation is an amount set by law for each type of claim. In such cases the value is extremely low so that the amounts recovered represent only a minor portion of the legal fees actually incurred by the successful party.

Costs are awarded as part of the judgment on merits.

Legal basis and case law

Sects. 137-151, Code of Civil Procedure, Act No. 99/1963 Coll., as amended
Decree of the Ministry of Justice No. 177/1996 Coll., on fees and remuneration of attorneys-at-law.

X Publication of judicial decisions

Title of the order

Uveřejnění soudního rozsudku (publication of judgments)

Basic procedural framework

Under Sect. 4(5) Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets, the court shall determine the scope, form and manner of publication. The case law of the Czech Supreme Court has stated that when exercising such discretion, the court must take into consideration the information value of such publication. Publication of only a statement of the claims is insufficient and a relevant part of the substantive judgment must also be published. The court may either impose an obligation to publish the judicial decision upon the defendant (who will also bear the costs of publication) or grant the claimant a right to publish the decision at the defendant’s expense.

The law does not prescribe any specific media. Case law allows publication on websites including the infringer’s website or social media.

The Municipal Court in Prague is competent to make the order for such measure.

The court will take into consideration all relevant circumstances including whether the claimant was wholly successful, the infringement was intentional and whether the claimant suffered moral damage, e.g. loss of reputation.

Non-compliance with an order

See Part III “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Sect. 155(4), Code of Civil Procedure, Act No. 99/1963 Coll., as amended

Sect. 4(5), Act on Enforcement of Industrial Property Rights and Protection of Trade Secrets

Czech Supreme Court judgment 23 Cdo 7/2013: the court stated that publication of only a statement of the claims is insufficient and a relevant part of the substantive judgment must also be published.

XI Other appropriate sanctions

Name and type of sanctions

Přestupky (Administrative Offences under Sect. 74a Czech Patent Act No. 527/1990 Coll. and Sect. 31 Act No. 355/2014 Coll. on competence of customs authorities in intellectual property enforcement).

Under Sect. 74a of the Czech Patent Act No. 527/1990 Coll., the person who unlawfully uses an invention protected by a patent commits an administrative offence. The local municipal office with extended competence in this area shall conduct administrative proceedings with regard to an administrative offence. Conviction of the aforesaid administrative offence may result in a penalty up to

CZK 250 0000 (approx. EUR 10 000) or a ban on the activity. In case the administrative offence has been committed by a legal entity or an individual, publication of a decision on the administrative offence may be ordered.

Under Section 31 of Act No. 355/2014 Coll. on the competence of customs authorities in intellectual property enforcement, the person who disposes of a product infringing an intellectual property right commits an administrative offence. The customs office within whose territory the suspect has his or her seat shall conduct the administrative proceedings. Conviction of the aforesaid administrative offence may result in a penalty up to CZK 1 000 0000 (approx. EUR 40 000) and forfeiture. In case the administrative offence has been committed by a legal entity or an individual, the penalty may be up to CZK 10 000 000 (approx. EUR 400 000).

Non-compliance with an order

In case of an administrative offence under Sect. 74a of the Czech Patent Act No. 527/1990 Coll., non-compliance with an order is enforced by the local municipal office with extended competence which has issued the order or, upon a request of that office, by the locally competent tax administration (i.e. the customs office) or a private executor.

In case of the administrative offence under Sect. 31 of Act No. 355/2014 Coll. on competence of the customs authorities in intellectual property enforcement, non-compliance with an order is enforced by the locally competent tax administration (i.e. the customs office) or by a private executor based on the choice of the customs office which has issued the order.

The order imposing a penalty is enforced by means of direct payments or collection from bank account or movable or immovable assets. The order imposing a ban on the activity or publication of a decision on the administrative offence is enforced by means of recurring penalty payments.

Appeal/review

In case of the administrative offence under Sect. 74a of the Czech Patent Act No. 527/1990 Coll., the defendant may file an appeal before the locally competent appellate regional office within 15 days from receipt of the decision. The appeal is heard by the regional office in whose territory the first instance local municipal office with extended competence is located.

In case of the administrative offence under Sect. 31 of Act No. 355/2014 Coll. on the competence of customs authorities in intellectual property enforcement, the defendant may file an appeal before the General Customs Directorate within 15 days from receipt of the decision.

Legal basis and case law

Sect. 74a, Patent Act No. 527/1990 Coll.

Sect. 31, Act No. 355/2014 Coll. on the competence of customs authorities in intellectual property enforcement
Administrative Procedure Code, Act No. 500/2004

XII Additional options

Other available options

Criminal proceedings and customs seizures are available.

Criminal measures

Under Section 269 of Czech Act No. 40/2009 Coll., Penal Code, patent infringement is a criminal offence provided that the infringement is intentional and the infringement is not negligible. When assessing whether the infringement is not negligible, the court shall take into account all the circumstances of the infringement (such as intensity and duration of the infringement, consequences, etc.). The criminal prosecution is commenced by the Police either based upon a criminal complaint or *ex officio* once the Police becomes aware of circumstances showing that a crime may have been committed. Once the Police finishes the investigation and collects the evidence, the prosecutor decides whether he or she lays a charge and bring the matter before the court or not. The court then decides whether the crime has been committed by the accused person or not. The district court is competent in criminal proceedings and will apply the procedures as set out in the Code of Criminal Procedure. An appeal may be filed with the Prague or Olomouc High Court within eight days after the delivery of the written decision.

The following sanctions may be imposed by the district court: forfeiture of goods or tools, imprisonment of up to eight years, penalty of between CZK 2 000 and CZK 36 500 000. The penalty comprises daily rates. The daily rate set by the court is at least CZK 100 and maximum CZK 50 000. The court may impose between 20 and 730 daily rates.

Border measures

The local customs office has competence for customs seizures. The local customs office seizes goods suspected of infringing an intellectual property right and informs the right holder about the seizure. The seized goods are destroyed within the simplified procedure provided that within 10 working days (three working days in case of perishable goods) from being informed about the seizure, the right holder informs the local customs office that the seized goods are counterfeits and both the right holder and the holder of the goods inform the local customs office that they agree with the destruction of the seized goods. Where the owner of the seized goods has not confirmed his agreement to the destruction of the seized goods nor notified his opposition thereto to the local customs office, within the aforesaid deadline, the local customs office may deem the owner of the seized goods to have confirmed his agreement to the destruction of those goods and destroy them.

In case the abovementioned conditions for the destruction of the seized goods are not fulfilled, the local customs office issues a decision that the seized goods will not be destroyed. In such a case, the right holder shall, within 10 working days (three working days in case of perishable goods) from receipt of the aforesaid decision, initiate court proceedings to determine whether an intellectual property right has been infringed otherwise the seized goods are released. The procedures on seizure and subsequent destruction of infringing goods implement EU Regulation 608/2013.

Non-compliance with an order

In case of non-compliance with an order imposing imprisonment, the infringer is delivered to the prison by the police. In case of non-compliance with an order imposing penalties, imprisonment is imposed upon the infringer.

Legal basis and case law

Sect. 269, Penal Code, Act No. 40/2009 Coll.

Code of Criminal Procedure, Act No. 141/1961 Coll.

Act No. 355/2014 Coll., on competence of customs authorities in intellectual property enforcement

Germany

I Evidence

Title of the order

The name of the order is *Beweisanordnung* and the name of the procedure *Beweisverfahren*, Sects. 142 and 144 German Code of Civil Procedure (hereinafter “ZPO”).

Basic procedural framework

Sect. 143(2) German Patent Act (*Patentgesetz*, hereinafter “PatG”) enables the federal states in Germany to concentrate the patent jurisdiction in a few chosen regional courts. In accordance with this provision, 12 regional courts¹, have exclusive jurisdiction. Local competence is generally determined by the place of the unlawful act or the seat of the defendant.

It is possible to enforce the claim in the main proceedings. The court may also issue an order as a preliminary measure within its competence to prepare the hearing according to Sect. 273(2) No. 5 ZPO.

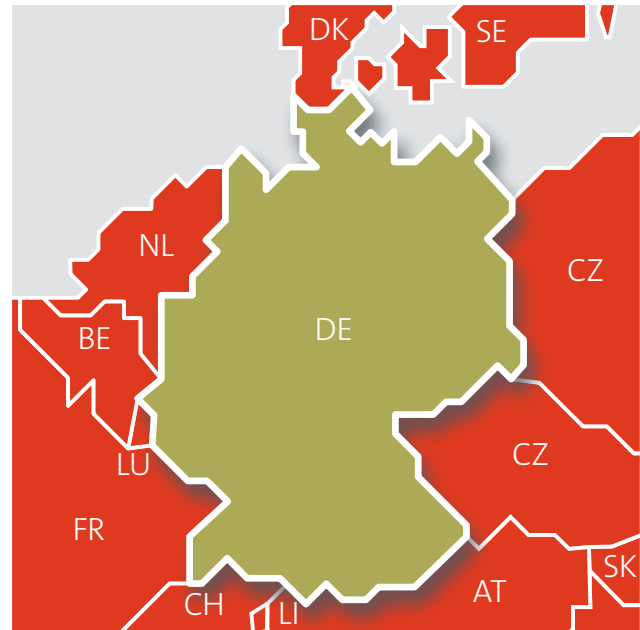
The court order requires the defendant to present evidence to the court. Therefore the court itself is responsible for enforcing the order as non-compliance can be fined and/or considered in the reasoning of a judgement. For example, if a party is ordered to present a certain evidence but fails to comply, the court may assume that the evidence showed what the other party suggested it would.

Provision of evidence by third parties

This is possible in the main proceedings. A third party may be required to present such evidence.

Assessment of evidence in support of the application

It is generally required that the claimant can prove the likelihood of infringement of the patent. Not all features of the claim need to be demonstrated. It is sufficient that concrete facts lead to the assumption of infringement. The



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applicant is furthermore required to specify the evidence that is in control of the other or third party. However, the threshold that is required is not too high as the party requesting such an order is usually not able to exactly pinpoint and name the evidence as it is not in their control.

Protection of confidential information

The court is obliged to take the protection of confidential information into account. However, there is no specific procedure that is followed. Specific measures to protect confidential information will depend on the facts in each case. It may be possible that documents can be redacted partially in order to protect confidential information. It is however not possible to limit the recipients of such evidence as *in camera* proceedings are not allowed.

Non-compliance with an order

The court itself is competent and no special procedure is required.

There are no sanctions; the court may take into account that evidence is not presented.

¹ Mannheim, Munich, Nürnberg-Fürth, Berlin, Hamburg, Frankfurt a.M., Leipzig, Saarbrücken, Magdeburg, Braunschweig, Erfurt, Düsseldorf

Appeal/review

The order itself is not subject to an immediate appeal. It is however possible to attack the order together with a judgment on appeal.

Admissibility of evidence

From other national proceedings

If evidence was obtained legally in other proceedings it may be used in civil proceedings.

Even if evidence was obtained illegally it may be used in civil proceedings. There is no fruit of the poisonous tree doctrine in German civil procedure. However it is possible that such evidence may not be used if the legal rule that was broken was intended to protect civil procedural rights. This may be the case if the unlawful acquisition of evidence leads to an infringement of constitutional rights (e.g. human dignity and the general right to privacy) and criminal laws (e.g. the criminal laws which protect confidentiality and the obligation of secrecy – Sections 201 and 201 StGB).

From foreign proceedings

It is important to differentiate two different scenarios: (a) Can a German court use evidence obtained in foreign proceedings? (b) Can a German court order foreign courts to take evidence?

In general it is possible to use evidence obtained in foreign proceedings before the German courts. It is however required that the proceedings to obtain the evidence are in line with either foreign law or German law. If this requirement is met, the evidence may be used in German proceedings.

A German court may obtain evidence in other countries. For EU member states this can be achieved by applying EU Regulation No. 1206/2001. The German court will file a request to obtain such evidence. It shall only be made to obtain evidence which is intended for use in judicial proceedings, either already initiated or contemplated.

For non-EU member states the German court will have to follow the administrative route. Usually this would encompass consular measures in order to obtain the evidence. It is also possible to have a foreign court take evidence on behalf of the German court.

Legal basis and case law

Sect. 142 ZPO
Sect. 363 ZPO
Sect. 369 ZPO
BVerfG NJW 2011, page 2417
BGH GRUR 2006, page 962 – *Restschadstoffentfernung*
BGH, NJW 2007, page 2989 para. 20

II Measures for preserving evidence

Titles of the orders

Vorlage (claim to produce documents)
Besichtigung (inspection)

Further available measures

The German implementation of Art. 7 ED with Sect. 140c PatG, does not provide the option to directly seize infringing goods or materials. It is rather designed to give the patentee the option to look at the infringing embodiment, examine, test and investigate it to assess whether there is infringement.

Therefore, the courts in Düsseldorf have developed a special procedure for the inspection: the “Düsseldorf Inspection Procedure”. The procedure is applied throughout Germany. If the patentee does not have access to the infringing product and the inspection is necessary and proportional, he might combine an independent evidence procedure with an accompanying order. The court will, whilst protecting the defendant’s trade secrets, issue a preservation order (*Duldungsanordnung*) and prohibit the modification of the object to be inspected (containing specific measures; e.g. inspection, removing claddings, facings, putting device into operation, making photocopies). The defendant will not be informed of the order. The essence of the “Düsseldorf Inspection Procedure” is that only an expert and the representatives of the claimant are allowed to inspect the embodiment, not the party itself. Moreover, there will be no disclosure of any information to the applicant until the expert has published his opinion or the confidentiality obligation has been lifted. This procedure does not allow the claimant to directly seize allegedly infringing embodiments, but provides the opportunity to determine and secure the condition of the object before the alleged infringer has the chance to modify the products. The “victim” of the inspection proceedings can claim disclosure of trade secrets once the expert report is written. The claimant will only

receive the expert report once there is a final and binding decision that the report will be handed over to the claimant and in which form.

Another measure that will not be ordered by a court but may help the claimant to preserve evidence is making test purchases.

It is also possible to apply for border seizure at the customs authorities to prevent infringing goods being imported into the EU (at German borders) according to Sect. 142a PatG.

Basic procedural framework

The orders will be granted by one of the patent courts in Germany. Local competence is mostly determined by the place of the unlawful act.

It is possible to enforce the claim in main proceedings as well as in preliminary injunction proceedings. However, as the claim seeks to preserve evidence, it is more likely that the claimant asserts such a claim via an application for a preliminary injunction in combination with an independent evidence procedure.

A bailiff is responsible for enforcing the order.

There are relatively minor requirements that must be met for the abovementioned orders. As they are meant to preserve evidence before infringement has been established, the likelihood of an infringement is sufficient. The patentee, however, must present specific indications pointing to an infringement. The order must also be considered necessary, i.e. there shall not be a simpler, equally suitable and reasonable possibility of clarifying the facts. Finally, the order must be proportional, especially in light of the alleged infringer's right to confidentiality.

During the inspection proceedings, a court-appointed expert will write an expert report on the factual findings. This expert report is then given to the defendant so that they can claim e.g. the disclosure of trade secrets. The court will decide if the expert report will be handed to the claimant and in which form. If the expert report concludes that there is a patent infringement, trade secrets directly concerning the infringement can be disclosed in the report. If trade secrets could be revealed in parts which are not directly concerned with the infringement these parts may be redacted. The expert report will only be given to the claimant when there is a final and binding decision of the court.

Ex parte requests

The claims regarding the preservation of evidence may be enforced by preliminary injunctions. In general, the court will only decide on the injunction after hearing both parties. However, it might abstain from this requirement. This is particularly the case if the expiration of the patent protection is imminent or if the object is only offered for sale for a short period of time (i.e. a trade fair exhibition), so that there is no more time for a hearing date.

If the court issued a preliminary injunction without having heard the other party, the opponent may file a statement of opposition regarding the ordered measure. This will lead to a (subsequent) oral hearing.

If the opponent has deposited a protective letter in which he has comprehensively and substantially anticipated the proceedings, the court will hear both parties.

Protection available to defendant

The courts may determine the amount of an adequate security (as referred to in Art. 7.2 ED), generally in accordance with the value in dispute. However, it is very unusual in Germany for the claimant to be obliged to provide security.

However, the claimant must provide security in the case of a border seizure where customs authorities are involved.

No "equivalent assurances" (as also referred to in Art. 7.2 ED) are provided for in the legislation. Sect. 140c(5) PatG determines that the alleged infringer may claim the damages that result from the request of the claimant. This means that there must exist an adequate causal connection between the patentee's request and the accrued damage. The claimant must compensate the defendant for destroyed products that were subject to the inspection, also other costs such as costs of legal defence or lost profit incurred during the period of the preservation measures.

Period to initiate proceedings on the merits

German law does not explicitly set a period that is similar to the period mentioned in Art. 7.3 ED. The only way to force the claimant, after the enforcement of measures for the preservation of evidence, is to initiate proceedings on the merits, is stated in Sect. 494a ZPO. According to this provision, the alleged infringer may file an application to the court to order the patentee to initiate main proceedings. The

court will set a time period at its own discretion. However, such a period will not expire before the decision of the court to hand over the expert opinion.

Therefore, independently from such an application of the alleged infringer, the claimant does not have to initiate main proceedings to preserve the executed measures and gained facts.

Witness identity protection

It is not common in Germany for any witness to be involved in the procedure according to Sect. 140c PatG.

Non-compliance with an order

With regard to claims to produce documents, the bailiff is the competent authority. The provisions for judicial enforcement apply, more specifically Sec. 883 German Code of Civil Procedure. The bailiff will seize the respective documents. In respect of the judicial enforcement regarding the claim to produce documents, the claimant may demand an affidavit, if there are any indications that the disclosure is incorrect.

For inspection procedures, the district court and bailiff are competent. The alleged infringer might refuse to allow the expert and representatives of the claimant enter the manufacturing facility where the allegedly infringing product is stored. Should this be the case, the court must issue an additional search warrant. However, competence for such an order does not lie with the original designated patent court (Regional Court) but with the competent local district court (where inspection takes place). The search warrant will be enforced with a bailiff, who may be accompanied by the police.

The preservation order is enforced according to Sect. 890 ZPO. This includes penalty payments and in certain circumstances imprisonment.

Appeal/review

The order to take evidence cannot be appealed or reviewed. However, one can appeal the accompanying order to allow inspection. The opponent has the opportunity to limit his opposition to the decision on the costs (especially attractive if he cannot proceed against the injunction itself as he has not been issued a warning ahead of the measure). The appeal then will lead to a reversal of the costs, which is the most common use of the opportunity to appeal.

If the respective court issued an order in the main proceedings the parties may appeal to the Higher Regional Court. Either party may appeal within one month from the issuing of the judgment. The appellant must first file a notice of appeal followed by the grounds of appeal. The Higher Regional Court will consider the admissibility of the appeal and will set time limits for written pleadings and a date for the oral hearing.

If the court issued a preliminary injunction, which is the usual course of events, the same court is competent for an appeal. The court will also set a date for the oral hearing.

The parties must file the notice of appeal within one month. An extension of this time period is not possible. For the filing of the grounds of appeal the parties have another month after filing the notice of appeal. This time period may be extended under certain circumstances.

The opposition to the injunction is not subject to a specific time period. An opposition is possible as long as the injunction exists.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Germany. See “Non-compliance with an order” for further details.

Legal basis and case law

Sect. 140c PatG

Sect. 485 ZPO (independent evidence procedure)

Sects. 883 and 890 ZPO (judicial foreclosure, referred to above as “judicial enforcement”)

BGH, GRUR 2010, page 318 – *Lichtbogenschnürung*

OLG Düsseldorf InstGE 10, page 198 – *zeitversetztes Fernsehen*

OLG Düsseldorf InstGE 11, page 298 – *Weißmacher*

III Right of information

Title of the order

There is no specific name for the order or procedure as there are different ways to enforce a claim to information according to Sec. 140b PatG. It is possible to enforce the claim in main proceedings as well as in preliminary proceedings.

Persons obliged to provide information

In Germany, everyone liable for infringement of a patent is obliged to provide information. Therefore this includes, not only the direct infringer but also all indirect infringers such as the accomplice, accessory and agitator. In addition to this obligation to provide information, according to the general law of tort, such persons may also be held responsible for the infringement.

Types of information to be provided

Art. 140b PatG implements Art. 8 ED without the possibility to gather more information than listed in Art. 8.2 ED.

However, according to Sects. 242, 259 German Civil Code, the patentee also has a right to information needed to calculate damages according to the three possible calculation methods in Germany. He then may choose the most favourable method for himself. This may include more information than can be gathered in accordance with Art. 140b PatG; e.g. calculation of profits.

Competent authority

The patent courts have exclusive jurisdiction. Local competence is generally determined by the place of the unlawful act.

Non-compliance with an order

The respective Regional Court has the competence in case of non-compliance. Judicial enforcement may be applied, e.g. enforcement of the court order with the below mentioned sanctions.

If the defendant does not provide the relevant information or provides false information, enforcement measures are available according to Sect. 888 ZPO. This includes penalty payments and, in certain circumstances, imprisonment.

The claimant is also entitled to request damages if the defendant failed to provide the relevant information intentionally or with gross negligence (e.g. the claimant's expenditure wasted in reliance on the accuracy of the information). The claimant may also demand an affidavit from the defendant if there are any indications that the disclosure is incorrect.

Appeal/review

See Part II "Appeal/review"

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Sect. 140b PatG (claim for information)

Sect. 888 ZPO (enforcement)

IV Provisional and precautionary measures

Titles of the orders

Einstweilige Verfügung (interlocutory injunction)

Beschlagnahme (seizure)

Under some circumstances it is possible to enforce the claim for destruction with a preliminary injunction which will lead to the seizure (*Sequestration*) of the product in question.

Basic procedural framework

The Regional Courts are competent for interlocutory injunctions. The customs authorities are competent for urgent border seizures.

A preliminary injunction may only be issued in preliminary injunction proceedings.

A seizure in conjunction with the customs authorities must be requested with the customs authorities.

A bailiff or customs officials are responsible for enforcing the measures.

The German system does not set out a time period in which the claimant must initiate main proceedings after obtaining a preliminary injunction.

If the claimant filed a request for border seizure and the customs authorities have seized the products (and the defendant objects to the seizure) the claimant must commence proceedings for a preliminary injunction within two weeks. If the defendant does not respond to the

application for a preliminary injunction the claimant must initiate main proceedings. However, all this is only required if the claimant wants to maintain the seizure.

Factors considered by the court

In order for a preliminary injunction to be granted the patentee has to furnish *prima facie* evidence that the patent is valid and infringed. In reviewing infringement the court can only rely on evidence such as written documents or affidavits. It cannot request an expert opinion or witnesses.

For the review of validity of the patent, the courts differ in their approach. While it is common ground that the patent should be likely to survive an invalidity attack (opposition, nullity complaint) the way this is proven differs. The Düsseldorf court for example requires the patent to have been tested in a validity/opposition proceeding, the Munich court does not require such a high threshold.

A claimant who applies for an order to seize goods in preparation for a claim for destruction must to prove that there is a risk that those goods would disappear before the end of the main proceedings. It should be established that without the preliminary seizure of the goods, the risk that the number of goods that would be destroyed at the end of the proceedings is greatly reduced.

Recurring penalty payments

For each instance of non-compliance with an injunction the court may set a penalty payment up to EUR 250 000. In exercising its discretion the court will take into account whether or not the infringement was wilfully done. It may also take into account the severity of the infringement. If an infringer continues to disobey an injunction the court may also order imprisonment of the CEO of the infringing company.

The exact amount of these penalty payments is at the discretion of the court.

Provisional and precautionary measures against intermediaries

The patentee may take action against anyone who is infringes his patent. Therefore, the right holder may also obtain a preliminary injunction against intermediaries; the same holds true for border seizure.

Circumstances justifying an order for precautionary seizure

There is no explicit rule in German law corresponding to Art. 9.2 ED. However, it may seem possible to apply for a preliminary injunction directed at securing a potential damages claim. In such a scenario one would have to present evidence to the court that there is a risk that the defendant will transfer money out of the reach of the German court system. There is no publicly available decision on this.

Assessment of required evidence

It is necessary to establish the claim using only written evidence or affidavits. It is not possible for the court to require witnesses or have an expert report.

With regard to sufficient degree of certainty as referred to in Art. 9.3 ED the German courts tend to be cautious. This means that the court wants to make sure it will not be overruled by the higher court. In practice the courts aims to ensure that there is no reasonable doubt that the preliminary injunction will be maintained in second instance proceedings. Any doubts will count against the claimant.

Compared to other civil law disputes, in patent infringement cases there is a technical issue for assessment, which usually requires the court hearing both parties in order to obtain sufficient justification for the decision. In order to reduce the risk of a subsequent reversal, a temporary injunction will only be considered if the validity of the patent and the question of infringement can ultimately be answered so clearly in favour of the claimant, that an different decision on the merits cannot be seriously expected.

Conditions justifying *ex parte* order

An order may be issued without hearing the defendant, for example if the patent protection is about to expire or if the product under attack is only offered in a short-term sales promotion. This may also be true for trade fairs.

The same applies if the defendant has already taken a stance in a protective letter and his objections do not cast doubt on the desirability of granting the order.

There is no provision in German law relating expressly to “irreparable harm” as referred to in Art. 9.4 ED. In balancing the interests for a preliminary injunction the court may take into account for example price erosion that may be caused if infringing products enter the market. It is common

knowledge that such price erosion cannot be remedied as the prices will not reach the level before the infringement. In order to avoid this the courts may be inclined to order a preliminary injunction.

Protections available to the defendant

See Part II “Protection available to defendant”.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

If the court issued a preliminary injunction *ex parte*, the same court is competent for the appeal against the injunction. The court will also set a date for the oral hearing. After the hearing the court will decide by issuing a judgment, which can be appealed to the Higher Regional Court. There is no third instance for a review of preliminary injunctions.

Appeals of preliminary injunctions are not subject to a specific time period. An appeal is possible as long as the injunction exists.

Once the court has issued the judgment, the appeal period to the Higher Regional Court is one month after service of the judgment.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Sect. 139 PatG

Sects. 916 and 935 ZPO

OLG Düsseldorf InstGE 9, 140, 146 – *Olanzapin*

OLG Düsseldorf InstGE 12, 114 – *Harnkatheterset*

V Corrective measures

Titles of the orders

Rückruf (recall);

Endgültiges Entfernen aus den Vertriebswegen (definitive removal from the channels of commerce);

Vernichtung (destruction).

Other available measures in Germany

There are no further available measures.

Basic procedural framework

The orders will be granted by one of the patent courts in Germany. Local competence is mostly determined by the place of the unlawful act. For all measures, the claimant must file an infringement complaint with the court.

It is possible to enforce the claim for destruction in main proceedings as well as in a preliminary injunction proceedings. However, in preliminary injunction proceedings the destruction will not be ordered, the goods can only be seized. The claim for recall and definitive removal however, may only be enforced in main proceedings.

The bailiff is responsible for enforcing the measures.

The claimant may ask for all of the abovementioned measures in parallel. The understanding is that the claim for recall also serves as preparation for the claim for destruction. Therefore all recalled goods are subject to the claim for destruction.

The claim for definitive removal from the channels of commerce has a different character than the claim for recall. The claim for definite removal is aimed at achieving a certain success, whereas the claim for recall only requires the infringer to urgently request his customers to return the infringing goods. The claim for definitive removal from the channels of commerce is used if for example the infringer still has legal or factual power of disposition over the infringing goods. In such a case an infringer needs to take all necessary steps to recall those goods.

As the destruction, removal or recall is the infringer’s obligation, he has to bear the costs. There are no known cases to the contrary.

Assessment of proportionality for ordering remedies

Destruction is considered to be disproportionate if either the infringing condition of the product can be remedied by means other than total destruction or where destruction is disproportionate on other grounds. Not only are the interests of the infringer taken into account but also the interests of the owner, if different. In addition, the public interest may also be taken into account, e.g. if the availability of medical devices are affected.

Recall or definitive removal from channels of commerce are considered disproportionate under the following circumstances: the products subject to recall are perishable or only a small part of a larger product with considerable economic consequences.

The interests of the claimant to enforce his claims also must always be taken into account.

Evidence of destruction

The defendant must provide evidence that the destruction of the infringing goods was carried out. If the claimant has substantial doubts that the defendant is reliable and trustworthy he may file a motion that enables him to carry out the destruction himself or have a third party to do so.

Non-compliance with an order

See Part II “Non-compliance with an order”.

For orders of definitive removal or recall, enforcement measures are available according to Sect. 888 ZPO. This includes penalty payments and in certain circumstances imprisonment.

For a destruction order, enforcement is based on Sect. 887 ZPO. This means that the claimant may be authorised to destroy the infringing products at the expense of the defendant.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Sect. 140a PatG

BGH GRUR 2006, 570 – *extracoronales Geschiebe*

BGH GRUR 2017, page 785 – *Abdichtsystem*

OLG Düsseldorf InstGE 10, 301 – *Metazachlor*

VI Injunctions

Title of the order

Unterlassungsverfügung (injunction)

Basic procedural framework

The orders will be granted by one of the patent courts in Germany. Local competence is mostly determined by the place of the unlawful act.

The patentee must enforce the injunction.

Injunctions against intermediaries

The patentee may take action against anyone who infringes his patent. Therefore, he may also obtain an injunction against intermediaries.

Compulsory licence as a defence

One needs to differentiate between two different compulsory licences in this case. The first is a compulsory licence according to Sect. 24 PatG, which may be used as a defence. However, for this type of compulsory licence the Federal Patent Court is competent and therefore such a defence would only lead to a stay of the infringement proceedings.

The second type of compulsory licence is based on an anti-trust law FRAND defence. Such a defence can lead to the claim being dismissed. In Germany there are numerous decisions which have substantiated the requirements after the CJEU's *Huawei vs. ZTE* decision.

Court's discretion if finding of infringement

The courts in Germany do not have any discretion with regard to injunctions. If there is a finding of infringement, the court will issue a permanent injunction unless the enforcement would result in an abuse of rights.

Non-compliance with an order

The court that issued the order is competent.

The claimant must prove to the court that the infringer did not comply with the court order. For example the claimant could show that the infringer is still offering the infringing product on a website or in stores.

The court may order a non-recurring penalty payment and if previously threatened, imprisonment. One penalty payment amounts to a maximum of EUR 250 000, and imprisonment up to a maximum of six months.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Sect. 139 PatG

BGH GRUR 2005, 569 – *Blasfolienherstellung*

BGH, GRUR 2009, 1142 – *MP3-Player-Import*

BGH GRUR 2009, 856 – *Tripp-Trapp-Stuhl*

BGH GRUR 2013, 713 – *Fräsverfahren*

BGH GRUR 2012, 485 – *Rohrreinigungsdüse*

VII Alternative measures

In Germany there are no alternative measures available as referred to in Art. 12 ED.

VIII Damages

Calculation methods available in Germany

In Germany the damages are calculated using three different methods:

- reasonable royalty rate;
- infringer’s profits;
- lost profits.

German courts use these methods as aids to determine the amount of damages. However, in practice the calculation methods differ with the reasonable royalty being the least favourable for the claimant and the lost profit the most beneficial method for the claimant.

Basic procedural framework

In main proceedings only the general liability of the defendant for damages will be determined. The actual calculation of damages is subject to separate proceedings. This is due to the fact that the claimant will have little to no information during the main infringement proceedings as to the scope of the infringement. The claimant will gather this information in the rendering of accounts which the defendant must do if the claimant was successful. Based on that information the claimant can calculate damages in the most favourable way and initiate proceedings. The claimant must claim a precise sum in such proceedings, as the court may not establish an amount based on the information given by the defendant.

The claim for damages is heard by the same court as the main patent infringement proceedings.

The claimant may request information as part of the main infringement proceedings. If the claimant is successful, the defendant must disclose financial information in accordance with national rules (see also Part III Right of information).

Methods of calculation

The claimant may choose between the different calculation methods in the claim. However, the claimant may switch between the different calculation methods during the proceedings as long as and in so far as no calculation method has been finally decided by the court.

It is possible for the patentee to mix the different calculation methods. Even though there is no actual case law on this it seems to be common understanding that a distinction can be made at least from a time perspective. It may also be possible to distinguish from a territorial perspective.

From a time perspective, it may make sense to mix the calculation methods if the market has evolved over the period for which damages have to be paid. If for example at the beginning of that period there was no market player other than the claimant and the defendant, the claimant can claim his own lost profits for that time if the requirements are met. In such a scenario it will be easier for a claimant to

successfully prove that customers would have bought the original products instead of the infringer's products. If at a later stage the market evolves, and more competitors are present, this proof is hard to impossible to demonstrate. Therefore the claimant could claim either the infringer's profit or a reasonable royalty.

From a territorial perspective it also may make sense to differentiate. If for example the claimant is only selling goods within a certain territory it may be possible (if all other requirements are met) to claim lost profits. For all those territories in which the claimant does not do business, a claim for infringer's profit or reasonable royalties seems sensible.

For the same time and territory it is however not possible to mix the calculation methods.

In practice the infringer's profit method is most commonly claimed. The claimant's lost profits calculation is only rarely used as it requires that the lost profit must be directly caused by the infringing activity. This can only be proven in special market conditions that do not often exist. Additionally, the claimant would need to disclose his own financial information which may not be in his best interest if the defendant is a direct competitor. As a fallback position the reasonable royalty calculation method may be used. However in practice it leads to the least favourable result for the claimant.

In German law the method described in Art. 13.1(b) ED is not available as the court distinguishes between three calculation methods. However there is a discussion that the reasonable royalty method should not be determined on a royalty rate which willing parties would have negotiated but determined on an amount which can be double that royalty rate.

Evidence of lack of knowledge

Whether or not the defendant knowingly acted with reasonable grounds is not a decisive factor in German case law. The defendant may only contest damages if he has no fault at all. However such fault is assumed under German case law. Every patent granted is deemed to be known to everyone. The courts maintain that companies must evaluate the market beforehand and are therefore liable for every existing patent which is published. Therefore the damage claim is calculated from a date after one month after the publication of the granted patent.

Non-compliance with an order

The bailiff is the competent judicial authority in case of non-compliance.

If the defendant fails to comply with the order to pay damages, the claimant may request the bailiff to seize goods from the infringer. This can also lead to a freezing of bank accounts. No further sanctions are available.

Appeal/review

See Part II "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Sect. 139 II PatG
BGH, GRUR 2001 – *Gemeinkostenanteil*
BGH GRUR 2012 1226 – *Flaschenträger*
BGH GRUR 2012, 430 *Tintenpatrone II*
BGH NJW 2009, 3722 – *Tripp-Trapp-Stuhl*
BGH GRUR 2007, 431 – *Steckverbindergehäuse*
BGH GRUR 2008, 93 – *Zerkleinerungsvorrichtung*
BGH GRUR 2013, 1212 – *Kabelschloss*

IX Legal costs

Overview of assessment of costs

The reimbursement of costs follows the statutory fee schedule for lawyers (*Rechtsanwaltsvergütungsgesetz*). The losing party has to bear the costs of the proceedings only in the amount which is stipulated in the statutory fee schedule. The statutory fee schedule is a value-based system. This means that the value in dispute of the infringement proceedings determines the fees that can be reimbursed. Therefore the parties, in their own interest, should carefully review the value in dispute. Such value in dispute should reflect the claimant's interest in the dispute as well as other factors, e.g. the threat level of the infringement.

“Reasonable and proportionate” (as referred to in Art. 14 ED) is therefore assessed by the legal framework and case law on the statutory fee schedule. In addition, only those costs can be reimbursed which were necessary in the proceedings. This may depend on the facts of each case.

Some examples for legal costs and other expenses:

- a) Attorney fees (for attorney and patent attorney costs)
 - i) attorneys and patent attorneys receive the same amount of fees, as the statutory fee schedule is applicable to both;
- b) Expenses:
 - i) postage, telecommunications, copies, etc. are reimbursed either based on actual costs or on a lump sum basis;
 - ii) expert opinions can be reimbursed if they were necessary for the proceedings, e.g. to contradict a court-appointed expert (if successful);
 - iii) costs of acquiring the infringing device;
- c) Court fees
 - i) court fees are dependant on the value in dispute.

After each instance the successful party can file a motion to have their costs reimbursed. The reimbursement will be decided by the same court and may also be appealed.

Legal basis and case law

Gesetz über die Vergütung der Rechtsanwältinnen und Rechtsanwälte (Rechtsanwaltsvergütungsgesetz)²

X Publication of judicial decisions

Title of the order

Urteilsbekanntmachung

Basic procedural framework

Sect. 140e PatG provides the possibility to have the judgment published at request of the claimant and at the expense of the defendant.

Where an action has been brought under this Act, the successful party, if it demonstrates a legitimate interest, may be entitled to an order in the judgment to make the judgment public at the expense of the unsuccessful party. The nature and extent of the publication shall be laid down in the judgment. The entitlement shall lapse if it is not used within three months of the judgment becoming final. Such publication of judicial decisions shall not be enforceable, until the court’s decision is final and legally binding.

Depending on the circumstances the court may issue an order that the whole judgment will be published. However this is only very rarely the case as it is not usually necessary to do so, especially due to the fact that judgments are published in an anonymised form. This means many judgments can be researched, however the patent number as well as the parties and other particulars making it possible to identify the parties are removed.

This is not the case when a decision is published according to Sect. 140e PatG. Most cases only have parts of the judgment published under Sect. 140e PatG. This depends on the circumstances of the case. It may be sufficient that only the parties, the operative part of the judgment, the patent number and the accused infringing device are published.

The publication can take place wherever the court finds it necessary. The court may specify that a publication in a newspaper, magazine, internet is sufficient. The main goal should be that those who are interested in the proceedings have the opportunity to read the publication.

The order will be granted in the main infringement proceedings by the infringement court.

The reasoning behind the publication of the decision is not to punish the losing party but to remove misinformation or uncertainty in the market via the publication of the decision. The requirements are strict as the mere existence of a patent infringement is not sufficient. In a balancing all interests the court will determine whether or not it is really necessary to publish the judgment. The following factors may be considered, such as:

² www.gesetze-im-internet.de/englisch_rvg/index.html

- form and scale of the infringement;
- popularity of the infringing device;
- size and importance of the party;
- consequences if the judgment is not published;
- the damage done to the reputation of the winning party, i.e. negative PR from the other party.

Non-compliance with an order

As this measure is executed by the claimant the defendant cannot not-comply. However, the claimant must act within three months after the judgment is final and binding. Otherwise the right to have the judgment published will expire.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Sect. 140e PatG
 OLG Düsseldorf, 14.03.2018, I-15 U 49/16
 OLG Frankfurt OLG Frankfurt BeckRS 2016, 11672
 OLG Hamburg BeckRS 2013, 03665

XI Other appropriate sanctions

There are no further remedies available in Germany other than those mentioned.

XII Additional options

Other available options in Germany

Criminal proceedings

The infringement of a patent is also a crime and may be prosecuted. The criminal prosecution is dealt with by the state authorities (*Staatsanwaltschaft*).

The criminal prosecution will usually begin with the filing of a criminal complaint. The prosecution will then investigate into the alleged patent infringement. If there is sufficient proof of infringement the state authorities will initiate criminal proceedings.

Border measures

It is also possible to apply for border measures (Sect. 142a PatG). For the border seizures the customs authorities are responsible (*Zoll*).

The claimant must apply for such border measures. If the customs authorities find allegedly infringing goods they will notify the claimant accordingly. The claimant may inspect the goods.

The importer of those goods may oppose the border measure. If the importer opposes, the claimant must either withdraw the application or maintain it, in which case must file an application to the court to confirm the infringement within two weeks.

Non-compliance with an order

In criminal proceedings, a patent infringer may receive a fine or imprisonment of up to three years. If the patent infringement is on a commercial scale the imprisonment can be up to five years.

Legal basis and case law

Sect. 142 PatG
 Sect. 142a PatG

Denmark

I Evidence

Title of the order

Editionspålæg (order to present evidence)¹.

Basic procedural framework

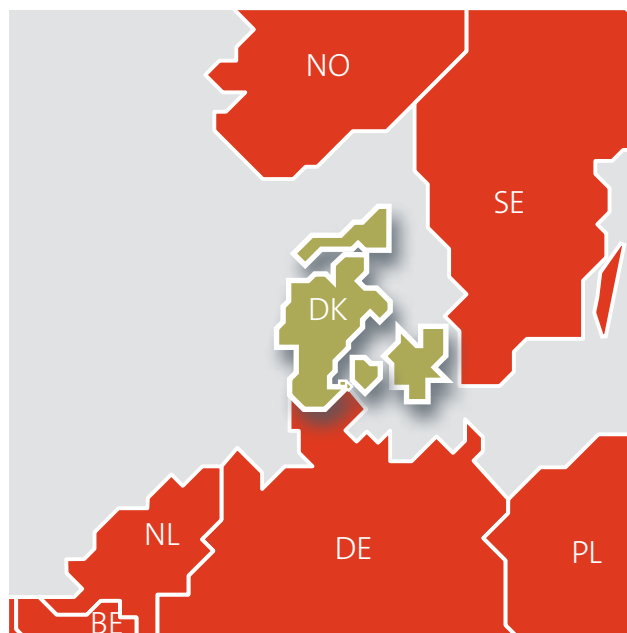
In relation to patent enforcement, the Maritime and Commercial High Court is competent to issue orders to present evidence in patent cases at first instance. The Maritime and Commercial High Court is a specialised court competent to hear certain types of cases where expert knowledge is essential, including cases concerning patents, trade marks, designs and competition law.² The Maritime and Commercial High Court's competence is not exclusive, and patent cases can be brought before the municipal court. However, if just one of the parties in a trial requests it, the municipal court must refer the case to the Maritime and Commercial High Court. Generally, all patent cases are initiated before and decided by the Maritime and Commercial High Court at first instance.

An order to present evidence is usually issued during proceedings on the merits but may also be issued in preliminary injunction proceedings. The order may also be issued before any proceedings are initiated, e.g. if the evidence in question would otherwise be in danger of being lost (Section 343 of the Danish Administration of Justice Act, hereinafter referred to as DAJA).

A party to a trial cannot be forced to fulfil an order to present evidence. However, in case of non-compliance with the order, the court may draw negative inferences from the fact that the evidence is not presented. See "Non-compliance with an order" below.

Provision of evidence by third parties

The court may order a third party not party to the trial to present evidence. The order is usually issued during main proceedings on the merits.³ However, the order may be



made in preliminary injunction proceedings as well, and in certain circumstances, orders may also be issued before any proceedings are initiated. Please see the previous paragraph.

Assessment of evidence in support of the application

The assessment of evidence depends on the evaluation of the circumstances in question. However, in general, the court shall make the order if the party has the evidence in his possession and it cannot be excluded that the evidence may be of relevance to the case (i.e. a low threshold), but if the evidence is considered to be confidential information, the court should only issue the order if the evidence is considered to be decisive for the outcome of the case and a balance against the other party's interests justifies it. In the request for the order, the applicant should identify the facts which are to be proven through the use of the requested evidence; why they may be relevant to the trial; and why he thinks that the opponent or the third party is in possession of the facts⁴. Also, it must be likely that the requested evidence will provide the necessary information. Thus, the court will not issue an order to provide certain evidence just in order for the other party to review said evidence on the off-chance that it may support its arguments.

¹ Sections 297 to 300 of the Danish Administration of Justice Act (DAJA).

² Section 252(2)(No. 4) DAJA

³ Section 299 DAJA

⁴ Section 300 DAJA

Protection of confidential information

The court cannot order a party (or third party) to disclose matters that the party (or third party) would otherwise be excluded or exempted from disclosing when giving oral evidence.⁵ This means that a party (or third party) in general will not be ordered to disclose confidential information, unless it is considered decisive to the case. See the previous paragraph.

Non-compliance with an order

The competent judicial authority is the Maritime and Commercial High Court (at first instance).

Upon oral hearing of the evidence of a case, the court may choose to sanction the party (or third party) that does not comply with an order to present evidence.

The court may take into account non-compliance of the party against whom the order is made as evidence against that party.⁶ In relation to a third party, the court may choose to sanction the third party by:

- (i) penalty payment; or
- (ii) ordering the third party to pay the costs occasioned by the third party; or
- (iii) ordering the police to take the third party into custody; or
- (iv) ordering the police to bring the third party to court.⁷

Appeal/review⁸

The order may be appealed with permission from the Appeals Permission Board. The Appeals Permission Board is an independent authority responsible for considering and permitting petitions for second and third tier permissions to appeal.⁹ Thus, certain cases and judicial decisions may not be heard in another instance, i.e. before the High Court or the Supreme Court, unless permission from the Appeals Permission Board has been obtained. For example, certain

smaller cases and decisions made during the proceedings may be appealed only with permission from the Appeals Permission Board. Permission is granted if the case concerns a question of legal principle which is of general importance or if there are other special reasons.

In patent cases at first instance before the Maritime and Commercial High Court, a permission to appeal an order to present evidence (or a refusal hereof) may be granted if the Appeals Permission Board finds that the case raises an issue of general importance.

The application to the Appeals Permission Board must be submitted within two weeks after the decision has been issued¹⁰. If permission is granted, the appeal brief to the Maritime and Commercial High Court must be submitted within two weeks.¹¹ If permission is granted, the appeal is subsequently initiated by filing an appeal brief to the Maritime and Commercial High Court. The Maritime and Commercial High Court will then forward the appeal brief to the High Court who will hear the case. In this type of case, the High Court will usually issue its decision based on the parties' written arguments.

Admissibility of evidence

EU Regulation 1206/2001 on cooperation between the courts of the member states in the taking of evidence in civil or commercial matters does not apply directly in Denmark. Instead the Regulation applies through an agreement with the EU of 19 October 2005. In relation to the Nordic countries (i.e. Denmark, Sweden, Norway, Finland and Iceland), the procedure for obtaining evidence before a court of another country must follow the Nordic Agreement of 26 April 1974 on mutual legal aid.

For other countries, the procedure must follow the Hague Convention on Civil Procedures and the Hague Convention on Taking of Evidence Abroad in Civil or Commercial Matters ("Hague Conventions"). In case the particular country is not a party to the Hague Conventions, the evidence may usually be obtained by application to the relevant foreign authority and vice-versa.

⁵ Sections 298 and 299 read with Section 169 to 172 DAJA

⁶ See Sections 344(2) and 298 DAJA

⁷ Sections 178 and 299(2) DAJA

⁸ See Section 392a(2) DAJA

⁹ Section 22 DAJA

¹⁰ Section 392a(3) DAJA

¹¹ Section 394(2) DAJA

From other national proceedings

The evidence from other national proceedings (e.g. criminal, administrative, other civil) is freely admissible in civil proceedings.

From foreign proceedings

Such evidence is freely admissible in civil proceedings before the Danish courts and vice-versa both in relation to EU member states and non-EU member states. There are no restrictions on the use of the evidence once it is obtained. Evidence obtained abroad can also be used in Danish proceedings.

Legal basis and case law

The Danish Administration of Justice Act, Chapter 28 (Sections 297-300)

II Measures for preserving evidence

Titles of the orders

Bevisskringsundersøgelser (general term for measures to preserve evidence referred to in Art. 7.1 ED)
Beslaglæggelse (seizure of infringing goods)

Further available measures

The bailiff may also take photos, record and make copies of documents, computer programs and electronic data.¹²

Basic procedural framework

The competent judicial authority is the *bailiff's court* (or simply "*the bailiff*").¹³ The bailiff's court is part of the local municipal court (i.e. a division within the court). It is not a separate, permanent court as such but rather a judicial power and administrative function attached to the individual municipal courts of Denmark. The bailiff's court is responsible for enforcing judgments and legal claims, including provisional and precautionary measures. It is also competent to order distraints without an order from the courts as well as considering and deciding requests for preserving evidence in intellectual property cases.

Upon request from a claimant, the bailiff's court may order relevant measures to preserve relevant evidence or media which may contain relevant evidence. The bailiff's court is also the authority responsible for enforcing the order.

The order to preserve evidence is usually issued by the bailiff's court in preliminary proceedings prior to the proceedings on the merits before the ordinary court (the municipal court or the Maritime and Commercial High Court) having been initiated. Preservation of evidence proceedings could in principle be instituted at any time, i.e. also while a case on the merits is pending.

During preservation of evidence proceedings, the seizure of infringing goods (*beslaglæggelse*) can be done only to the extent necessary in order to secure evidence of the existence and extent of the infringement. During the preservation of evidence proceedings, products cannot be seized for the purpose of getting them out of reach of the defendant (this can be ordered during preliminary injunction proceedings). However, it may be required to seize the whole stock of allegedly infringing products if there is disagreement between the parties about the number of allegedly infringing goods in stock and/or whether all of the products in stock actually infringe. In that case, the stock of allegedly infringing products can be seized for the purpose of counting them and determining if they infringe.

Normally, the IT consultant who has extracted information from the defendant's computer systems will prepare a draft preservation of evidence report and send it to the court. Although not explicitly regulated in the DAJA, the defendant will often be allowed to review the report before it is handed over to the claimant, and the defendant may argue that parts of the report falls outside the scope of the preservation of evidence order and should be removed from the report before the claimant gets it. The court will then decide whether the data should be removed before the report is handed over to the claimant.

Ex parte requests

In theory, both the claimant and the defendant are notified of the time and place for the carrying out of the preservation of evidence.¹⁴ However, notification of the defendant may be omitted if it is assumed that there is a risk that notification will result in the removal, destruction or modification of objects, documents, information on computer systems etc. which are covered by the preservation of evidence measure.

¹² Section 653b(1)(second sentence) DAJA

¹³ Section 653 DAJA

¹⁴ Section 653a(2) DAJA

Therefore, in practice preservation of evidence is almost always conducted without prior notice, and this would be particularly relevant when the preservation comprises material in digital format, e.g. software, music files, movies, computer games etc., which can be deleted quickly. It rests with the claimant to file the request that the defendant is not to be notified and to substantiate that notification will result in the removal, destruction or modification of objects, documents, information on computer systems etc. In DAJA's preliminary work, it is stated that the requirements for omission of prior notification often will be met. There is extensive case law supporting this assumption.¹⁵

Normally, regardless of whether the defendant has been notified prior to the carrying out of the preservation of evidence, the defendant has the right to comment on whether the preservation of evidence should be carried out.¹⁶ This normally takes place at the defendant's premises after the bailiff has arrived without notifying the defendant of the action. The defendant will be informed of the right to call for a lawyer, and if the lawyer can arrive quickly (1-2 hours) the discussion of whether the action should be allowed by the bailiff will await the arrival of the lawyer. After having heard the evidence and the arguments from the parties, the bailiff will decide whether to conduct the preservation of evidence.

However, the bailiff may commence the preservation of evidence immediately without allowing the defendant (s lawyer) to comment on the action, if the bailiff finds that there is a risk that the defendant's employees will remove or change evidence while the defendant is to be heard about the action. In such case, the bailiff will conduct the hearing of the defendant afterwards, but before the evidence is handed over to the plaintiff.¹⁷

The bailiff may order the preservation of evidence even if the defendant is not present. In that case, the defendant will be notified immediately. Within one week after this notification, the defendant can demand that the case be reopened/reviewed. In that case, the entire case will be reviewed by the bailiff's court and both parties will be heard.¹⁸

Any preservation of evidence action must be followed up by a case on the merits. See below.

Protection available to defendant

In general, "adequate security" (as referred to in Art. 7.2 ED) must always be lodged by the claimant before the order is effective, and the amount is determined on a case-by-case basis on the basis of the loss and/or suffering that the defendant might suffer due to the measures, including the cost of expert assistance and the storage of seized goods.¹⁹

"Appropriate compensation" (as referred to in Art. 7.4 ED) is calculated on a case by case basis and will depend on the circumstances.

Period to initiate proceedings on the merits

Proceedings on the merits must be initiated within four weeks after notification from the bailiff that the measure has been executed.²⁰

Witness identity protection

Witnesses' identity may be protected pursuant to Sections 653(4) and (5) DAJA, which stipulate *inter alia* that the court may entirely or partly reject a request for preserving evidence if the measure will harm or cause inconvenience to the defendant in a way that is disproportionate to the interests of the claimant. Also, such a request may be rejected if it produces information about certain matters which the individual would be excluded or exempted from testifying on as a witness.²¹ However, this does not include evidence which may incriminate himself or his close relatives.²²

Non-compliance with an order

The defendant is not obliged to assist in any way with the preservation of evidence; nor with the practical steps; nor by giving passwords to computers; nor otherwise. Also, the defendant cannot be sanctioned for not assisting with the preservation of evidence. However, under the UPC rules, the defendant will be required to provide passwords during preservation of evidence proceedings. See below "Non-compliance with UPC-issued order".

15 See e.g. the Supreme Court's decision of 15 June 2012 in case 359/2011 and the Eastern High Court's decision of 2 May 2011 in case B-766.11

16 Section 653a(3) DAJA

17 Section 653a(4) DAJA

18 Section 653a(7)(last sentence) DAJA

19 Sections 653a(6) and 653b(5) DAJA

20 Section 653c DAJA

21 See the reference in Section 653(5) to Section 169, 170 and 172 DAJA

22 See the lack of reference in Section 653(5) to Section 171 DAJA

In practice defendants usually do assist the bailiff in finding the data requested under the order. If the defendant will not assist in finding the requested data, the court may have to ask the independent IT consultant who conducts the searches for the bailiff to bring hard disks along or to copy vast amounts of data (taking copies of hard disks and servers), which may take a long time and would include lots of irrelevant data, including perhaps confidential or sensitive data.

The bailiff arranges and organises the preservation of evidence and decides any disputes regarding the carrying out of the order. In practice the bailiff will very often have booked an IT consultant to assist with the copying of data on computer systems etc. Other professionals such as accountants and locksmiths may also assist. Where relevant, the court may ask the police to assist with the preservation of evidence. Thus, it is for the bailiff's court to conduct the preservation of evidence procedure, and if the bailiff meets any obstacles (locked doors or blocked computers) it is for the bailiff to decide on appropriate measures in order to overcome the obstacles.²³

Appeal/review

An appeal may be initiated by filing an appeal brief with the bailiff's court within four weeks after the bailiff has issued the order.²⁴ The bailiff then forwards the appeal brief to the High Court, who will hear the case and usually issue a decision on the basis of the parties' written arguments.²⁵

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision made in the Contracting Member State where the enforcement takes place.

In Denmark, the Danish Act on the Unified Patent Court (Danish Act No. 551 of 2 July 2014 on a Unified Patent Court) surrenders sovereignty to the UPC to the extent that the UPC will have the competence to make decisions as if it was a Danish court.

The authority in relation to non-compliance with an order issued by the UPC would be the bailiff's court, and the bailiff would be able to sanction the party/third party by recurring penalty payments, see the Danish Act on the Unitary Patent Court Section 2(3).

The Danish Act on the Unified Patent Court does *not* contain any specific rules on the measures for preserving evidence. Yet, the rules on non-compliance with a UPC-issued order are different in certain aspects. Pursuant to Rule 196 of the Rules of Procedure for the UPC (ROP), the UPC may order physical seizure of allegedly infringing goods and of materials and implements used in the production and/or distribution of these goods and any related document.²⁶ Further, the defendant must disclose any password necessary to access any digital media.²⁷ For the protection of confidential information the Court may order that the information is disclosed only to certain named persons and subject to appropriate terms of non-disclosure (which is not possible under Danish law under the preservation of evidence rules). The outcome of the measures to preserve evidence in the UPC proceedings may only be used in the proceedings on the merits of the case unless otherwise specified.²⁸

Legal basis and case law

The Danish Administration of Justice Act, Chapter 57a (Sections 653-653d)

The Danish Act on the Unified Patent Court (Danish Act No. 551 of 2 July 2014 on a Unified Patent Court)

The Unified Patent Court Agreement Art. 82(3) and the Rules of Procedure for the UPC, Rule 196

III Right of information

Title of the order

Informationspålæg (order to provide information)

Persons obliged to provide information

No persons other than those mentioned in Art. 8 ED are obliged to provide information, i.e.

²³ Section 653b(1) DAJA

²⁴ See Sections 653a(8), 586, 587(1) and 393(3) DAJA

²⁵ See Section 584 DAJA

²⁶ Rule 196(b and c) ROP

²⁷ Rule 196(d) ROP

²⁸ Rule 196(2) ROP

- a) infringers and/or any other person who was found in possession of the infringing goods on a commercial scale;
- b) was found to be using the infringing services on a commercial scale;
- c) was found to be providing on a commercial scale services used in infringing activities;
- d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.²⁹

Legal basis and case law

The Danish Administration of Justice Act, Chapter 29a (Sections 306 and 307)

The Danish Act on the Unitary Patent Court, Section 2(3)

IV Provisional and precautionary measures

Titles of the orders

Midlertidige påbud og forbud (preliminary orders and injunctions)

Arrest (precautionary seizure)

Basic procedural framework

In patent cases, the Maritime and Commercial High Court is competent to issue a preliminary injunction in the first instance, unless the claimant has filed the preliminary injunction request with the municipal court and the defendant has not requested that the case be transferred to the Maritime and Commercial High Court. See also Part I “Basic procedural framework”.

In Denmark, preliminary injunction cases are like mini-trials. The parties will exchange two or more written submissions, and the case will be heard by the court typically for 3-5 days during which the case and the evidence are presented to the court by the plaintiff. The parties’ expert witnesses are (directly) examined (by their own lawyer) and then cross-examined by the opponent’s lawyer. The judge may ask questions too and that happens occasionally. Finally, the lawyers use about two to four hours each to make their final oral arguments putting the evidence into perspective.

Orders for precautionary seizures are handled by the bailiff’s court, usually before the proceedings on the merits have been initiated. To begin, the claimant files a request for a precautionary seizure with the local municipal bailiff’s court (a division within the ordinary local municipal court, see Part II “Basic procedural framework”). The bailiff’s court schedules a time and place for a meeting to carry through the proceedings on the precautionary seizure. The claimant must attend the meeting while the presence of the defendant is not required. On the basis of the arguments and evidence presented by the parties, the bailiff then

Types of information to be provided

There is no information other than that required by Art. 8.2 is required to be provided.³⁰

Competent authority

All courts which hear patent matters on the merits are competent to issue such an order in patent cases. Normally, it will be the Maritime and Commercial High Court at first instance. An order to provide information can only be made by a Danish court if it has decided on the merits that there is an infringement.

Non-compliance with an order

See Part I “Non-compliance with an order”.³¹

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

The Danish Act on the Unified Patent Court does not contain any specific rules regarding right of information.

²⁹ Section 306(1) DAJA

³⁰ Section 306(2) DAJA

³¹ See Section 306(5) DAJA

decides whether to issue a precautionary seizure. Such actions are very rare.

The bailiff's court is also the authority responsible for enforcing the measures. However, the bailiff does not enforce the measures *ex officio*, please see below in "Non-compliance with an order".

In relation to precautionary seizures, proceedings on the merits shall be initiated within one week after the order is issued by the bailiff.³²

In relation to preliminary injunctions, proceedings on the merits shall be initiated within two weeks after the order is deemed enforceable.³³

Factors considered by the court

With regard to precautionary seizures (*arrest*), the bailiff's court will assess whether the following requirements³⁴ are met:

- a) it is not possible to levy a distress for the claim in question; and
- b) it is assumed that the prospect of receiving payment later will be reduced if the seizure is not made.

Thus, the claimant must show that it is not possible to levy a distress and render it probable that the prospect of later payment will be reduced considerably if the seizure is not made.

With regard to preliminary injunctions³⁵ ("*foreløbige forbud*"), the court will assess whether the patentee has established or rendered it *probable* that:

- a) the actions at which the injunction is directed infringe the rights of the claimant (i.e. there is a patent infringement);
- b) the defendant will perform the act against which the injunction is directed (i.e. there is an actual infringement taking place or an imminent threat hereof); and

- c) adequate relief would not be available if the claimant would have to resort to ordinary court proceedings.

The third condition is presumed to be fulfilled in patent matters. The assessment of "irreparable harm" (as referred to in Art. 9.4 ED) will depend on the circumstances in question, however, it is almost never an issue in Danish patent preliminary injunction cases, as it is generally considered that the patentee would suffer irreparable harm if the preliminary injunction is not granted in case where there is a (probable) patent infringement.

Recurring penalty payments

Recurring penalty payments are not ordered in this regard under Danish law, but a penalty or imprisonment may be ordered, see "Non-compliance with an order" below.

Provisional and precautionary measures against intermediaries

In Denmark it is possible to apply for provisional or precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

An assessment of the circumstances must be made to justify an order for precautionary seizure. However, in general the claimant must be able to present evidence that the defendant's personal or economic situation is such that the order is necessary, e.g. the defendant intends to leave the jurisdiction or is making unusual business decisions.³⁶

Assessment of required evidence

Any evidence may be used to persuade the court to issue an order for a provisional or precautionary measure. The parties often use technical analysis results and declarations and testimony from their "own" experts (typically professors in the field) in order to show this.

32 Section 634 DAJA

33 Section 425 DAJA

34 Section 627 DAJA

35 Section 413 DAJA

36 Section 627 DAJA

However, in general, a “sufficient degree of certainty” (as referred to in Art. 9.3 ED) is established when the claimant has rendered it “probable” that his rights are being (or will be) infringed.

Conditions justifying *ex parte* order

In practice, an *ex parte* injunction is unlikely to be granted due to the complex nature of patent cases.

Preliminary injunctions are generally granted according to a contested process resembling the process in ordinary civil proceedings. However, pursuant to Section 417(3) DAJA, the court may process a request for a preliminary injunction without prior notification of the defendant, if the court finds it unobjectionable to conduct the court hearing without notifying the defendant, or if it may be presumed that the purpose of the order or injunction will be frustrated if the defendant is notified. In a decision delivered on 22 September 2010 (case no. B-1692-10), the Eastern High Court stated that the field of application of this rule is relatively narrow. Accordingly, under Danish law, a preliminary injunction can only be granted *ex parte* in exceptional circumstances. Further, if a preliminary injunction is granted *ex parte*, the defendant is probably entitled to get the case reopened pursuant to the rule in Section 426(2)(No. 1) DAJA.

Protections available to the defendant

“Adequate security” (as referred to in Art. 9.6 ED) is determined on the basis of the loss and/or suffering that the defendant shows he might suffer because of the measure.

“Appropriate compensation” (as referred to in Art. 9.7 ED) is calculated on the basis of

- a) the defendant’s actual economic loss, provided that the defendant can prove such loss; and
- b) compensation for any additional injury caused by the unlawful measure (e.g. market disturbance).

It is the defendant who has the burden of proof in relation to the calculation of the compensation.

Non-compliance with an order

The bailiff’s court is competent to enforce orders for preliminary injunctions and precautionary seizures.³⁷

Enforcement through the bailiff’s court is initiated by a written request from the claimant to the bailiff’s court. The request shall contain the information necessary for the bailiff to assess the request, including *inter alia* the order in question.³⁸

In case of an intentional breach by the defendant of a preliminary injunction, the claimant may institute private criminal proceedings against the defendant and claim that the defendant be ordered to pay a penalty fee or suffer imprisonment.³⁹ Proceedings are initiated by filing a writ of summons with the competent court, i.e. usually the Maritime and Commercial High Court (see Part I “Basic procedural framework”).⁴⁰ In addition, the court may also order that the defendant in breach shall pay damages to the injured claimant.⁴¹

Where there are aggravating circumstances, the matter may give rise to public prosecution and the case will then be conducted by the Danish prosecution service.⁴² In assessing whether aggravating circumstances are at issue, account should be taken of the amount of infringing products; the value of corresponding genuine products; the product type (*inter alia* out of consideration for consumer protection against potentially dangerous products, e.g. medicinal products); the duration of the infringement; and if organised crime is involved. Infringements carried out under such aggravating circumstances may be subject to public prosecution at the request of the claimant or if the matter is of general interest.⁴³ It is for the Danish prosecution service to decide whether the case should be prosecuted. Criminal proceedings are brought before the local municipal court, normally in the jurisdiction in which the criminal act has been carried out.⁴⁴

37 Section 424 and Chapter 57 DAJA

38 Section 488 DAJA

39 Section 430 DAJA and 57 DPA

40 Section 225 and Section 998 DAJA

41 Section 430 DAJA

42 Section 430 DAJA and 57 DPA

43 Section 57(4) DPA and Section 727 DAJA

44 Section 686 DAJA

Appeal/review

An order for precautionary seizure issued by the bailiff's court may be appealed by filing an appeal brief with the bailiff's court.⁴⁵ The bailiff then forwards the appeal brief to the High Court who will hear the case and usually issue a decision on the basis of the parties' written arguments.

An appeal of a preliminary injunction order issued by the Maritime and Commercial High court is initiated by filing an appeal brief with the Maritime and Commercial High Court.⁴⁶ The court then forwards the appeal brief to the High Court who will hear the case. Due to the complexity of these cases, there will often be an oral hearing of the parties' arguments after which the court will issue a decision. The appeal is a full new hearing (of facts and law) and new evidence may be presented.

The time limit to initiate an appeal is within four weeks after the measure is carried out or, if no measure is carried out, within four weeks after the order is issued.⁴⁷

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

The Danish Act on the Unified Patent Court does *not* contain any specific rules on provisional and precautionary measures. However, injunction proceedings covered by the UPCA must be commenced before the UPC.⁴⁸ Therefore, a new rule contained in Section 411(5) DAJA provides that the rules in DAJA governing preliminary orders and injunctions in Chapter 40 DAJA do not apply to injunction proceedings which must be commenced before the UPC. Consequently, injunction proceedings cannot be initiated before the Danish courts if the injunction proceedings are covered by the UPCA and must be commenced before the UPC. If such proceedings are initiated before a Danish court, the court is obligated to dismiss the case.⁴⁹

Legal basis and case law

The Danish Administration of Justice Act, Chapters 40 and 56.

V Corrective measures

Titles of the orders

Korrigerende foranstaltninger (corrective measures)

The measures include: (a) *tilbagekaldelse fra handlen* (recall from the channels of commerce); (b) *endelig fjernelse fra handlen* (definitive removal from the channels of commerce); and (c) *tilintetgørelse* (destruction).

Other available measures in Denmark

The court may also decide that a product constituting a patent infringement shall be surrendered to the claimant or altered in a specified manner.⁵⁰

Basic procedural framework

The Maritime and Commercial High Court is competent at first instance.

An order for corrective measures is usually issued in the main proceedings on the merits but may be decided in subsequent proceedings regarding sanctions. The measures cannot be ordered in preliminary injunction proceedings. The claimant shall submit a separate claim in this regard. The court may only issue a decision on corrective measures if the courts have decided on the merits that there is in fact a patent infringement.⁵¹

The claimant may request any number of measures, as long as they are found to be proportionate. The recall (at least from commercial customers) and destruction of goods are generally ordered. Typically, the recall may already have been ordered during the preliminary proceedings and may no longer be needed.

The bailiff is the authority responsible for enforcing the measures.

Danish law does not stipulate any specific procedure for the execution of corrective measures. They are to be implemented by the defendant. The claimant may request a method of implementation, e.g. the wording of recall letters and the addressees of such letters.

45 Section 640 and Chapter 53 DAJA

46 Section 393(3), 597(1), 427(2) DAJA

47 Section 586 DAJA

48 Section 225a DAJA

49 Section 232(3) DAJA

50 Section 59(1)(No. 4 to 5) Danish Patents Act (hereinafter DPA)

51 Section 59 DPA

Corrective measures shall be carried out at the expense of the infringer unless particular reasons are invoked for not doing so (as referred to in Art. 10.2 ED).⁵² There is no court practice with regard to “particular reasons”. Legal literature has indicated that such reasons can exist where the infringer acted in good faith or if the costs imposed on the defendant are disproportionate to a claimant’s interest in the corrective measures. Particular reasons may probably also be at issue if the proceedings are directed towards a transporter or shipping agent who has managed any transport or storing assignments in good faith about the infringement.

Assessment of proportionality for ordering remedies

The court shall take into account the need for proportionality between the extent of the infringement, the prescribed measures and the interests of any third party, including in particular consumers and third parties acting in good faith.⁵³ Thus, for example destruction is excluded if other less draconian measures are sufficient in the particular situation. However, proportionality rarely limits the measures ordered as long as they serve the purpose of stopping or limiting the effects of the infringement.

Evidence of destruction

Danish law does not stipulate a requirement for any specific evidence in this regard. The claimant may request specific evidence or procedures to be used, and the court will then decide if the requests are proportionate and should be followed.

Non-compliance with an order

The bailiff’s court is the competent judicial authority in case of non-compliance.

The claimant may request the bailiff to enforce the order. The request shall contain the information necessary for the bailiff to assess the request, including *inter alia* the order in question.⁵⁴ The bailiff may allow the claimant to have the corrective measures executed by someone else other than the defendant. Subsequently, the claimant may levy a distress for the money spent by the claimant on having the order enforced.⁵⁵

⁵² Section 59(3) DPA

⁵³ Section 59(4) DPA

⁵⁴ Section 488 DAJA

⁵⁵ Section 529 DAJA

⁵⁶ Section 372 DAJA

⁵⁷ Section 368(4) DAJA

⁵⁸ *Forbud* is the name used in the DAJA, although the official translation of the ED uses the name *Påbud*

Appeal/review

An appeal may be initiated within four weeks by filing with the Maritime and Commercial High Court.⁵⁶ The court will forward the appeal writ to the relevant higher court. The appeal may go to the High Court or to the Supreme Court. The Supreme Court will only decide the appeal if it concerns a question of legal principle which is of general importance or if there are other special grounds.⁵⁷ If the Supreme Court refuses to decide the appeal, the appellant can request the High Court to decide the appeal instead.

Non-compliance with UPC-issued order

See Part II “Non-compliance of UPC-issued order”.

The Act does not contain any specific rules regarding corrective measures.

Legal basis and case law

The Danish Patent Act, Section 59

The Danish Administration of Justice Act, Sections 368(4), 488, and 529

The Danish Act on the Unitary Patent Court, Section 2(3)

VI Injunctions

Title of the order

*Forbud*⁵⁸ (injunction)

Basic procedural framework

The Maritime and Commercial High Court is competent at first instance. The injunction can only be enforced by the bailiff.

Injunctions against intermediaries

In Denmark, it is possible for the claimant to apply for an injunction against intermediaries.

Compulsory licence as a defence

In Denmark, it is possible to bring forward aspects justifying the grant of a compulsory licence as a defence in infringement proceedings.

Court's discretion if finding of infringement

In patent infringement cases, the procedure is generally that initially an application is made for a preliminary injunction. Subsequently, legal proceedings on the merits of the case are initiated. If infringement is established during the latter proceedings and the court confirms the assessment in relation to the order for the preliminary injunction, the court will issue a permanent injunction.

We are not aware of any Danish patent cases in which an injunction has been denied due to lack of proportionality, although this could happen in the circumstances referred to in Art. 3 ED.

Non-compliance with an order

The bailiff is competent to enforce the injunction. In addition, if the injunction is intentionally breached, the claimant can also choose to file a lawsuit against the defendant with the court.

Enforcement through the bailiff is initiated by written request to the bailiff. The request shall contain the information necessary for the bailiff to assess the request, including *inter alia* the decision in question.

In case of an intentional breach of the injunction, the lawsuit is initiated by filing a writ of summons with the competent court. In relation to patent cases, this would be the Maritime and Commercial High Court at first instance.

The bailiff can prevent the defendant from any further breach of the injunction and e.g. destroy any products produced in violation of the injunction.⁵⁹ The bailiff can request the police to assist.⁶⁰

The court may decide that the person who has intentionally breached an order for a permanent injunction be ordered to pay a penalty fee or suffer imprisonment.⁶¹

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

The Danish Act on the Unified Patent Court does *not* contain any specific rules regarding injunctions.

Legal basis and case law

The Danish Act on the Unitary Patent Court, Section 2(3)
The Danish Administration of Justice Act, Sections 368(4), 372(1), 498(2), 532 and 535
The Danish Patent Act, Section 3

VII Alternative measures

Title of the order

Alternative foranstaltninger (kontant godtgørelse) (alternative measures (pecuniary compensation))

Basic procedural framework

The Maritime and Commercial High Court is competent as the first instance to issue alternative measures (pecuniary compensation).

The basis for the calculation of pecuniary compensation will depend on the circumstances of the case.

"Appropriate cases" (as referred to in Art. 12 ED) are only provided for on the rare occasions when the below cumulative conditions are met:⁶²

- a) the behaviour of the defendant has not been intentional or negligent;
- b) the measures provided for in Section 59(1) of the Danish Patent Act (corresponding to Art. 10 ED) would cause disproportionate harm to the defendant; and

⁵⁹ Section 532 DAJA

⁶⁰ Section 498(2) DAJA

⁶¹ Section 535 DAJA

⁶² Section 59(5) DPA

c) pecuniary compensation is sufficient.

We are not aware of any cases in which the rule has been used.

Non-compliance with an order

If the party who has requested the alternative measure does not pay the amount ordered in the judgment, the bailiff may enforce the payment.⁶³

The request for payment is made by the claimant to the bailiff's court and must be accompanied by a copy of the judgment to be executed.⁶⁴

If, the amount owed is not paid, the bailiff may take possession of assets which will be sold at auction in order to obtain the amounts due.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

The Danish Act on the Unified Patent Court does *not* contain any specific rules regarding alternative measures.

Legal basis and case law

The Danish Patent Act, Section 59.

The Danish Administration of Justice Act, Sections 368(4), 487 and 478(1).

VIII Damages

Calculation methods available in Denmark

In Denmark, if the infringement is held to be intentional or negligent, the successful claimant may be awarded:

a) a reasonable consideration for the defendant's exploitation of the invention; and

b) damages for any further injury which the infringement may have caused. In its assessment, the court will, at its own discretion, take into account, amongst other things, the infringed party's loss of profit and the amount of the defendant's unjustified profit; and

c) remuneration for any non-financial damage caused by the infringement (moral prejudice).

It is a basic principle in the Danish law of torts that the aim of damages is to restore the claimant to the position he would have been in but for the infringement. The parameters for assessment of damages will be viewed as a whole by the court, depending upon the evidence produced by the parties. If the claimant has been awarded reasonable consideration (see (a) above), the claimant can only claim damages for any further injury exceeding the reasonable compensation. It is doubtful whether it is possible to be awarded damages exceeding the loss suffered. However, a Supreme Court decision⁶⁵ in relation to designs indicates that damages exceeding the loss suffered may be possible.

The Danish courts normally award damages at their own discretion with a brief explanation, and it is therefore difficult to know precisely how the compensation has been calculated.

However, in general (a) above will be calculated on the basis of the appropriate licence fee which would have been due if the defendant had requested authorisation to use the patent.

In general, (b) above will be calculated by adding the following:

- i) the profit on lost sales (calculated as the number of infringing products sold by the defendant multiplied by the patent holder's gross profit margin per product sold); and
- ii) the market disturbance (often difficult to substantiate); and
- iii) the internal losses (e.g. wasted investments, laboratory costs). However, this is very rarely awarded.

It is almost certain that the claimant's assessment of his actual loss will not be recovered entirely.

⁶³ Section 478(1) DAJA

⁶⁴ Section 487 and 488 DAJA

⁶⁵ Case 317/2013 of 26 August 2015

Basic procedural framework

Damages will generally be assessed in main proceedings at the same time as infringement and validity (i.e. all claims and arguments at the same time) and awarded by the Maritime and Commercial High Court, the High Court (or the Supreme Court in cases of legal principle) if a patent is held valid and infringed.

However, the claimant can ask for damages and/or sanctions to be argued and decided later either in the same case or in a new, separate case by the same court.

In separate proceedings, it is possible to request disclosure of information as per Art. 8 ED.⁶⁶

Methods of calculation

The claimant may provide evidence and arguments on how the calculation should be made. However, it is at the court's discretion as to how the calculation should be made, including mixing and matching methods

Evidence of lack of knowledge

Art. 13.2 ED is not implemented into Danish law.

Non-compliance with an order

The bailiff is the competent judicial authority in case of non-compliance.

Enforcement through the bailiff is initiated by written request to the bailiff. The request shall contain the information necessary for the bailiff to assess the request, including *inter alia* the decision in question.

The patentee may levy a distress for the money with assistance from the bailiff.⁶⁷

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

The Danish Act on the Unified Patent Court does *not* contain any specific rules regarding damages.

Legal basis and case law

The Danish Patent Act, Section 58

IX Legal costs

Overview of assessment of costs

The costs awarded in patent cases depend on a concrete assessment. In relation to patent infringement cases, the value of the infringed product in question, the complexity of the case and the number of days spent in court will be considered. The costs awarded by the courts usually only cover 25-50% of the actual costs incurred by the parties. External patent attorney fees are only covered in exceptional circumstances.

In general, recoverable costs are attorney fees, costs related to expert witnesses and court fees. However, other types of expenses may also be covered if the court finds that these have been necessary for the adequate conduct of the case.

Costs are decided in the infringement action.

Legal basis and case law

The Danish Administration of Justice Act, Chapter 30.

X Publication of judicial decisions

Title of the order

Offentliggørelse af retsafgørelser (publication of judicial decisions)

⁶⁶ Section 306 DAJA

⁶⁷ Section 529 DAJA

Basic procedural framework

In a court decision by which a person is held liable under Sections 58-60 of the Danish Patent Act (i.e. the person is liable for damages and/or has been ordered to recall, remove or destroy certain infringing products), the court may, at the request of the claimant and at expense of the defendant, decide that the court decision in full or extracts thereof shall be published.⁶⁸ These provisions do not apply to orders for preliminary injunctions or for preserving evidence.

The Maritime and Commercial High Court is competent to issue such an order in patent cases at first instance. The order is issued in the main proceedings on the merits as part of the judgment.

It is up to the court to decide whether the judgment must be disseminated in part or in its entirety.

Publication can take place *inter alia* in newspapers and on web pages (e.g. the defendant's web page or the claimant's web page). Also, the defendant may be ordered to inform its clients of the judgment. It is for the court to decide where and how the publication must take place.

In deciding whether to make such an order, the court must consider whether the judgment comprises information that should be anonymised, e.g. sensitive personal information.

Non-compliance with an order

The claimant may request the bailiff to enforce the order. The bailiff may allow the claimant to have the publication of the judgment made by someone other than the defendant.

Subsequently, the claimant may levy a distress for the money spent by the claimant on having the order enforced.⁶⁹

The defendant may be required to repay the money spent by the claimant on having the order enforced by the bailiff.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

The Danish Act on the Unified Patent Court does *not* contain any specific rules regarding publication of judicial decisions.

Legal basis and case law

The Danish Patent Act, Section 60a

XI Other appropriate sanctions

Name and type of sanctions

Any deliberate patent infringement or patent infringement conducted due to gross negligence is a criminal offence in Denmark, and criminal proceedings could therefore be initiated further to a finding of infringement. The sanctions are:

- a) a fine; or
- b) in aggravating circumstances, imprisonment for up to a year and a half.

In relation to (b), the patentee will be represented by the Danish prosecution service before the local municipal court. See also Part IV "Non-compliance with an order". However, it is in practice very rare that the patentee wishes to press for criminal charges in patent litigation.

Non-compliance with an order

In relation to non-compliance with an order for a fine, the order can be enforced through the bailiff.

The enforcement of a fine through the bailiff is initiated by written request to the bailiff. The request shall contain the information necessary for the bailiff to assess the request, including *inter alia* the order in question.⁷⁰

The patentee may levy a distress for the money with assistance from the bailiff.

68 Section 60a DPA

69 Section 529 DAJA

70 Section 488 DAJA

Appeal/review

In relation to the order for a fine, the decision can be appealed within four weeks after it was issued by filing an appeal writ with the Maritime and Commercial High Court. Subsequently, the court will forward the appeal writ to a higher court instance where the case will be heard.

The prosecution service may appeal a decision on imprisonment to the High Court within two weeks after it was issued. To the extent possible, copies of the notice of appeal should also be sent to the first instance court and the defendant. The defendant can appeal the decision by request to the first instance court or the prosecution service.⁷¹

Legal basis and case law

The Danish Patent Act, Section 57

XII Additional options

Other available options in Denmark

Border measures are available, as per Regulation (EU) No. 608/2013 concerning customs enforcement of intellectual property rights and the Danish Act No. 177 of 21 February 2017 on counterfeiting (“Act on Counterfeiting”).

The authority administering border measures is the Danish Customs Authority (*Toldstyrelsen*), an agency under the Danish Ministry of Taxation.⁷² However, the authorities deciding whether a patent has in fact been infringed are the Danish courts.⁷³

Proceedings can either be initiated by the Customs Authority itself or on request by a patentee. It is difficult for the Customs Authority to determine on its own whether a product constitutes a patent infringement. Therefore, the Customs Authority needs detailed supervision from the patentee in that regard.

The general procedure is that if the Customs Authority discovers products that possibly infringe a patent, the Customs Authority seizes the products and informs the patentee thereof. The patentee will then investigate

whether the products constitute an infringement and, if so, whether the patentee wants to proceed with the case. If the patentee wishes to proceed with the case, the patentee will be informed of the name and address of the importer of the products so that the patentee can contact said person or company. Sometimes it is possible for the parties to settle the case by agreement. Otherwise, the patentee may commence proceedings for infringement.

Criminal proceedings are also available. See Part XI “Other appropriate sanctions” above.

Non-compliance with an order

Any deliberate non-compliance or non-compliance due to gross negligence with an injunction against the release of specific goods for free circulation etc. can be sanctioned by a fine or imprisonment for up to four months.⁷⁴ Under Danish law, infringement of patents are generally subject to private prosecution, but in some aggravating cases the infringement may give rise to public prosecution.⁷⁵ See Part IV “Non-compliance with an order”.

The Act on Counterfeiting does not contain any rules on who is entitled to commence proceedings. Nevertheless, as a case regarding gross negligence with an injunction prohibiting the release of specific goods for free circulation almost certainly will give rise to a patent infringement, the entitlement is presumably equivalent to the one stipulated above under Part IV “Non-compliance with an order”. Accordingly, the claimant may commence private criminal proceedings (usually) before the Maritime and Commercial High Court if the defendant breaches the preliminary injunction intentionally. Also, in case of aggravating circumstances, the matter may give rise to public prosecution and the case will then be conducted by the Danish prosecution service.

Legal basis and case law

In addition to the EU Regulation 608/2013 concerning customs enforcement of intellectual property rights, the main national legal basis is the Danish Act on Counterfeiting.

⁷¹ Sections 907 and 908 DAJA

⁷² See Section 1a Act on Counterfeiting

⁷³ Section 4 Act on Counterfeiting

⁷⁴ Section 7 Act on Counterfeiting

⁷⁵ Section 57 DPA and Section 727 DAJA

DK

Estonia

I Evidence

Title of the order

Tõendid

Basic procedural framework

The competent judicial authority is the Harju County Court as the court of first instance, which has jurisdiction over all intellectual property matters in Estonia. Upon hearing a matter by way of appeal procedure, the Tallinn Circuit Court is the competent judicial authority.

An order to present evidence may be issued either in separate proceedings before filing an action (as a measure of pre-trial taking of evidence) or in the main proceedings on the merits.

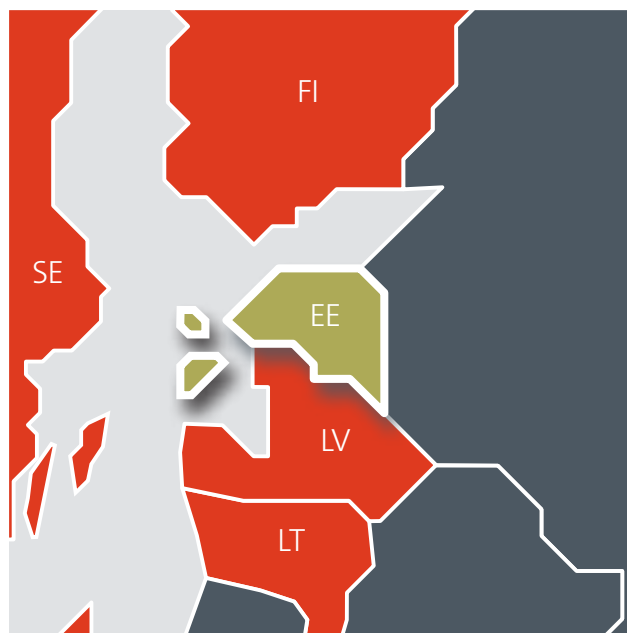
The order is communicated to the parties of the proceedings and depending on the content of the order, it may be enforceable by the bailiff.

Provision of evidence by third parties

If the specified evidence lies in the control of a third party, the competent judicial authority may (upon application of the party) order that third party to present such evidence. The order may be issued either in separate proceedings before filing an action (as a measure of pre-trial taking of evidence) or in the main proceedings on the merits.

Assessment of evidence in support of the application

The scope of “reasonably available evidence” (as referred to in Art. 6 ED) is not defined in Estonian law. If there is need for evidence in the main proceedings, the claimant must explain to the court why he/she is not able to submit the evidence him/herself and why he/she believes the relevant piece of evidence to be in the possession of the defendant or a third person. If there is need for evidence before initiating the main proceedings, the claimant must explain the same and also provide reasons why it is not possible to initiate the main proceedings first (e.g. if the evidence is necessary for determining the claims).



EE

Protection of confidential information

Confidential information, such as business secrets communicated in court proceedings, may be protected from the public by declaring a proceeding or a part thereof closed upon a party’s request. Furthermore, if the court has ordered the defendant or a third person to provide information concerning the origin and distribution channels of the goods or services infringing an intellectual property right, such information shall not be used outside of the same court proceeding. Evidence submitted by the defendant in patent infringement proceedings containing the defendant’s production or business secrets may be disclosed only with the consent of the defendant.

Attorneys, public servants etc. may, under some conditions, refuse to present evidence in their possession. In other cases, it is up to the court to strike a balance between the rights of the parties by assessing in each specific case if and to what extent the disclosure of evidence is necessary and justified.

Non-compliance with an order

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court by way of appeal.

The sanctions are imposed by a court order and depend on whether evidence should be presented by the defendant or by third parties. In the event of unjustified non-compliance with the court order to present evidence by the third parties, the court may impose a fine and, if need be, a recurring fine.

If the person claims not to be in possession of the evidence, he/she may be requested to testify this in court as a witness. If the witness fails to appear when duly summoned, the court may impose a fine or compel attendance of the witness. If the witness refuses without good reason to give testimony or sign a caution against knowingly giving false testimony, the court may impose a fine or detention of up to 14 days on the witness.

The defendant cannot be fined or detained. If the defendant claims not to be in possession of the evidence, the court may hear the defendant under oath. If the court then finds that the defendant does have or should have the required evidence but refuses to present it, this may be used against the defendant procedurally, so that the court may deem the claimant's statements to be proven without evidence.

Appeal/review

In the main proceedings, there is no right to appeal the first court order requiring the presentation of evidence. However, if such court order is made and the person subject to the obligation provides reasons for not complying with the court order (e.g. claims a right to refuse presenting of evidence), the court shall assess the legality of such non-compliance in a new court order, which is subject to appeal. It is also possible to appeal the court order imposing a fine due to non-compliance with the order to present evidence, which allows a higher court to assess the legality of the initial order. If an order to present evidence is issued before initiation of the main proceedings, such order is not subject to appeal.

The term for filing appeals against court orders is 15 days from service of the court order.

The appeal against the order shall first be brought before the Tallinn Circuit Court and if appealed again, then filed with the Supreme Court. An order of the Tallinn Circuit Court concerning an appeal against an order of the Harju County Court on fine is not subject to appeal to the Supreme Court.

Admissibility of evidence

Evidence obtained in national criminal, misdemeanour and other civil proceedings, as well as court decisions in those proceedings, are admissible in civil proceedings and may be used as documentary evidence for proving factual circumstances relevant to the civil case. Such evidence shall be assessed by the court together and on an equal basis with all other evidence submitted and gathered in the civil proceedings.

Evidence taken in a foreign state (both EU member states and non-EU member states) pursuant to the legislation of such state may be used in a civil proceeding conducted in Estonia, unless the procedural acts performed in order to obtain the evidence are in conflict with the principles of Estonian civil procedure. Likewise, Estonian courts may, unless otherwise provided by law or an international agreement, provide procedural assistance in performance of a procedural act at the request of a foreign court (both EU member states and non-EU member states) if, pursuant to Estonian law, the requested procedural act belongs to the jurisdiction of the Estonian court and is not prohibited by law. An Estonian court may perform a procedural act or issue a document also pursuant to the law of a foreign state, if this is necessary for the conducting of proceedings in the foreign state and the interests of the participants in the proceeding are not damaged thereby.

With respect to requests for procedural assistance to and from the courts of other EU member states, the provisions of the Estonian Code of Civil Procedure apply only insofar as it has not been provided otherwise by the provisions of the EU Regulation No. 1206/2001. Estonia has bilateral agreements for legal cooperation with two non-EU member states – the Russian Federation and Ukraine – but these follow the principles outlined above.

Legal basis and case law

Sections 15 and 241 of the Estonian Code of Civil Procedure.

Rules on evidence, including orders to present evidence:

- Chapters 25 to 32 (Sections 236 to 305) of the Estonian Code of Civil Procedure, notably Subsection 236 (2)
- Sections 239, 244, 246, 247, 278, 279, 281, 283, 286

Rules relevant to the protection of confidential information:

- Section 38 of the Estonian Code of Civil Procedure (declaring the proceedings closed)
- Subsection 551 of the Estonian Patents Act

II Measures for preserving evidence

Title of the order

Tõendite tagamise meetmed

Further available measures

Other available measures include organising an inspection, hearing witnesses, and conducting an expert assessment. This list of procedural acts is not exhaustive and in practice courts also commonly order submissions of documents or make data enquiries to gather information about the alleged infringement and/or the alleged infringer.

Basic procedural framework

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court, if the measure is ordered in the appeal procedure.

Measures for preserving evidence may be ordered either in separate proceedings before filing an action or in the main proceedings on the merits.

Depending on the nature of the measures, the order is either enforced by the court (essentially procedural acts like organising an inspection and hearing witnesses) or a bailiff (e.g. seizure of goods), or possibly both of them if several measures are imposed in a single order.

Ex parte requests

The request to order a measure without the other party being heard must be substantiated.

When the measures are ordered, the decision is immediately served on the defendant and the defendant may request the substitution or cancellation of the measure if the decision to grant the measure was not justified on the evidence. The court informs the claimant of such request and the claimant has the right to file objections. Then, the court resolves the request by a decision that is subject to appeal by both parties.

Protection available to defendant

The law provides no rules for determining the amount of adequate security to compensate for any prejudice suffered by the defendant (Art. 7.2 ED). Since the measures for preserving evidence are analogous to the measures for ensuring the enforcement of a court order, courts usually apply similar principles. If the applicant has a monetary claim, courts usually request the applicant to provide a security in the amount of at least five per cent of the amount of the applicant's claim. The amount of the security may be higher, but it should not exceed EUR 32 000 (by analogy with measures to ensure the enforcement of a court order – Chapter 40 Estonian Code of Civil Procedure). If the applicant has a non-monetary claim, the amount of security is in the court's discretion, but similar principles are followed where possible.

In cases described in Art. 7.4 ED, the defendant has a right to claim compensation from the applicant for any injury caused by the measures, by submitting to the court an action to claim damages. In these separate proceedings the court shall determine the amount of adequate compensation based on evidence on the amount of damage and the general rules for compensation of damage (causality, foreseeability etc.). There is no relevant court practice, but the defendant should be entitled to compensation for both, direct damage (e.g. loss of assets, expenses incurred) and for lost profit.

Period to initiate proceedings on the merits

The period to initiate proceedings on the merits is determined by the court but may not exceed one month.

Witness identity protection

There are no measures available to protect witnesses' identity.

Non-compliance with an order

The competent judicial authority is the court or a bailiff, depending on the nature of the measures and the manner of enforcement (see above "Basic procedural framework").

The court carries out measures that are essentially procedural acts, such as ordering an inspection and hearing witnesses. In the event of non-compliance with the court's order, the court may sanction the party to achieve their cooperation. The sanctions are imposed by a court order, which is subject to appeal.

The court may impose the following sanctions:

1. failure to submit an object or a document to the court (for inspection) – a fine;
2. failure to allow inspection – a fine;
3. failure of a witness to appear in court – a fine or an order to compel attendance as a witness;
4. failure of a witness to give testimony without good reason - a fine or order to compel attendance as a witness or detention of up to 14 days.

A bailiff is engaged in the seizure of goods or documents, which is carried out in an enforcement procedure and where the bailiff may impose penalty payments on the defendant in case of non-compliance with the order. The amount of penalty payments possible to impose is prescribed by law. If penalty payment is imposed for the first time, the amount thereof shall be between EUR 192 and 767. The amount of the penalty payment must be indicated in the bailiff's warning to impose a penalty payment.

The bailiff may also impose recurring penalty payments for failure to comply with an order for the seizure of goods or documents. Recurring penalty payments may not exceed EUR 1 917 for each penalty payment. Failure to comply with court orders even after a penalty payment has been imposed may lead to criminal liability with a fine or up to one year's imprisonment.

Appeal/review

The order for a provisional measure to preserve evidence cannot be appealed. The only available procedure to review the measures is foreseen in Art. 7.1(2) ED (see above "Ex parte requests").

Non-compliance with UPC-issued order

Generally, orders and decisions of the UPC shall be enforced in Estonia just like local court orders, but there would be a small difference concerning penalty payments – if the UPC already provided for penalty payments in case of non-compliance with its order, the bailiff would enforce these payments without being able to impose additional penalty payments.

Legal basis and case law

Sections 244 to 250 and Chapter 40 of the Estonian Code of Civil Procedure
Sections 2 and 26¹ of the Code of Enforcement Procedure

III Right of information

Title of the order

Õigus teabele

Persons obliged to provide information

In Estonian law, there is no requirement that the persons obliged to give information should be involved in infringements or other acts which have "a commercial scale" (as referred to in Art 8.1 ED), i.e. Estonian law does not require the acts to have "a commercial scale". The law does foresee that, upon the reasoned request of the claimant, the court may require the defendant or another person to provide information concerning the infringement of an intellectual property right. This may also include persons who have been (but no longer are) in possession of the alleged infringing goods. In that sense, the circle of persons who may be obliged to provide information is wider under Estonian law than established in Art. 8.1 ED.

Types of information to be provided

There is no other information specifically mentioned in Estonian law. However, the information in Art. 8.2 ED is listed non-exhaustively, so the court may also order other information to be provided.

Competent authority

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court if the measure is ordered in the appeal procedure.

Non-compliance with an order

The competent judicial authority is the court reviewing the case (the Harju County Court or the Tallinn Circuit Court).

The sanctions are imposed by a court order and depend on whether information is requested from the defendant or from other persons. In the event of unjustified non-compliance with the court order to provide information by the third parties, the court may impose a fine and, if needed, a recurring fine.

If the persons are requested to provide information as witnesses in court and they fail to show up when duly summoned, the court may impose a fine or compel attendance of the witness. If the witness refuses without good reason to give testimony or sign a caution against knowingly giving false testimony, the court may impose a fine or detention of up to 14 days on the witness.

As for the defendant, he/she cannot be fined or detained. If the defendant fails to comply with the court order without providing a good reason, the court may hear the defendant under oath. If the court then finds that the defendant does have the required information but refuses to submit it, this may be used against him/her procedurally, so that the court may deem the claimant's statements concerning the nature and content of the non-submitted information to be proven.

Appeal/review

There is no right to appeal the court order for the provision of information. However, if such court order is made and the person subject to the obligation provides reasons for not complying with the court order (e.g. claims a right to refuse submission of confidential information), the court shall assess the legality of such non-compliance in a new court order, which is subject to appeal. It is also possible to appeal the court order imposing a fine due to non-compliance with the order for the provision of information, which allows the higher court to assess the legality of the initial order for the provision of information.

The term for appealing of court orders is 15 days as of the service of the court order.

The appeal shall first be brought before the Tallinn Circuit Court and if appealed again, then filed with the Supreme Court. An order of the Tallinn Circuit Court on fine is not subject to appeal to the Supreme Court.

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Sections 279 to 283, notably Section 280, of the Estonian Code of Civil Procedure

IV Provisional and precautionary measures

Titles of the orders

Õigussuhte esialgne reguleerimine ja ettevaatusabinõud

Basic procedural framework

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court, if the measure is ordered in appeal procedure.

As a general rule, provisional and precautionary measures are applied for in the main proceedings on the merits, but in exceptional cases the measures may also be applied for before initiating the main proceedings if there are objective reasons why the applicant is not able to commence the action.

The period for the applicant to initiate the main proceedings on the merits is determined by the court, but in any case the proceedings must be initiated no later than one month after applying for the measures. In this case, the request for applying the measures is considered as a part of the main proceedings, not separate proceedings.

An interlocutory injunction is enforced by the court simply by serving the respective court decision on the defendant or intermediary. The decision must also be immediately sent to the right holder. The right holder may also use the assistance of a bailiff and enforcement proceedings to enforce the interlocutory injunction. This may be useful if the court has difficulties in serving the decision on the defendant or if there is a high risk of non-compliance with the interlocutory injunction by the defendant. Precautionary seizure is enforced by a bailiff.

Factors considered by the court

According to Estonian law, an interlocutory injunction may be ordered to regulate the parties' relationship during the dispute, if this is necessary for the prevention of significant damage or continuing infringement or for another similar

reason. In patent infringement actions, courts commonly apply such interlocutory injunctions in case of an imminent or ongoing patent infringement, if the applicant has a valid patent and convinces the court there is a *prima facie* infringement of the patent that may cause damage to the applicant. Usually the courts grant an interlocutory injunction irrespective of possible patent invalidity arguments or the damage this may cause to the defendant. Precautionary seizure may be ordered if there is reason to believe that enforcement of the future court decision may otherwise be rendered difficult or impossible, usually due to the defendant's economic situation or suspicion of some actions to prevent future enforcement.

Recurring penalty payments

Recurring penalty payments may be imposed by the bailiff in enforcement proceedings on the basis of a court order granting the interlocutory injunction, if the defendant is in breach of the court order and the bailiff has given a written warning concerning the imposition of a penalty payment. The bailiff may impose recurring penalty payments on the defendant until either the obligation is performed or an appeal is filed against the decision imposing the penalty payment.

The amount of penalty payments possible to impose is prescribed by law. If a penalty payment is imposed for the first time, the amount thereof shall be between EUR 192 and 767, recurring penalty payments may not exceed EUR 1 917 for each penalty payment. The amount of the penalty payment must be indicated in the bailiff's warning to impose a penalty payment.

Provisional and precautionary measures against intermediaries

According to Estonian law, it is possible to apply for an interlocutory injunction against an intermediary by way of prohibiting the provision of services to the infringer. The right holder cannot apply for precautionary seizure against an intermediary, except with respect to any assets of the infringer that are in the possession of the intermediary.

Circumstances justifying an order for precautionary seizure

An order for precautionary measures may be applied if there is reason to believe that without the measures, enforcement of the future court decision may become difficult or impossible. According to Estonian law, it is presumed that

enforcement of the court decision may become difficult or impossible if the enforcement will evidently take place outside of the EU and the enforcement of court decisions is not guaranteed on the basis of an international agreement (i.e. in all countries except for the EU member states and Iceland, Norway, Switzerland, the Russian Federation and Ukraine). The law does not specify any other circumstances that may give rise to a belief that enforcement of the future court decision may become difficult or impossible, so it is at the discretion of the court to assess in each specific case, whether precautionary measures are needed or not.

Assessment of required evidence

According to Estonian law, the claimant is required to substantiate its claim against the defendant and the circumstances that constitute the basis for applying for provisional and precautionary measures. Substantiation means satisfying the court that the claimant's allegations are plausible. The applicant may use any means of proof to convince the court, including available evidence as well as information that does not fulfil the formal requirements for evidence provided by law (e.g. written statements).

Conditions justifying *ex parte* order

Estonian law does not define "appropriate cases" (as referred to in Art. 9.4 ED), but it is the general rule that the court decides on provisional and precautionary measures without the defendant having been heard. Taking measures would be ineffective, should the defendant first be notified of the precautionary seizure. Thus, with regard to monetary claims and property, the hearing of the defendant is not necessary. However, if provisional regulation of a disputed legal relationship is requested to secure a non-monetary action by the claimant or if it is clearly reasonable, the court should first hear the defendant, unless any delay would prejudice the claimant's rights.

There is no definition of "irreparable harm" in Estonian law as referred to in Art. 9.4 ED. As a rule, the defendant is not heard before granting a precautionary seizure; it is presumed that any delay in applying this measure may cause harm for the right holder.

Case law indicates that the defendant should be heard before applying an interlocutory injunction, unless the delay would prejudice the purpose of the requested measure.

Protections available to the defendant

Estonian law provides that for actions involving a monetary claim, a security must be provided in the amount of at least 5 per cent of the amount of the claim, but not less than EUR 32 and not more than EUR 32 000. In practice, it is common to request the applicant to deposit five percent of the amount of the claim (irrespective of the amount of actual damage that may be caused to the defendant). In the case of non-monetary actions, it is at the court's discretion to decide whether a security should be requested from the claimant and in what amount. It is common to request a security in patent infringement actions.

There are no "equivalent assurances" (as referred to in Art. 9.6 ED) foreseen in Estonia. However, it must be noted that "security" has a very wide meaning in Estonian procedural law.

For cases described in Art. 9.7 ED, the applicant is obliged to compensate for the damage caused to the defendant. Until recently, this was understood in theory and court practice as full compensation, including compensation for diminution in value of the defendant's property, direct expenses and lost profit. A recent shift in case law suggests that compensation for lost profit may be ordered only in exceptional cases, where the applicant has behaved in bad faith when requesting provisional measures (e.g. submitted false information), but it is not clear if this also applies to patent infringement disputes. The claim for damages is submitted in a separate proceeding where the court shall determine the amount of compensation based on evidence of the damage and the application of the general rules regarding damages (causality, foreseeability etc.).

Non-compliance with an order

Upon the claimant's request, the bailiff commences enforcement procedures and may impose penalty payments for non-compliance with the interlocutory injunction. Precautionary seizure is enforced by the bailiff by way of enforcement actions against the defendant or intermediary.

The bailiff may impose recurring penalty payments for failure to comply with an interlocutory injunction. Failure to comply even after a penalty payment has been imposed may lead to criminal liability with a fine or up to one year's imprisonment. If the defendant or intermediary, against whom precautionary seizure is enforced, does not cooperate with the bailiff (e.g. refuses to give information about the location of the assets), the bailiff may impose recurring penalty payments to make the person comply with the bailiff's orders.

If a penalty payment is imposed for the first time, the amount thereof shall not be less than EUR 192 nor more than EUR 767. Upon imposition of recurring penalty payments, the amount shall not be more than EUR 1 917 for each penalty payment.

Appeal/review

The Harju County Court's order for provisional or precautionary measures may be appealed to the Tallinn Circuit Court. The circuit court's order resolving the appeal may be further appealed to the Supreme Court only if the value of the action exceeds EUR 100 000.

The term of appeal of court orders is 15 days as of the service of the court order.

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Chapter 40 (Sections 377 to 3911) of the Estonian Code of Civil Procedure

V Corrective measures

Title of the order

Parandusmeetmed

Estonian law does not explicitly mention other measures than those provided for in Art. 10.1(a)-(c) ED. Nevertheless, should unlawful damage be caused through the violation of intellectual property rights, the law merely provides for an indicative non-exhaustive list of possible measures to be taken by the person whose rights have been violated, so the courts have the possibility to order other measures not specifically provided for in Estonian law in order to eliminate the infringement.

Basic procedural framework

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court, if the measure is ordered in appeal procedure.

The corrective measures are ordered in the main proceedings and enforced by a bailiff, if the obligations imposed are not voluntarily performed by the defendant.

The court shall consider if the seriousness of the infringement is proportional to the measures ordered as well as the rights and interests of third parties. The court may not order other measures than those requested by the claimant, however, the court should discuss with the parties if the requested measure is inappropriate (e.g. disproportionate) and allow the claimant to amend its request.

There are no specific procedures set out in Estonia for measures provided for in Art. 10.1 ED.

The applicant may ask for two corrective measures in parallel.

According to Estonian law, corrective measures are carried out at the expense of the defendant, unless it would be unreasonable. Reasonableness is a principle defined in law as something that persons acting in good faith would ordinarily consider to be reasonable, taking into account the nature of the obligation, the purpose of the transaction, usages and practices in the relevant field of activity or profession and all other relevant circumstances.

Assessment of proportionality for ordering remedies

In Estonia, the appropriateness of the chosen measure is to be assessed in light of the proportionality test. This means that it is the courts obligation to assess whether the requested measure is in fact appropriate, by considering the proportionality of the seriousness of the violation to the measures to be applied. This can be done by weighing the rights of the parties and also the rights and interests of third parties.

Evidence of destruction

Estonian law does not regulate the practical aspects of destruction. Usually a court order for destruction would be carried out by the bailiff in enforcement proceedings and the bailiff's record would serve as evidence of the destruction. The claimant has a right to participate in such enforcement procedures. However, if the goods or materials to be destroyed and their quantity are very clearly defined in the court's decision, it is also conceivable that the defendant will fulfil the obligation to destroy the goods or materials. The defendant must then submit a trustworthy third party's (e.g. a recognised service provider's) written confirmation as

evidence of the destruction. Alternatively, the destruction can be carried out by the defendant under the claimant's supervision.

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

Corrective measures are ordered by the court in main proceedings and the decision of the Harju County Court (court of first instance) may be appealed to the Tallinn Circuit Court and further to the Supreme Court.

The appeal shall be filed within 30 days after the service of the court decision.

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Subsections 1055 (3) and (4) of the Estonian Law of Obligations Act

VI Injunctions

Title of the order

Rikkumisest hoidumise kohustus

Basic procedural framework

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court, if the measure is ordered following an appeal.

In Estonia, an injunction is part of the court decision, so the injunction is generally enforced by the court simply by serving the decision on the defendant or intermediary. The claimant may also seek the assistance of a bailiff and enforcement proceedings to enforce the injunction. This may be useful if the court has difficulties in serving the decision on the defendant or if there is a high risk of non-compliance with the injunction.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries. The court may order, at the request of the right holder, that if unlawful damage is caused by violation of intellectual property rights, the person whose services a third party used for the purposes of the violation of the right refrains from further violation. Injunctions against intermediaries may be issued irrespective of their liability for the infringement.

Compulsory licence as a defence

The defendant has a right to submit a counterclaim against the right holder for acquiring a compulsory licence and request that the counterclaim is resolved in the same proceedings as the infringement action by a single court decision.

Court's discretion if finding of infringement

A permanent injunction is issued by the court only if requested by the claimant, but most infringement actions contain such a request. Once infringement is established and the claimant has requested a permanent injunction, the court has no discretion.

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Section 1055 of the Estonian Law of Obligations Act, notably Clause 1055 (3) (1)

VII Alternative measures

Title of the order

Alternatiivsed meetmed (Estonian law does not contain such a term, but refers to pecuniary compensation (*rahaline hüvitis*)).

Basic procedural framework

The competent judicial authority is the Harju County Court as the court of first instance or the Tallinn Circuit Court, if the measure is ordered in appeal procedure.

It is possible for the person who is subject to corrective measures, i.e. destruction, recall or removal from channels of commerce, to apply to the court for him/her to be obligated to pay pecuniary compensation to the person whose rights were violated instead of the application of the measures. This is possible, if, among other criteria, the person has not acted intentionally or negligently. However, it must be noted that the alternative measures as laid out in Art. 12 ED are rarely applied by the judicial authorities in Estonia.

The basis for calculating the pecuniary compensation is not specified in Estonian law and there is no relevant court practice. Nevertheless, the possibility to apply pecuniary compensation as an alternative measure may be possible if the application of the corrective measures against the infringer would, for example, cause him/her disproportionately large damage and if it may be considered as sufficient compensation for the person who requested the application of the corrective measures.

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Subsection 1055 (4) of the Estonian Law of Obligations Act

VIII Damages

Calculation methods available in Estonia

Both calculation methods as indicated in Art. 13.1(a) and (b) ED are available in Estonia. According to the general principles of compensation for unlawfully caused damage, the claimant is entitled to full compensation for such damage so as to be hypothetically placed in a situation as close as possible to that which he/she would have been in if the patent infringement had not occurred (*conditio sine qua non*). This includes compensation for diminution in value of the patent, direct expenses, lost profit and, if applicable, moral prejudice. Unfair profits are not considered as damage, but instead may be claimed under provisions related to unjust enrichment. Estonian law also entitles the court, if this is reasonable, to determine damages as a fixed amount, taking into account, *inter alia*, the amount of licence fees the defendant should have paid if he/she had obtained authorisation for the use of the patent right.

Basic procedural framework

The amount of damages to be paid is determined as part of the main patent infringement proceedings, provided that the patent holder has submitted a claim for damages.

Methods of calculation

The court shall calculate the damages according to the claimant's preferred method of calculation and all presented evidence for determining damages. Accordingly, the court is not allowed to mix and match different calculation methods to determine damages.

There is not enough court practice in patent infringement cases in Estonia to establish which method of calculation is generally applied.

The method corresponding to Art. 13.1(b) ED allows the court to determine damages as a fixed amount, taking into account *inter alia* the amount of licence fees the defendant should have paid if he/she had obtained authorisation for the use of the patent right. There is little case law in Estonia, specifically in patent infringement cases, but other intellectual property related cases indicate that courts take into account at least the duration, scope and seriousness of

the infringement, usual licence fees for the same industry in Estonia or elsewhere, the revenues of the infringer (the hypothetical licence fees cannot be unreasonably high compared to the infringer's revenue) and non-material damage (moral prejudice) actually caused to the claimant with the infringement.

Evidence of lack of knowledge

In Estonia, the amount of damages to be paid by the infringer is limited, if the use of the invention was in good faith. In this case, the damages cannot exceed the extent of damage caused within five years before filing the action. Usually "in good faith" means that the infringer did not act with gross negligence, i.e. that he/she exercised necessary care to a material extent. This should be understood as taking all reasonable steps to ensure that the use of the invention is lawful, including verifying whether there is a valid patent and what is the scope of the patent.

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Compensation for damages in case of patent infringements:

- Clause 53 (1) 1) of the Estonian Patents Act
- Section 1043 of the Estonian Law of Obligations Act

Rules for calculating damages:

- Chapter 7 (Sections 127 to 140) of the Estonian Law of Obligations Act, notably Sections 127 and 128

A limit on the compensation to be paid for infringements in good faith: Subsection 53 (2) of the Estonian Patents Act, applied together with Subsection 15 (4) of the Estonian Law of Obligations Act.

The Supreme Court of Estonia set the damages as a lump sum in a copyright infringement case, in accordance with Art. 13.1(b) ED. The Supreme Court explained which elements should be considered when calculating the damage and confirmed that actual moral prejudice caused to the right holder, if not already covered by the hypothetical licence fee, should also be taken into account.

Supreme Court's decision of 29 November 2017, civil case No 2-14-56641, Jill Greenberg's action against Eesti Keskerakond MTÜ and MTÜ Vaba Ajakirjandus for claiming damages.

IX Legal costs

Overview of assessment of costs

In Estonia, legal costs are usually borne by the unsuccessful party. In cases where the covering of the successful party's legal costs would be extremely unfair or unreasonable, the court may decide that the costs are borne, in part or in full, by the party who incurred the costs. Furthermore, the amount of legal costs depends on the extent to which an action was successful. If an action is partially successful (including the case that the amount of damages awarded by the court is smaller than requested), the parties bear the procedural expenses in equal parts, unless the court divides the expenses in proportion to the extent to which the action was successful (common for monetary claims) or decides that the expenses must be borne, in part or in full, by the parties themselves. The court will award reasonable attorney's fees for the successful party.

According to Estonian law, court costs are the state fee¹, any security deposited and the costs essential to the proceedings. These include costs relating to witnesses, experts, interpreters and translators, costs related to obtaining evidence and inspection. Other expenses are called extra-judicial costs. These include attorney's fees, travel, postal and accommodation costs of the parties, lost salaries of the parties and bailiff's fees for enforcing the decision.

Costs are decided in the infringement action, unless the determination of the costs would delay the final order of the court. In the latter case, the court shall decide on the costs in a separate ruling within a reasonable period of time after the final order.

Whilst most legal costs are awarded based on actual costs incurred by a party, lawyers' fees are awarded to a reasoned and necessary extent. Where necessary, established court practice can be relied upon for determining the lawyers' fees to be awarded.

Legal basis and case law

Dividing and determining the parties' legal costs and other procedural expenses:

Chapter 18 of the Estonian Code of Civil Procedure (Sections 138 to 179), notably Sections 162, 163, 174 and 175

Supreme Court's decision of 29 November 2017, civil case No 2-14-56641, Jill Greenberg's action against Eesti Keskerakond MTÜ and MTÜ Vaba Ajakirjandus for damages. Dealing specifically with legal costs in intellectual property related proceedings, the Supreme Court found that if the right holder files an action claiming an unjustifiably large amount of damages for an infringement and the claim is satisfied in part, due to which some of the legal costs are left to be borne by the claimant, it is not in contradiction with Articles 3 and 14 ED if the claimant must bear the amount of legal costs exceeding the damages awarded for the infringement.

EE

X Publication of judicial decisions

Title of the order

Kohtuotsuste avalikustamine

Basic procedural framework

The court may order that:

- (a) the information contained in a decision must be made public at the expense of the defendant in the manner determined by the court; or
- (b) the decision must be published in part or in full.

According to Estonian law, the court may implement a measure that is requested by the claimant. It is possible for the claimant to request either publication of the information contained in the court decision or publication of the decision itself in full or in part.

¹ Pursuant to the Code of Civil Procedure, a state fee is a sum of money which, pursuant to law, is payable to the Republic of Estonia for the performance of a procedural act. The precise amount of the state fee to be paid for carrying out a certain procedural act is provided for in the State Fees Act.

The means of publication is not limited, so the claimant may request the court to order publication anywhere, e.g. in a newspaper, particular trade journal, website of the defendant etc. However, the court should only implement a measure that is proportionate and appropriate to the circumstances.

The competent authority to grant the order is the Harju County Court as court of first instance in the main proceedings or the Tallinn Circuit Court, if the measure is granted upon appeal. Measures of publication are ordered in the court decision made in the main proceedings.

The decision on whether to issue such order is in the discretion of the court. There is no relevant court practice in Estonia specifying the factors to be considered by the court when deciding on this issue.

Non-compliance with an order

The competent judicial authority is a bailiff. Upon the claimant's request, the bailiff commences enforcement procedures against the defendant. If the defendant does not comply with the court decision voluntarily and does not publish the required information or the decision, the bailiff may permit the claimant to have the publishing done at the expense of the defendant. If the defendant refuses to cover the costs, the claimant is entitled to make a claim for payment out of the assets of the defendant to cover the costs incurred.

If it is possible to have the information published by the claimant at the expense of the defendant (and this should be possible in most cases), then no other sanctions apply.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Subsection 445 (5) of the Estonian Code of Civil Procedure

XI Other appropriate sanctions

There are no other sanctions foreseen in Estonian law for patent cases.

XII Additional options

Other available options in Estonia

There is no criminal liability foreseen in Estonia for infringing the rights of a patent holder, however, infringement of patent holder's rights to generate profit is considered a misdemeanour and is punishable by a fine.

It must be noted that criminal liability is foreseen for the violation of authorship of an inventor (who could also be a patent holder). Disclosure of another person's invention in one's own name is punishable by a pecuniary punishment or up to three years' imprisonment.

Misdemeanour proceedings with regard to patent infringements are tried by the Estonian Police and Border Guard Board according to the Code of Misdemeanour Procedure.

The violation of authorship of an inventor as a criminal offence is investigated by the Prosecutor's Office and sanctioned by a court according to the Code of Criminal Procedure.

Non-compliance with an order

A decision made in a misdemeanour case (imposition of a fine) is enforced by the bailiff. A criminal offence decision is enforced by the relevant court (in the case of imprisonment) or the bailiff (in the case of a pecuniary punishment).

Legal basis and case law

Liability for patent infringement as a misdemeanour is foreseen in Section 226 of the Estonian Penal Code. Violation of authorship of an inventor is punished as a crime according to Section 219 of the Estonian Penal Code.

Spain

I Evidence

Titles of the orders

Pre-litigation disclosure procedures:

Diligencias preliminares (preliminary enquiries procedure)
Diligencias de comprobación de hechos (verification of facts procedure)

During main proceedings:

Exhibición documental (disclosure request)

Basic procedural framework

The Commercial Court (*Juzgado de lo Mercantil*)¹ is competent to assess patent disputes and, thus, to issue such an order.

Diligencias preliminares and *Diligencias de comprobación de hechos* are intended to prepare the main claim and are therefore separate proceedings which take place before the proceedings on the merits are initiated. An application for *Exhibición documental* takes place when proceedings on the merits are ongoing.

The court clerk (*Letrado de la Administración de Justicia*) assisted by court police² and other civil servants, if necessary, are responsible for enforcing the order.

Provision of evidence by third parties

Third parties may be ordered to present specific evidence in the context of the proceedings described above. This also includes main proceedings.

Assessment of evidence in support of the application

This is determined on a case-by-case basis.



ES

The application for *diligencias de comprobación de hechos* requires to provide indicia that the patent is being presumably infringed.

The application for *diligencias preliminares* must show that the case falls within any of the specific situations listed in the law, that the measures sought are appropriate to the intended objective, and that the applicant pursues a just cause and has a legitimate interest.

The application for *exhibición documental* must be based on the fact that the documents needed are unavailable to the applicant and refer to the subject matter of the proceedings or to the effectiveness of the means of evidence.

Protection of confidential information

Writs and documents filed by the parties are reserved for the parties in the proceedings and access by a third party is only allowed if such third party demonstrates a legitimate interest in the proceedings. Oral hearings are public but the court may declare them confidential. Additional confidentiality measures are often requested by the parties (and usually granted by Spanish patent courts). This possibility has now been enhanced by the recently approved

1 Only certain commercial courts are competent to hear disputes based on the Patents Act. At present, those Courts are the Commercial Courts no. 6 to 11 of Madrid; no. 1, 4 and 5 of Barcelona, no. 2 and 4 of Valencia, no. 1 of Granada, no. 1 of Las Palmas, no. 1 of A Coruña and no. 2 of Bilbao. Throughout this country profile, the term "commercial court" will be referred to as the competent court for patent matters in Spain, unless otherwise indicated.

2 The function of the court police is mostly to protect and ensure that the court personnel commissioned to the party's premises are able to do their job in case the party subject to the enquiries tries to obstruct their work.

Trade Secrets Act (*Ley 1/2019, de 20 de febrero, de Secretos Empresariales*) which transposes Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information against their unlawful acquisition, use and disclosure.

The *procedimiento de diligencias preliminares* further provides that the information obtained through this proceeding shall only be used in the context of enforcement of the intellectual property rights of the claimant, who may not disclose it to third parties.

The *procedimiento de comprobación de hechos* is specifically designed to provide the claimant only with information and/or evidence to establish whether an infringement is occurring. The information is first analysed by the court together with an expert and will only grant the claimant access to such information if it is concluded that a patent infringement may be occurring.

Non-compliance with an order

The competent judicial authority is the court which issued the order, and ultimately, the criminal investigation court³ of the place where non-compliance has taken place.

The court that issued the disclosure order may order entry, search and seizure. Alternatively, if the documents the subject of the order are financial documents, or in the context of requests of *exhibición documental* filed in main proceedings, the court may deem as proven the figures, calculations or facts asserted by the claimant.

Ultimately, if the commercial court considers that in disobeying a court order a criminal offence may have occurred, it shall notify the public prosecutor, who will assess the case and commence a parallel criminal procedure if appropriate. Disobeying a court order may be considered a criminal offence and is punishable by imprisonment from three months to a year or a penalty payment of six to eighteen months⁴.

Appeal/review

If adopted in main proceedings, the order to present evidence may be reviewed, by the procedure of *recurso de reposición* (motion for reconsideration). The request shall be filed within five business days (the other party will then be given another five days to oppose) before the same court which issued the disclosure order. If the decision is made by the court verbally in the pre-trial hearing / case management conference (*audiencia previa*), the motion for reconsideration will be filed, opposed and resolved orally in the same hearing.

In preliminary proceedings (*diligencias preliminares* and *diligencias de comprobación de hechos*) it is not possible to file an appeal against the order to present evidence. However, in the *diligencias de comprobación de hechos* the party subject to the order may verbally express its view on the alleged infringement whilst the enquiries are being conducted in its premises. Likewise, in the *diligencias preliminares* the party to whom evidence is requested may oppose in the first five days after receiving the summons; if it does so, the proceedings switch to *inter partes* and the petitioner will be given an additional turn to reply, followed sometimes by an *inter partes* hearing, after which the court will issue its final decision.

Additionally, it is possible to appeal the orders whereby the court refuses to grant the enquiries requested. The appeal must be filed before the Court of Appeal (*Audiencia Provincial*) within 20 days.

Admissibility of evidence

Evidence obtained from other national or foreign proceedings is admissible in civil proceedings. The only limitation provided for in Spanish law is that evidence will be inadmissible if considered “illicit”, i.e. if it has been obtained by means of a violation of a fundamental constitutional right of another party.

³ In Spain, the criminal investigation court (*Juzgado de Instrucción*) is the judge in charge of investigating whether a crime has been committed. In other jurisdictions this task is undertaken by the public prosecutor.

The criminal court (*Juzgado de lo Penal*) is the judge in charge of judging the case and declaring the accused party guilty or not guilty, after due trial. It is a separate body than *Juzgado de Instrucción*, to ensure an independent judgment.

⁴ The concept of fines expressed in “months”, is due to the “day-rate” penalty system (*sistema de días multa*) that applies in Spanish criminal law. In order to ensure that fines are sufficiently proportionate and dissuasive for every individual irrespective of his/her wealth, a system of daily fines is established. Fines are expressed in terms of days (or months or years) in the Criminal Code for each type of criminal offence. The amount of the daily fine imposed is set and adjusted by the judge for each specific subject depending on the financial situation of the offender and his/her personal circumstances. A detailed explanation on how this system is applied in Spain and in other EU countries can be found here: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2004:0346:FIN:EN:PDF>

Furthermore, EU Regulation 1206/2001 regulates the co-operation between the courts of the member states in the taking of evidence in civil or commercial matters and the Spanish court may make use of the option to take evidence in another EU member state. For instance, in light of Article 10.3 of said regulation the Spanish court could request that the taking of evidence should be done by means of the *diligencias de comprobación de hechos* and such procedure should be followed by the requested competent court unless this procedure is incompatible with the law of the member state of the requested court or may not be implemented owing to major practical difficulties.

A similar regime exists with the Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters, to which Spain is a party. However, Spain has filed the following reservation to the Convention:

“In accordance with Article 33 in relation with Article 4, paragraph 2, Spain will not accept Letters of Request which are not drawn up in Spanish or accompanied by a translation.

- a) (...)
- b) With prior authorization of the Spanish Ministry of Justice, a Judge of the requesting State may intervene in the execution of a Letter of Request, in accordance with Article 8.
- c) In accordance with Articles 16 and 17, the evidence may be taken, without prior permission of the Spanish Authority, in the premises of the diplomatic or consular representation of the requesting State.
- d) Pursuant to Article 23 Spain does not accept Letters of Request derived from the “pre-trial discovery of documents” procedure known in common law countries.”

There are also bilateral agreements entered into by Spain, each one with its specific provisions.⁵

Legal basis and case law

Diligencias preliminares: Articles 256 to 263 Spanish Civil Procedural Act (Ley 1/2000)

Diligencias de comprobación de hechos: Articles 123 to 126 of the Spanish Patent Act, (hereinafter SPA) (Ley 24/2015)

Exhibición documental: Articles 328 to 332 Spanish Civil Procedural Act

Regarding “illicit evidence” see Article 287 of the Spanish Civil Procedural Act no. 1/2000, and Art. 11.1 Spanish Organic Law on the Judiciary (Ley Orgánica 6/1985)

A summary of Spanish case law regarding illicit evidence is available in the ruling of the Supreme Court No. 43/2013 of February 6 2013.

II Measures for preserving evidence

Titles of the orders

Medidas de aseguramiento de la prueba (evidence preservation measures)

Prueba anticipada (anticipated evidence)

Further available measures

The measures mentioned in Art. 7.1 ED are only examples available to the claimant as any measures which are useful to ensure that evidence is preserved may be requested.

Basic procedural framework

The Commercial Court is competent to issue such orders.

These measures may be requested either before the proceedings on the merits have been initiated or during main proceedings on the merits.

The official responsible for enforcing the order is a court’s clerk assisted by court police and other civil servants.

Medidas de aseguramiento de la prueba (evidence preservation measures) are aimed at preserving the evidence to ensure that it is available at trial (which is the normal stage when all evidence must be formally presented). It is only secured (i.e. “kept safe”) but is not presented until the trial stage.

An example is where audio or video recordings exist in the possession of the other party that possibly contains relevant evidence for the case. If there is a risk of these recordings being destroyed or lost, *medidas de aseguramiento de la prueba* may be requested. The recordings will not be played in the courtroom until the trial stage, but will simply be seized and kept securely in the meantime so as to avoid the risk of them becoming lost or destroyed.

⁵ A list of these may be found at http://ec.europa.eu/civiljustice/applicable_law/applicable_law_spa_en.htm#1.3

Prueba anticipada (anticipated evidence) has a similar aim, but presumes that the evidence cannot be preserved until trial and therefore needs to be presented at an earlier date (e.g. the testimony of a severely ill witness who may die prior to trial).

Ex parte requests

The evidence required for the grant of an *ex parte* order is assessed on a case-by-case basis taking into account the specific circumstances of the case.

Where measures to preserve evidence have been ordered without the other party having been heard, the parties affected will be notified of the decision and will be granted 20 working days to oppose the order. Once the opposition brief has been filed the court will summon the parties to an oral hearing to decide opposition.

Protection available to defendant

“Adequate security” (as referred to in Art. 7.2 ED) offered by the claimant is one of the criteria the court will take into consideration when assessing whether or not to order the requested measures for preserving evidence.

The claimant may offer any means of assurance as long as the court considers that the guaranteed amount is sufficient and is immediately available. The law stipulates the types of assurances that may be provided, and in what form, e.g. cash deposit, joint and several guarantee of indefinite duration and payable upon first demand, issued by a credit entity or a mutual guarantee society⁶.

“Appropriate compensation” (as referred to in Art. 7.4 ED) is calculated on a case-by-case basis and subject to the submission of evidence of the damage caused by the measures (for instance a report filed by an economic expert) by the defendant.

Period to initiate proceedings on the merits

Proceedings on the merits must be initiated within 20 working days where evidence preservation measures have been ordered, or two months where anticipated evidence has been ordered.

Witness identity protection

There are no measures available in civil proceedings to protect witnesses’ identity (in the sense that anonymous witness declarations are not permitted). This is without prejudice to the possibility of requesting confidentiality measures (e.g. justified requests to hold the trial behind closed doors) under the general regime of the requests for the protection of confidential information. This also goes without prejudice to the data protection laws and regulations, which imply e.g. that the full names or other personal data of the witnesses and experts appearing at proceedings will be redacted (or replaced by a fictitious name) in the version of the judgments which is made available to the public.

Non-compliance with an order

Criminal charges for disobedience may be brought (see Part I “Non-compliance with an order”).

Appeal/review

The decision on preservation measures issued following a hearing cannot be appealed.

Other interlocutory decisions (e.g. admitting or refusing the request to process, or decisions on anticipated evidence) are subject to the general regime of review (motion for reconsideration) as outlined in Part I “Appeal/review” above.

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Articles 293 to 298 of the Spanish Civil Procedural Act (Ley 1/2000)

III Right of information

Title of the order

Diligencias preliminares (preliminary enquiries procedure)

⁶ “Mutual guarantee societies” are not-for-profit institutions aimed at facilitating loans to SMEs, generally at more favourable conditions than those offered by ordinary banks.

Persons obliged to provide information

There is no limitation as to the persons obliged to provide information on the origin and distribution networks of the goods or services which allegedly infringe an intellectual property right.

Types of information to be provided

There is no limitation as to the information which may be requested, as long as it relates to the identification of the infringer and the origin and distribution networks of the infringing goods. Examples listed in the law are:

- (a) names and addresses of the producers, manufacturers, distributors, suppliers as well as of those who have had possession of the infringing good with a commercial purpose;
- (b) names and addresses of the wholesalers and retailers to whom the specific goods or services have been provided; and
- (c) the quantities produced, manufactured, delivered, received or ordered and the price obtained or paid as compensation for the provision of the specific goods or services as well as the technical characteristics of the goods.

Competent authority

The Commercial Court is competent to assess patent disputes and thus to issue such an order.

Non-compliance with an order

See Part I, “Non-compliance with an order”.

Appeal/review

The order for the provision of information cannot be appealed (though the party affected by the request may lodge an opposition). Only the order refusing the provision of information may be appealed within 20 days before the Court of Appeal.

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Articles 256 to 263 Spanish Civil Procedural Act No. 1/2000

IV Provisional and precautionary measures

Title of the order

Medidas cautelares (precautionary measures)

Basic procedural framework

The Commercial Court is competent to assess patent disputes and thus to issue such an order.

Provisional and precautionary measures may be requested either before the proceedings on the merits, along with the main patent infringement claim or during the proceedings on the merits.

The official responsible for enforcing the measures is a court clerk assisted by court police and other civil servants.

The period to initiate proceedings on the merits is 20 working days.

Factors considered by the court

For the court to grant the abovementioned measures the claimant must satisfy three conditions:

- (a) *Fumus boni iuris: prima facie* evidence that the patent is infringed. In practice this requires a convincing expert report showing that the alleged infringing product or process falls within the scope of the patent. The patent must also be *prima facie* valid, i.e. there must not be serious doubts as to its validity.
- (b) *Periculum in mora*: demonstration that the refusal of the preliminary measure could cause irreparable harm. This is normally accepted in patent disputes when the allegedly infringing product has not yet been launched. If it has already been launched, the condition is not considered fulfilled if the claimant postpones the application for the provisional measure for too long.
- (c) *Posting of security* (bond, deposit, bank guarantee) to cover the potential damage caused to the defendant if the preliminary measure is eventually revoked.

All three conditions must be satisfied for the court to grant a preliminary measure.

Recurring penalty payments

An order for recurring penalty payments in case of continuation of the infringement may be issued by the court together with the injunction order. The penalty payment comprises a daily rate, payable until infringement ceases.

The daily rate is determined on a case-by-case basis, as according to Spanish law it must be adequate to the circumstances of the case.

Provisional and precautionary measures against intermediaries

The claimant may apply for a provisional and precautionary measure against intermediaries whose services are used by the defendant in order to infringe a patent right, even if the acts of the intermediaries may not be considered patent infringement acts *per se*. Said measures must be objective, proportionate and non-discriminatory.

Circumstances justifying an order for precautionary seizure

Spanish law does not describe when a circumstance is to be considered likely to endanger the recovery of damages and it is for the judge to assess on a case-by-case basis. An example would be if the circumstances are likely to cause a permanent loss of market share.

Assessment of required evidence

Spanish law does not provide further detail other than the fact that *prima facie* evidence must be submitted. In practice what is considered “reasonably available evidence” or “sufficient degree of certainty” (as referred to in Art. 9.3 ED) is assessed on a case-by-case basis, but generally comprises a *prima facie* proof of entitlement, validity and infringement of the patent.

Conditions justifying *ex parte* order

For the measures to be taken without the defendant having been heard, the claimant must justify that there is the necessary urgency (e.g. that infringement is so imminent

that hearing the defendant would frustrate the possibility of preventing the launch of the allegedly infringing product).

According to Spanish case law, “irreparable harm” (as referred to in Art. 9.4 ED) will generally be caused at the start of the infringement (e.g. market launch of the allegedly infringing product) resulting in an irreversible situation (e.g. where the launch of a generic product causes a price drop of the originator product).

Protections available to the defendant

“Adequate security” (as referred to in Art. 9.6 ED) is determined on a case-by-case basis and taking into account the arguments made by both parties during the preliminary injunction proceeding (unless the preliminary injunction is granted *ex parte*). Theoretically it is intended to cover the potential damage suffered by the defendant as a result of the preliminary measures.

See also Part II, “Protection available to the defendant”.

Non-compliance with an order

The Commercial Court issuing the preliminary measure is the competent authority in case of non-compliance.

The court may adopt any necessary enforcement orders (such as seizures, formal warnings, etc.) without the need to initiate separate enforcement proceedings.

As a last resort, if the court order is resisted or not complied with, the defendant may be charged for disobeying a court order. This is foreseen in the Criminal Code and is punished with imprisonment from three months to a year or a penalty payment of six to eighteen months (see Part I “Non-compliance with an order”).

Appeal/review

The first instance decision is appealable by means of the *Recurso de apelación* (ordinary appeal). It is possible to have a full review of the preliminary facts and legal grounds for the grant of a preliminary measure, although the evidence, pleadings and petitions in issue will be decided by those before the first instance court, with very little room for introducing new evidence.

Once the brief of appeal is filed the opposing party is granted 10 working days to file an opposition to the appeal

and may also cross-appeal (if the decision at first instance has for example rejected any of the measures applied for). If the first instance court has granted leave to appeal it is sent to the Court of Appeal which must also grant leave (and, if applicable, leave to admit new evidence) and may summon the parties to an appeal hearing (if considered necessary).

The Court of Appeal will then issue a resolution order and serve it on the parties.

The period for filing an appeal is 20 working days. The appeal against the first instance decision must be brought before the relevant Provincial Court of Appeal (*Audiencia Provincial*), which is a collegiate court⁷.

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Articles 721 to 747 Spanish Civil Procedural Act No. 1/2000
Articles 127 to 132 SPA No. 24/2015

V Corrective measures

Titles of the orders

Medidas de remoción (corrective measures)

Retirada de los circuitos comerciales (recall from the channels of commerce)

Apartamiento definitivo de los circuitos comerciales (removal from the channels of commerce)

Destrucción (destruction)

Other available measures in Spain

Aside from the examples of corrective measures laid down in the ED (recall, removal, destruction) the Spanish law refers to the possibility of requesting:

- a) attribution of ownership of the objects or means seized;
- b) transformation of the objects or means seized;
- c) others (the above is a non-exhaustive list)

Basic procedural framework

The Commercial Court is competent to assess patent disputes and thus to issue such orders.

Orders for corrective measures are issued in the main proceedings on the merits, although non-permanent corrective measures (such as recall or seizure of infringing products) are also available as precautionary measures.

Corrective measures may be carried out by a private destruction company which certifies the destruction of the stocks, or in the case of recalls, by the court clerk (sometimes even by the judge) assisted by the police and other civil servants, as necessary.

The measures are generally granted based on the criteria of proportionality and common sense (e.g. if the infringing device can be removed from the product without damage to the product, only the infringing device will be destroyed, and the remainder will be returned to the defendant).

Spanish law does not provide for any specific procedure for the enforcement of corrective measures. The general rules for enforcement apply.

The claimant may ask for measures in parallel as long as they are not inconsistent.

No further guidance is provided for what constitutes “particular reasons” mentioned in Art. 10.2 ED.

Assessment of proportionality for ordering remedies

“Proportionality” (as referred to in Art. 10.3 ED) is a general principle of Spanish law. The court will assess whether the relief sought by the claimant results in the minimum possible burden or damage to the defendant. A measure will not be ordered if there are other equally effective and less burdensome alternatives.

Evidence of destruction

A certificate issued by a destruction company having the relevant licences should generally suffice as evidence of destruction, although the claimant may request a further guarantee such as the intervention of a notary public, or the presence of the claimant’s representative.

⁷ A tribunal made up by a panel of magistrates (as opposed to a court made up by a single judge) who shall issue their decision jointly after deliberation and voting by its members.

Non-compliance with an order

The competent authority is the Commercial Court competent to assess the patent infringement action.

In Spain the decision on the merits may be enforced either provisionally (when the decision is not final as it may be or has been appealed) or definitively (when the decision is final).

Provisional enforcement commences with an enforcement request filed by the claimant and the court will issue an enforcement order of the non-final decision on the merits. The defendant may file an opposition brief (along with evidence) to the enforcement order within five days of notification of the enforcement order. The opposition brief will be communicated to the other parties who may file a brief in response (along with evidence). The court will decide whether enforcement should proceed. Opposition may only be based on specific arguments provided for in the Spanish Civil Procedure Act.

Definitive enforcement proceedings commences with an enforcement claim filed by the claimant and the court will issue an enforcement order if formal requirements are met. Opposition to definitive enforcement may only be based on specific arguments provided for in the Spanish Civil Procedure Act (such as proving that the order has already been complied with).

Disobeying a court order is a criminal offence and is punishable by imprisonment from three months to a year or a penalty payment of six to eighteen months (see Part I, “Non-compliance with an order”).

Appeal/review

See Part IV “Appeal/review”.

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the Agreement on a Unified Patent Court.

Legal basis and case law

Article 71 Spanish Patent Act No. 24/2015

VI Injunctions

Title of the order

Orden de cesación (cease-and-desist order)

Basic procedural framework

The Commercial Court is competent to assess patent disputes and, thus, to issue such orders.

Court-appointed officials intervene if the defendant does not voluntarily comply with the injunctions.

Injunctions against intermediaries

The claimant may apply for an injunction against intermediaries whose services are used by the defendant to infringe a patent right, even if the acts of the intermediaries may not be considered patent infringement acts *per se*. Said measure must be objective, proportionate and non-discriminatory.

Compulsory licence as a defence

Such a defence is not provided for in the SPA, although in view of the CJEU judgment in the *Huawei* case C-170/13 a FRAND defence might in the future be accepted in the context of litigation concerning standard essential patents. Ordinarily, a party must initiate a proceeding before the Spanish Patent and Trademark Office in order to be granted a compulsory licence, as the function of the courts is not to grant compulsory licences but to grant relief for the damage caused.

Court’s discretion if finding of infringement

The court will generally issue a permanent injunction after infringement is established. Judgments finding infringement but not granting injunctions are very rare, and mostly relate to cases when the patent has already expired when the judgment is issued, and only past damage is to be assessed.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part IV “Appeal/review”.

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Article 71 SPA No. 24/2015

VII Alternative measures

Title of the order

In Spain alternative measures are only provided for in provisional enforcement by means of the so-called provisional enforcement proceedings *oposición a la ejecución provisional*.

The newly approved Trade Secrets Act has also implemented Article 13.3 of Directive (EU) 2016/943, which envisages alternatives measures comparable to those of Art. 12 ED, but only for proceedings involving violation of trade secrets.

Basic procedural framework

The Commercial Court is competent to assess patent disputes and thus to issue such orders.

Alternative measures may be granted where provisional enforcement of corrective or injunctive measures resulting from a decision on the merits of the case results in a situation which would be impossible or extremely difficult to restore or compensate with financial compensation if the decision on the merits was later revoked. In those cases, a pecuniary compensation may be ordered in the form of a counter-guarantee while the appeal on the decision on the merits is pending.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

The order for provisional enforcement cannot be appealed.

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Article 528.1 Spanish Civil Procedural Act No. 1/2000

VIII Damages

Calculation methods available in Spain

The SPA provides for the same methods of calculation as Art. 13.1(a) and (b) ED. A court may grant compensation on one of the following two bases:

1. On the basis of the negative economic consequences of the infringement, which is to be calculated either as:
 - (a) the lost profits which the claimant has suffered; or
 - (b) any unfair profits made by the defendant.

In case the court has decided that a moral prejudice has been suffered, it must be compensated for, even if no financial damage has been proven.

2. Alternatively, on the basis of a lump sum such as at least the amount of royalties or fees which would have been due if the defendant had requested authorisation to use the patent right infringed.

Furthermore, financial compensation shall also include: the investigation costs which the claimant has incurred in order to obtain reasonable evidence of the infringement, and the damage to the reputation of the patented invention caused by the defendant in general and specially through a flawed reproduction of the invention or an inadequate presentation of the invention in the market.

Basic procedural framework

The amount of damages may be determined:

- (a) in the main proceedings (unless inquiries for information or evidence must be carried out by the court, in which case this option is not available under the SPA);

- (b) during enforcement proceedings by applying a formula or basis for calculation established in the main proceedings;
- (c) in separate proceedings.

The competent authority is the same as that which decided on the claim for patent infringement.

The successful party may either use the proceedings indicated in Parts I and III or apply for such inquiries during the proceedings.

Methods of calculation

The claimant may choose between the different calculation methods.

The judicial authorities may mix and match different methods but always within the confines of the submissions made by the parties and according to the criteria chosen by the claimant.

The calculation methods based on lost profits, infringer's profits, and reasonable royalty are the three frequent criteria.

The court must take into account the following elements when determining the amount of royalties or fees which would have been due if the defendant had requested authorisation to use the patent:

- the economic relevance of the patented invention,
- the patent term left at the time the infringement began, and
- the number and type of licences granted at the time the infringement began.

Evidence of lack of knowledge

Manufacturers, importers, and users of the patented procedure are liable for the damages caused irrespective of whether they allegedly knew or not about the infringement. The methods available for the calculation of damages are not different in one case or the other (there is no such different regime as under Article 13.2 ED).

Any other infringers (such as subsequent resellers of the infringing goods) shall only be liable for damages if they acted knowingly or lacking due diligence. In any case, an infringer shall be presumed to have acted knowingly if it has been warned by the patent holder about the existence of

the patent and of its infringement and has been demanded to cease and desist.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part IV "Appeal/review"

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Arts. 72 to 78 SPA No. 24/2015

IX Legal costs

Overview of assessment of costs

Costs are awarded against the losing party to any civil lawsuit as a general rule, except if the court acknowledges to have had serious factual or legal doubts. They shall be recovered through separate proceedings as soon as the decision is final, should the unsuccessful party have failed to pay the costs.

Reasonable and proportionate legal costs will be determined on a case by case basis bearing in mind that costs will not be awarded in respect of any intervention that is useless, superfluous or not authorised.

In patent disputes, the most significant legal costs are usually lawyers' fees. Traditionally, these costs were awarded taking into account the guidance on the assessment of fees for the purpose of recovery of legal costs called *Criteria orientadores de honorarios profesionales* which are issued by each Bar association. These guiding criteria have in some cases raised concerns in the national competition authorities. They are being increasingly replaced by the award of costs at the discretion of the court, even if it is still necessary to hear the opinion of the Bar when the intervening lawyers do not agree on the recoverable costs. Therefore the potential recovery of costs is difficult to predict in advance, as only vague criteria for assessment (such as the dedication required, the complexity of work or

the economic importance of the case) are provided by case law, without objective fees schemes being developed to support these criteria (analogous to the ones that had been developed by the Bar associations). The only limit provided by the law is that the legal costs relating to fees for lawyers and experts shall not exceed one third of the amount in dispute, unless the losing party is found to have acted recklessly.

Case law has established that the recoverable legal costs is an independent concept from the actual fees that a party has agreed to pay to its lawyer, and has acknowledged that not the same amount of fees must necessarily be charged to the losing party. The reality is that, in major patent disputes, legal costs awarded are very often substantially lower than the market prices actually paid by the parties, which also mitigates the exposure that both parties have when they engage in a litigation whose outcome is still unclear.

In addition to the lawyers' fees, recoverable legal costs include the following items:

- a) court agent (*Procurador*) fees.
- b) placement of advertisements or public notices that may have to be published during the course of the proceedings.
- c) deposits required to lodge appeals.
- d) Experts' fees and any other payments which may have to be made to persons involved in the proceedings.
- e) copies, certifications, notes, affidavits and similar documents that may have to be provided in accordance with the law, except for any that the court may request from public registries and records, which shall be free of charge.
- f) fees which may have to be paid to other institutions for procedures required to conduct the proceedings.
- g) court tax.

Legal basis and case law

Arts. 394 to 398, and 241 to 246 Spanish Civil Procedural Act No. 1/2000

X Publication of judicial decisions

Title of the order

Publicación de la sentencia condenatoria

Basic procedural framework

The Spanish Patent Act does not specify whether the implementation of the measure requires the publication of the entire judgement or not. The court will apply a proportionality criterion and will decide on a case by case basis if partial publication of the judgment will suffice or if publication of the entire judgment is required.

The Spanish Patents Act also does not specify where the publication must take place. It only requires the publication to be made through announcements and notifications to interested parties. Therefore, depending on the parties and the specific circumstances, the publication of the judgment may take place either in local newspapers, digital newspapers, particular trade journals, etc., or simply notified individually to interested parties.

The competent authority to issue such an order is the commercial court competent to assess the patent infringement action.

Non-compliance with an order

See Part V "Non-compliance with an order".

If the defendant fails to book the advertisements ordered by the court, the Spanish Civil Procedure Act provides that the claimant may by itself book the advertisements after having the necessary goods of the defendant seized and sold.

Appeal/review

See Part IV "Appeal/review".

Non-compliance with UPC-issued order

Not applicable as Spain is not a party to the UPCA.

Legal basis and case law

Article 707 Spanish Civil Procedural Act No. 1/2000
Article 71.1(f) Spanish Patent Act No. 24/2015

XI Other appropriate sanctions

Name and type of sanctions

Delitos relativos a la propiedad industrial (criminal offences relating to IP)

The Criminal Investigation Court (*Juzgado de Instrucción*) is competent to investigate whether an alleged infringement of a patent is a criminal offence.

The procedure begins with filing criminal charges against the alleged infringer, or opening an investigation *ex officio* or as a result of a private complaint. The Criminal Investigation Court will investigate the alleged offence and if satisfied that there may be an offence, it orders the procedure to continue by means of the *Auto de incoación de procedimiento abreviado* (order commencing the abbreviated procedure). Following the *Auto de incoación del procedimiento abreviado*, the patentee (as well as the public prosecutor) is granted 10 working days to file a writ of accusation (*Escrito de acusación*) requesting the procedure to continue, submitting his allegations and presenting evidence. Once the *Escrito de acusación* is filed, if indicia of criminal offence are found, the Criminal Investigation Court issues an order for oral proceedings (*Auto de apertura del juicio oral*) and the alleged offender is granted 10 working days to file a writ of defence (*Escrito de defensa*) opposing the procedure and presenting his own evidence.

The Criminal Court (*Juzgado de lo Penal*) receives the case from the Criminal Investigation Court, including the parties' writs and evidence, decides which evidence is admissible and then summons the parties to the trial.

After the trial hearing, a judgment will then be rendered by the Criminal Court and served on the parties.

Non-compliance with an order

The basic sanction is imprisonment of six months to two years and a fine from twelve to twenty-four months.

Appeal/review

The Criminal Court's judgment is appealable through the *Recurso de apelación*. It is possible to have a full review of the evidence and legal basis for the judgment, although the evidence will be limited to that submitted before the Criminal Court, with limited possibility of introducing new evidence.

Once the appeal is filed, the other parties are granted 10 working days to file an opposition to the appeal. Once the appeal is found to be formally admissible by the Criminal Court it is sent to the relevant provincial Court of Appeal which must, if applicable, admit any new evidence that is proposed and summon the parties to an appeal hearing (if considered necessary by the Court of Appeal).

A judgment will then be rendered by the Court of Appeal and served on the parties.

The period for filing the appeal is 10 working days.

Legal basis and case law

Article 273 Spanish Criminal Code
Articles 757 to 793 Spanish Criminal Procedural Act

XII Additional options

Other available options in Spain

Border control measures

Where the patent holder whose application to the customs authorities to identify goods suspected of infringing an IP right has been granted, the customs authorities shall suspend the release of the goods or detain them, granting the applicant a 10-working days period to provide any relevant information with respect to the goods. The customs authorities may also provide the applicant with information about the actual or estimated quantity of goods, their actual or presumed nature and images thereof, as appropriate.

Within this term of 10 working days, if the applicant has confirmed in writing to the customs authorities, that in his opinion, an IP right has been infringed or if the other party has confirmed in writing to the customs authorities his

agreement to the destruction of the goods, the goods shall be destroyed under customs control. Where the other party has not confirmed his agreement to the destruction of the goods nor notified his opposition thereto to the customs authorities within those deadlines, the customs authorities may deem the other party to have confirmed his agreement to the destruction of those goods.

The Spanish customs authorities shall grant the release of the goods or put an end to their detention, immediately after completion of all customs formalities, if within the 10-working day period, they have not received both the written confirmation from applicant that, in his opinion, an IP right has been infringed and his agreement to destruction, unless those authorities have been duly informed about the initiation of proceedings to determine whether an intellectual property right has been infringed.

Non-compliance with an order

Customs authorities are competent in case of non-compliance.

Non-compliance may result in seizure and destruction of the goods and, as the case may be, initiation of civil or criminal proceedings.

Legal basis and case law

EU Regulation 608/2013 concerning customs enforcement of intellectual property rights

Finland

I Evidence

Title of the order

Määräys asiakirjojen tuomiseksi oikeuteen, editio

Basic procedural framework

It is possible to request the court to order evidence to be presented during a patent litigation. Such request is based upon Chapter 17 Article 40 of the Procedural Code, hereinafter "PC".

The competent first instance judicial authority for patent litigation in Finland is the Market Court, which acts as a specialised court in IP matters. The order to disclose evidence would be issued by the Market Court.

The official responsible for enforcing the order is the bailiff (*ulosottomies*) at the Enforcement Office (*ulosottovirasto*). In most cases, the party subject to a disclosure decision voluntarily discloses the evidence subject to a disclosure order. If the evidence is not produced voluntarily, the court may order that the evidence is produced subject to a conditional fine. The court may also order that the bailiff shall enforce the order to produce evidence.

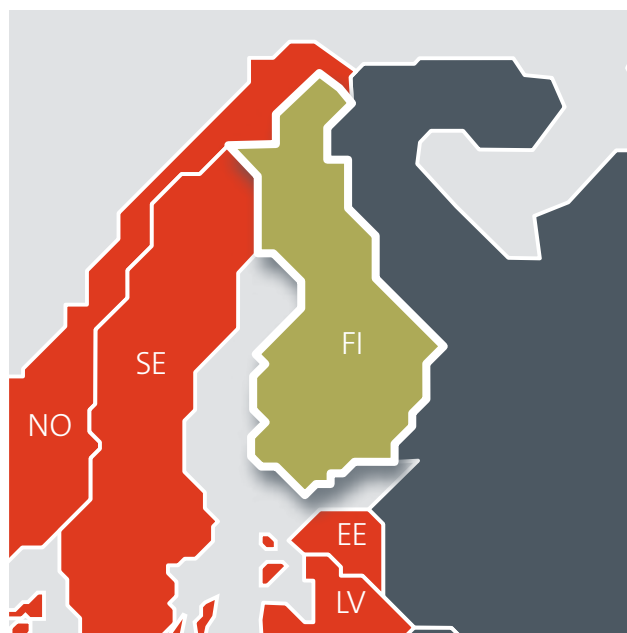
Provision of evidence by third parties

If a document or an object may have relevance as evidence the Market Court (upon application by a party) may also order a third party having control of the evidence to present specified evidence. Such an order would be issued in main proceedings.

Assessment of evidence in support of the application

As Finland has implemented the TRIPS Agreement Art. 6.1 ED did not lead to any substantive changes to Finnish law. The requirement to obtain the disclosure is that the document is in the possession of the other party and that it is relevant as evidence in the court proceedings. The party requesting production of evidence must convince the court that the requested document is relevant as evidence in the proceedings.

Contributor: Rainer Hilli, Roschier (Helsinki), www.roschier.com.



Protection of confidential information

Finland had implemented the TRIPS Agreement so Arts. 6.1 and 6.2 ED did not lead to any substantive changes to Finnish law. The Procedural Code comprises provisions to protect the confidentiality of trade secrets. The court can for example order a certain document to remain confidential for a certain period of time (usually 20 years), which prevents the public from accessing said confidential information.

Non-compliance with an order

If a party does not comply with an order to disclose evidence the Market Court can order a conditional fine that will become payable if the evidence is not disclosed (Chapter 17 Article 40 PC).

Appeal/review

Any appeals against the Market Court order to disclose evidence based upon the PC may be brought before the Supreme Court in connection with the appeal in the main patent proceedings.

The appeals to the Supreme Court are always subject to the Supreme Court granting leave to appeal. The period for filing a request is 60 days from the decision.

Admissibility of evidence

In Finland there is a free evaluation of evidence, so evidence obtained in criminal, administrative or other civil proceedings is generally admissible, as is evidence from foreign proceedings.

Legal basis and case law

The principle of free evaluation of evidence.

II Measures for preserving evidence

Title of the order

Todistelun turvaaminen

Further available measures

The legislation provides the possibility to order “other measures” if needed, but these are not specified in the law and may thus be evaluated on a case-by-case basis.

Basic procedural framework

Prior to initiating main patent proceedings, it is possible to request the court to order seizure and disclosure of evidence bases upon the Act on Preserving Evidence in Industrial and Copyright Matters (*laki todistelun turvaamisesta teollis- ja tekijänoikeuksia koskevissa asioissa*).

The competent judicial authority is the Market Court. The orders for preserving evidence are usually issued in summary proceedings prior to the main proceedings. The official responsible for enforcing the order is the bailiff at the Enforcement Office.

Ex parte requests

The Market Court may also order preservation of evidence *ex parte*. An *ex parte* order may be handed down if the purpose of the order could otherwise be endangered.

Protection available to defendant

“Adequate security” (as referred to in Art. 7.2 ED) is determined by the bailiff enforcing a measure for preserving evidence at its discretion. The Enforcement Office has a wide

discretion when determining the security. The determination is based upon an assessment of the potential damages caused by the measure to preserve evidence should the patentee lose in the main proceedings and the measure would thus ultimately be considered unnecessary.

Appropriate compensation (as referred to in Art. 7.4 ED) is calculated under general rules of Finnish tort law. The applicant has a strict liability for all damage caused to the defendant by the measure to preserve evidence (Section 7 Article 10 PC).

Period to initiate proceedings on the merits

The proceedings on the merits shall be initiated within one month from the decision on the measure to preserve evidence (Section 7 Article C PC).

Witness identity protection

There is no need for provisions on witness identity protection. Witnesses are as a rule, not heard in proceedings for preserving evidence as they are summary proceedings.

Non-compliance with an order

The order to seize and preserve evidence is at the request of the applicant is enforced by the bailiff at the Enforcement Office. Thus, such orders are generally complied with.

A conditional fine may be set by the bailiff if the order is not complied with. This order can be enforced by the Enforcement Office.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order by the Market Court.

Legal basis and case law

Act on Security of Evidence in Matters Concerning Industrial Property Rights and Copyright (74.2000/344)
Enforcement Code (705/2007)

III Right of information

Title of the order

*Tiedonsaanti riita-asiassa*¹

Persons obliged to provide information

No person other than those listed in Art 8.1 ED is obliged to provide information in Finland. In addition, Section 7a of the Act on the Securing of Evidence in Disputes Relating to Intellectual Property Rights (hereinafter Securing Evidence Act) expressly concerns only the infringer, while the information obligation for other involved persons may be fulfilled through witness obligations in the main proceedings.

Types of information to be provided

No information other than that listed in Art. 8.2 ED need be provided.

Competent authority

The Market Court is the competent court to handle the requests based upon Section 7a of the Securing Evidence Act.

Non-compliance with an order

The competent judicial authority is the Market Court.

Under Section 7a(3) Securing Evidence Act, the court may order the respondent to deliver the information under penalty of a conditional fine. The court may order the conditional fine to be paid in case of non-compliance with the order. For the enforcement of such a decision, the Enforcement Code (705/2007) applies. The enforcement will be conducted by the Enforcement Office.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Act on the Securing of Evidence in Disputes Relating to Intellectual Property Rights (344/2000)
Act on Conditional Fines (1113/1990)
Market Court Proceedings Act (100/2013)
Enforcement Code (705/2007)

IV Provisional and precautionary measures

Titles of the orders

Turvaamistoimi and Takavarikko

Basic procedural framework

The competent judicial authority is the Market Court.

The orders may be issued both in separate proceedings before the proceedings on the merits have been initiated, as well as in the main proceedings on the merits. The official responsible for enforcing the measures is the bailiff at the Enforcement Office.

The applicant shall bring an action in the main proceedings or related proceedings within one month of the issue of the order (Section 7 Article 6 PC).

An interlocutory injunction will be revoked if an infringement claim is not initiated within one month from the date of the order (Section 7 Article 6 PC).

¹ Section 7a of the Act on the Securing of Evidence in Disputes Relating to Intellectual Property Rights (344/2000)

Factors considered by the court

Interlocutory injunctions

The injunction may be ordered if all the following requirements are met:

- (i) The applicant must demonstrate that it is probable that he or she has a right that is enforceable against the opposing party by a decision referred to in Chapter 2, Section 2 of the Enforcement Code. Under this requirement, the court will consider whether it is more likely than not that the patent is being infringed.
- (ii) The applicant must also demonstrate there is a reasonable likelihood that the opposing party will in some manner prejudice the enforcement of the patentee's right.
- (iii) The court will consider whether, if an injunction is granted, the opposing party will suffer undue inconvenience in comparison with the benefit for the applicant (Section 7 Article 3 PC).

The Supreme Court set forth (20013:118) that when granting a precautionary measure would mean that the applicant would be able to fully enjoy the rights claimed by his claim already through a preliminary injunction, it is necessary to set a significantly higher requirements for the degree of certainty of the applicant's right than what is required for a general seizure.

Generally, an injunction will not be granted without giving the opposing party an opportunity to be heard. However, if the purpose of the injunction will otherwise be compromised, the court may on the request of the applicant grant an interlocutory injunction *ex parte* (Section 7 Article 5 PC).

Precautionary seizures

Property may be confiscated and ordered to be kept in custody (Section 7 Article 3 PC). The prerequisites for confiscation are the same as for other precautionary measures.

Recurring penalty payments

Recurring conditional fines may be ordered by the Execution Office if a precautionary measure is not adhered to.

Provisional and precautionary measures against intermediaries

Under Section 57b of the Patents Act (hereinafter PA), the court may at the request of the patentee order the operator of a transmitter, server or other similar device or other service provider acting as an intermediary, under penalty of a fine, to suspend the use that has been claimed to infringe the patent. The court will consider whether such an order is reasonable taking into account the rights of the alleged infringer, the transmitter and the patentee.

Circumstances justifying an order for precautionary seizure

A prerequisite for a precautionary seizure is that there is a danger that the defendant will forfeit or destroy property and such danger weakens the fulfilment of the right of the applicant (Section 7 Article 3 PC).

Assessment of required evidence

The applicant should from the outset provide the court with sufficient outcome to convince the court that infringement is probable. The defendant may then provide sufficient evidence to prove that the infringement is unlikely. When it comes to the validity of a patent, the Market Court has applied a strong assumption of validity. The assumption of validity may be challenged e.g. through evidence that makes the validity sufficiently uncertain (Supreme Court 2019:34).

Conditions justifying *ex parte* order

The order will not generally be granted without giving the other party an opportunity to be heard. However, if the purpose of the precautionary measure is likely to be compromised the court may, on the request of the applicant, issue an interim order *ex parte*. *Ex parte* orders may be ordered in cases of extreme urgency (Section 7 Article 5 PC).

Protections available to the defendant

Security is generally required when a precautionary measure is enforced (Enforcement Code Section 8 Article 2).

For precautionary measures, the bailiff has a wide discretion in determining security (as referred to in Art. 9.6 ED).

An applicant who has unnecessarily resorted to a precautionary measure against an alleged infringer has strict liability to compensate the opposing party for the damage caused by the precautionary measure and its enforcement. Thus, the amount of the security should be sufficient to cover the potential damage to the defendant should it turn out that the precautionary measure has been unnecessary (Section 7 Article 11 PC).

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Code of Judicial Procedure (4/1734)
Patents Act (550/1967)
Coercive Measures Act (806/2011)
Act on Conditional Fines (1113/1990)
Market Court Proceedings Act (100/2013)
Enforcement Code (705/2007)

The Supreme Court decision 2003:118
The Supreme Court decision 2019:34

V Corrective measures

Titles of the orders

Jakelukanavasta takaisinvetäminen
Lopullinen poistaminen markkinointikanavasta
Hävittäminen

The first two are only Finnish translations of provisions in the Directive, as equivalent procedures are not included in the Finnish legislation. Under Finnish law, all such measures were considered as included in the section concerning destruction of goods, and no further changes were introduced when the Directive was implemented.

Other available measures in Finland

The measures for the destruction of goods are set out in Section 59 PA. This provision has been held to cover all of the corrective measures mentioned in Art. 10.1 ED.

It additionally sets out that the court may order the patented products manufactured without the consent of the patent proprietor, or objects whose use would constitute patent infringement, shall be altered in a specified manner or be impounded for the remainder of the term of the patent.

In the case of patented products, the court may order the products to be surrendered against payment of their value to the claimant. This does not apply to anyone who has acquired such objects of property or special rights in respect of such objects in good faith and who has not himself infringed the patent.

Lastly, the property may be seized if it is reasonable to assume that an offence referred to in Section 2, Chapter 49 Penal Code or in Section 57 PA has been committed. In these cases, the provisions on seizure in the Coercive Measures Act apply. For more on criminal matters, see Part XI “Other appropriate sanctions” below.

Basic procedural framework

The competent judicial authority is the Market Court. These orders are issued in the main proceedings. The official responsible for enforcing the measures is the bailiff at the Enforcement Office.

The claimant may ask for two of the abovementioned measures in parallel. The measure must be deemed reasonable to prevent further infringement and does not apply to any third party who has acquired infringing objects or rights in respect of such objects in good faith.

The defendant is liable to pay the necessary costs of enforcement measures undertaken by the bailiff. Should the costs not be covered by the defendant e.g. due to insolvency, the applicant will be liable for the costs.

Assessment of proportionality for ordering remedies

The court must in general take into consideration all the circumstances (as referred to in Article 10.3 ED) of the specific case to determine proportionality. Unnecessary destruction of property should be avoided.

Evidence of destruction

There are no provisions in Finnish law on how to prove that evidence has been destroyed. Generally, the bailiff would report on the destruction.

Non-compliance with an order

The competent judicial authority is the Enforcement Office. For the enforcement of such a decision, the Enforcement Code (705/2007) applies.

See above Part II “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part I “Non-compliance with UPC-issued order”

Legal basis and case law

Patents Act (550/1967)
Enforcement Code (705/2007)

VI Injunctions

Title of the order

Kielto (tuomio)

Basic procedural framework

The competent judicial authority is the Market Court (Section 9 Article 57 PA). If needed the claimant may seek the assistance of the bailiff in enforcing the injunction ordered by the Market Court.

Injunctions against intermediaries

The claimant may request an injunction against intermediaries in patent proceedings and such injunctions are also enforceable (Section 9 Article 57 (a) PA).

Compulsory licence as a defence

It is possible to plead a compulsory licence as a defence in infringement proceedings (Section 6 Article 4 PA).

Court’s discretion if finding of infringement

The court has discretion whether to issue an injunction or not, but as a rule, a permanent injunction is issued (Section 9 Article 57 PA).

Non-compliance with an order

Continued infringement in breach of court can order be considered a criminal offence with fines and/or imprisonment as sanctions (Criminal code Section 49 Article 2, Section 7 Article 57 PA).

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

The Patents Act (550/1967)
Market Court Proceedings Act (100/2013)
Enforcement Code (705/2007)
Criminal Code (39/1889)

VII Alternative measures

Article 12 ED is optional, and the Finnish legislator has not transposed it.

VIII Damages

Calculation methods available in Finland

The Finnish Patents Act provides that the patentee shall be entitled to receive reasonable compensation for the infringing use and compensation for additional damage

caused by wilful and negligent infringement if the infringement is not wilful or negligent compensation for use shall be awarded out if considered reasonable (Section 7 Article 58 PA).

The methods for calculation of the reasonable compensation and damages may vary from case to case. However, reasonable compensation is usually based upon an estimation of a reasonable royalty that would be paid for the innovation having been infringed. The additional damages are generally based upon claims for lost based upon claims for lost profits due to the competition of the infringing product.

Basic procedural framework

The determination of damages is part of the main infringement proceedings unless otherwise requested by the parties and ordered by the court. The Market Court may decide to handle infringement first and the damages claim after a final decision on infringement.

Methods of calculation

The courts have in patent infringement cases based the rulings (depending on what has been claimed) on both reasonable royalty and damages such as lost profits end result is often lump sum based on a general assessment by the court.

Evidence of lack of knowledge

If it is found by the court that the infringement has not been conducted wilfully or negligently the end compensation for use (reasonable royalty) shall be ordered if that is found reasonable.

Non-compliance with an order

If the damages remain unpaid regardless of enforcement by the bailiff, the patentee may initiate bankruptcy proceedings against the defendant.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

The Patents Act (550/1967)
Enforcement Code 705/2007
Market Court Proceedings Act (100/2013)

IX Legal costs

Overview of assessment of costs

The general principle is that all legal costs of the successful party is compensated by the unsuccessful party. Generally, this would mean the legal fees and other expenses of legal counsel. The amount of such fees may be challenged by the unsuccessful party and the court may adjust the costs downwards.

All costs and expenses that are considered reasonable for the handling of the litigation constitute “legal costs and other expenses” as referred to in Art. 14 ED. The costs are decided in the made infringement action.

Legal basis and case law

Code of Judicial Procedure (4/1734)

X Publication of judicial decisions

Title of the order

Tietojen julkistaminen

Basic procedural framework

A judgment finding that the defendant has infringed a patent may be published. In most cases it is reasonable that a summary of the judgment is published containing the relevant information. The summary would be prepared by the claimant. When necessary, the judgment may be published in full. Only those parts of the judgment that are public according to regulation on the publicity of proceedings may be published.

The court shall in its decision order which publication measures the claimant may use at the expense of the defendant. A suitable action is often publishing a newspaper advertisement containing relevant information from the judgment. It would be sufficient to publish this notice in a trade journal and a prominent local newspaper. If the publication is national, the notice may also be published in a national magazine. The claimant may also draft a short notice about the judgment and send it to their interest groups or associations or publish it on their website.

When deciding to issue the order and its contents, the court shall consider the overall likely impact of the publishing, the nature and scope of the infringement, the costs of publishing and other similar matters.

Non-compliance with an order

See Part I “Non-compliance with an order”. No specific sanctions have been identified within the scope of this research.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Patents Act (550/1967)
Code of Judicial Procedure (4/1734)
Government Bill 26/2006 implementing the Enforcement Directive

XI Other appropriate sanctions

Name and type of sanctions

When Article 16 ED was implemented, no new sanctions were introduced, but other available sanctions stayed in place:

- A fine may imposed for an intentional violation of a patent right (patent offence) under Section 57(2) PA.
- A or a fine or imprisonment of up to two years may be imposed for an industrial property right offence under Section 2 of Chapter 49 of the Criminal Code (39/1889).

However, if an act is punishable as an industrial property right offence, an administrative sanction may not be imposed.

Non-compliance with an order

The competent judicial authority for both sanctions mentioned above is the Helsinki District Court.

In criminal proceedings, an indictment for violation of a patent right may be brought by the prosecutor at the request only of the injured party.

Appeal/review

In criminal matters, the decision of the District Court may be appealed to the Court of Appeals. For such an appeal, leave is required.

Notwithstanding the above, a defendant in a criminal case in which a sentence more severe than an eight-month imprisonment has been imposed does not require leave. In assessing the severity of the sentence, no consideration is given to a fine or other penal sanction imposed in addition to imprisonment.

The prosecutor or the injured party does not need leave of continued consideration in any respect in a case in which a sentence more severe than imprisonment for eight months has been imposed on the defendant, and the appeal concerns the offence of which the defendant has been found guilty or the sentence imposed on the defendant.

The period for filing an appeal is 30 days from the day on which judgment was issued.

Legal basis and case law

Patents Act (550/1967)
Criminal Code (39/1889)

XII Additional options

Other available options in Finland

For legislation on criminal proceedings, please see Section XI “Other appropriate sanctions” above.

As regards border measures, the customs authority may carry out controls to prevent market entry where goods have been illegally produced or marketed. To this end, the EU Regulation 608/2013 applies.

The competent authority for border measures is Finnish Customs.

The customs authority mainly controls goods for which right holders have filed an application, and the application shall be made to the Finnish Customs in accordance with the requirements of the EU Regulation 608/2013. Applications may be made by post or email. Usually, an application is valid for a year and must be renewed thereafter.

Non-compliance with an order

The Customs may use various sanctions specified in the EU Regulation 608/2013 and the Customs Act (304/2016), such as detention of goods, destruction of goods, as well as a fine of between EUR 50 and EUR 3 500 for partly or wholly neglecting an obligation set out in the Regulation (Section 96(1)(6) Customs Act).

Legal basis and case law

EU Regulation 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No 1383/2003
Finnish Customs Act (304/2016)

France

I Evidence

Title of the order

Production forcée de pièces (procedure to present evidence).

The French legislator did not implement Art. 6 ED, because the French legal framework sufficed to comply with the requirements of this article and provides for the possibility to order a party to disclose evidence.

Basic procedural framework

The judicial authority¹ which is competent to issue such an order is the judge which would rule on the merits of the case. However, the case management judge has exclusive jurisdiction to authorise such an order, as soon as appointed and until closure of the proceedings, in accordance with Article 771 (5) of the French Code of Civil Procedure (hereinafter CCP).

Such evidence may also be ordered following a request in main proceedings or in preliminary proceedings (Article 145 CCP).

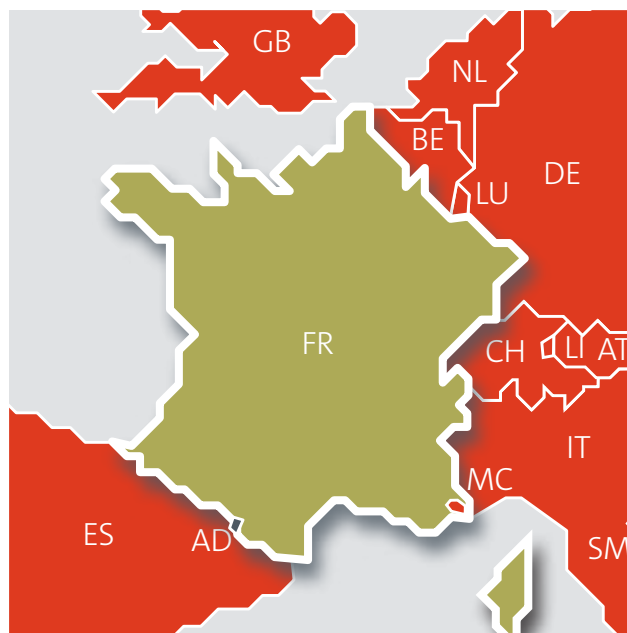
The claimant serves the order on the other party to enforce the measure.

Provision of evidence by third parties

With regard to the procedure to present evidence, a third party is treated by the CCP the same way as a party to the proceedings (Article 10 of the French Civil Code (hereinafter CC) and Articles 138 to 141 CCP).

Assessment of evidence in support of the application

In France “reasonably available evidence” as referred to in Art. 6.1 ED is not foreseen. According to the CCP, the judge may grant the order if the request seeks an identified document which is relevant to the protection of a legally recognised right.



Protection of confidential information

In order to protect confidential information, the judge may order the disclosure of a redacted document, instead of the full document.

Moreover, the party or the third party may refuse to comply with the order if a “lawful impediment” (e.g. professional secrecy, trade secrets) exists (Article 10 CC and Articles 11 and 141 CCP).

Non-compliance with an order

Where the defendant or the third party refuses to comply with the order, the claimant may request the payment of penalties, if foreseen in the order (Article 139 CCP) and damages (Article 10(2) CC).

The judge who granted the order or the judge who has jurisdiction on the merits of the case is competent in case of non-compliance with the order if the order provides so.

In the case where the judge ruling on the merits did not reserve the right to enforce the penalty payment he ordered, the *juge de l'exécution* (enforcement judge), who is the judge of the tribunal de grande instance generally competent to hear all disputes arising in connection with enforcement, will rule on the payment of the penalties.

¹ The *tribunal de grande instance* or the *cour d'appel* of Paris are the competent judicial authorities to deal with patent matters in France

A judge may also take into account non-compliance with the order (Article 11(1) CCP) when deciding the issue to which the order relates and accept from the defendant's behaviour the truth of the claimant's allegation.

Appeal/review

In the case where the order has been rendered against a third party, a request for revocation or modification (*référé-rétractation*) of such an order may be submitted by the latter to the judge who handed down the order, according to Article 141 CCP. There is no time limit for the third party to file a request for revocation or modification of the order. If such request is filed and the judge dismisses it, the time limit for a third party to lodge an appeal is 15 days from the day the order of dismissal is issued.

In the case where the order has been rendered against a party to the proceedings on the merits, an appeal may be lodged by the latter, but only along with an appeal on the judgment on merits. The time limit for this party to lodge an appeal is one month from the day the judgment on the merits is served (plus one month if the appellant is domiciled in a French overseas and plus two months if such party is domiciled abroad).

In both cases, the appeal is lodged before the Court of Appeal.

When the order has been handed down in preliminary proceedings (Article 145 CCP), an appeal can be lodged within 15 days following the order (except for an *ex parte* order, against which a request for revocation or modification may be submitted by any interested party).

Admissibility of evidence

From other national proceedings

Evidence obtained in criminal proceedings are inadmissible in civil proceedings as long as criminal investigations are pending because of the secrecy of the investigation phase (French Code of Criminal Procedure, Article 11).

However, no legal or regulatory provision, which could constitute a "legitimate impediment" according to Articles 11 and 141 CCP, prevents the admissibility in civil proceedings of evidence legally obtained in criminal proceedings when criminal investigations are terminated.

In civil proceedings, evidence obtained in civil proceedings (e.g. through a *saisie-contrefaçon*) or in administrative proceedings can be used, as long as such evidence was legally obtained and contains no confidential information belonging to a third party.

From foreign proceedings

From the point of view of French law, nothing prevents the production of evidence obtained in foreign proceedings² before a French judge.

Regarding evidence of a legal fact such as a finding of infringement in foreign proceedings, the principle of freedom of evidence allows the submission to the French judge of that factual evidence legally obtained abroad. Such factual evidence may at least constitute *prima facie* evidence before the French court.

Evidence obtained in French proceedings (e.g. through a *saisie-contrefaçon*) may also be used before courts of foreign countries, unless French courts have limited the use of such information to the pending French proceedings.

Legal basis and case law

Article 10 French Civil Code

Articles 11, 138 to 142 and 145 French Civil Procedure Code

II Measures for preserving evidence

Titles of the orders

Saisie-contrefaçon which includes a *description détaillée (avec ou sans prélèvement d'échantillon) des produits ou procédés prétendus contrefaisants* and/or a *saisie réelle des produits prétendus contrefaisants*.

Further available measures

The *saisie-contrefaçon* may also include a detailed description of materials used in the production and/or the distribution of the infringing goods, and documents relating thereto.

² For the admissibility of testimonies gathered in the course of a US discovery: TGI Paris, 3e ch., 2e sect., 29 sept. 2016, RG n° 15/00961.

Basic procedural framework

The persons having standing to request an authorisation for a *saisie-contrefaçon* are, in accordance with Articles L. 615-2 and L. 615-5 of the French Intellectual Property Code (hereinafter IPC), those having standing to bring an action for patent³ infringement, namely (i) the owner (as well as the co-owner) and (ii) the exclusive licensee (the non-exclusive licensee does not have standing to request a *saisie-contrefaçon*).

In respect of patents, the petition to be authorised to perform a *saisie-contrefaçon* must be submitted to the presiding judge of the *tribunal de grande instance* of Paris (before proceedings on the merits have been initiated) or to the presiding judge of the chamber of the *tribunal de grande instance* to whom the case has been allocated (if proceedings on the merits are already pending)⁴.

To obtain a *saisie* order, the claimant (the patentee or the exclusive licensee) should prove that it owns the patent at stake (i.e. that the patent has not been transferred) and that the patent is still in force (i.e. that the yearly fees have been paid).

The petition submitted to the presiding judge explains the reasons to be granted such order and usually relies on *prima facie* elements that infringement is likely. The right holder does not need to provide evidence with regard to the elements referred to in Art. 9.4 ED.

The order is granted *ex parte* (i.e. without the other party being aware of the grant of the order) and authorises a bailiff usually assisted by at least one patent attorney, both chosen by the petitioner, to enter the defendant's premises to search for evidence of the infringement. The order authorises the bailiff to gather evidence of the infringement (i.e. reproduction of the patent claim and infringing acts) as well as the breadth of the infringement.

To evidence the reproduction of the claimed product or process, the bailiff is authorised to take pictures of the accused device, to describe it in his report but also to take samples thereof (but no stocks). Copies of commercial brochures, adverts, technical documentation, user manual etc. can also be seized. To evidence the breadth of the infringement, the bailiff is usually authorised to gain access to accounting information (i.e. sales, stocks, etc.). Information regarding the channel of commerce, importers, manufacturers can also be obtained.

The bailiff records all the evidence gathered during the *saisie-contrefaçon* in a report to which all seized documents are attached. This report is handed down to the petitioner immediately after the *saisie-contrefaçon* with all samples, unless the seized party opposes to this communication by alleging that the seized documents contain trade secrets.

Proceedings for patent infringement should be started within 31 days after the *saisie*. Failing such action, the *saisie* is void and null; and all seized documents and samples shall be given back to the seized party, who may also claim damages for the harm caused by the *saisie*.

Challenge of the *ex parte* requests by any interested party

A request for revocation or modification of a *saisie-contrefaçon* order (*référé-rétractation*) may be submitted by the defendant upon receiving notice of the order to the judge who issued it, in accordance with Article 496(2) CCP: "Where the request is granted, **any interested party** can refer the matter back to the judge who handed down the order". The request for revocation may also therefore be submitted by any third party who has an interest in a review of the *saisie-contrefaçon* order. This would be the case when a *saisie-contrefaçon* is carried out against a person other than the alleged infringer.

The judge who issued the order (i.e. the presiding judge of the *tribunal de grande instance* or, in the case where the request for a *saisie-contrefaçon* is submitted during the course of main proceedings, the presiding judge of the chamber of the *tribunal de grande instance* to whom the case has been attributed), has the right to modify or revoke it "even when the matter has been referred to the judge addressing the merits of the case", according to Article 497 CCP. There is no time limit for filing a request for revocation or modification of the order.

Ex parte requests

See "Basic procedural framework" above.

Protection available to defendant

Adequate security (as referred to in Art. 7.2 ED) may take the form of a payment into court or a deposit intended to guarantee compensation for harm the defendant may suffer harm resulting from the *saisie*.

³ The rules set out for the *saisie-contrefaçon* for patents are, *mutatis mutandis*, applicable to *saisie-contrefaçon* for utility certificates and supplementary protection certificates.

⁴ TGI Paris, 3e ch., 3e sect., 14 janv. 2009, RG n° 07/11208, PIBD 2009, n° 901, III, 1267, *Jurinpi* B20090030 – Paris, pole 5, ch. 1, 2 juin 2015, RG n° 14/03083.

In practice, security is very seldom ordered. However it was so ordered in a case where the defendant alleged that the *saisie-contrefaçon* was intended to allow the claimant to obtain commercial information on the defendant which it could not obtain otherwise⁵.

Appropriate compensation as(referred to in Art. 7.4 ED) for any injury caused to the alleged infringer by the *saisie* measures is based upon general principles of civil liability provided for in Article 1240 CC.

The amount of the compensation is assessed according to the harm suffered (such as harm to the reputation of the seized party).

Period to initiate proceedings on the merits

In accordance with the provisions of Art. 7 ED, the period to initiate proceedings on the merits – in practice, the claimant has to serve a summons – is “twenty working days, or thirty one calendar days, whichever is the longer, from the day on which the seizure or the description took place” (Article R. 615-3 IPC).

Witness identity protection

There are no measures to protect witness identity in civil matters. In criminal matters, witness’ identity may be protected in accordance with Article 706-57 et seq. of French Code of Criminal Procedure, in particular, in the event of serious danger to the life or to the physical integrity of the witness. But these provisions do not apply in IPR disputes brought before civil courts (i.e. the vast majority of them).

Non-compliance with an order

The defendant cannot legally oppose the execution of the *saisie-contrefaçon* operations (for example, he cannot refuse the entry to the bailiff nor to provide him with the requested documents). The bailiff has then the right to oppose any resistance on his part, if so, with the help of a police officer.

In addition, the defendant’s refusal to cooperate may be interpreted by the court ruling on the merits as a presumption of guilt.

The court has also jurisdiction in case of non-compliance by the claimant of the *saisie-contrefaçon* operations with the order.

Indeed, the grounds for nullity of the *saisie-contrefaçon* report, such as non-compliance with the order, are defences on the merits (instead of pleas of nullity) and may be raised at any time (Article 72 CCP⁶).

In case of non-compliance with the order, the *saisie-contrefaçon* report may be held void by the court (the report can no longer be invoked by the right holder) “without prejudice to the damages that may be claimed” (IPC, Article L. 615-5, subparagraph 5).

Appeal/review

An order rejecting or granting only in part a request for provisional measures may be appealed by the claimant (Article 491(1) CCP). The time limit to lodge an appeal is fifteen days from the day the order is issued.

The statement of appeal is lodged with the clerk’s office of the court who handed down the decision. The judge can revise his order or transmit it to the *cour d’appel*. The appellant is informed within one month of the judge’s decision (Articles 950 to 953 CCP).

A request for revocation or modification of the *saisie-contrefaçon* order (*référé-rétractation*) may be submitted by the defendant upon receiving notice of the order to the judge who issued it, with no time limit and even when the matter has been referred to the judge addressing the merits of the case.

Non-compliance with UPC-issued order

Article 82 UPCA and Rule 354 of the Rules of Procedure (RoP) provide that: “[...] Enforcement shall take place in accordance with the enforcement procedures and conditions governed by the law of the particular Contracting Member State where enforcement takes place” such that the French *juge de l’exécution* (enforcement judge) will have jurisdiction to force the defendant to comply with the order.

⁵ TGI Paris, 3e ch., 1re sect., ord. réf. rétract., 4 mai 2010, RG n° 10/04663.

⁶ Com. 19 janv. 2010, n° 08-18732 – Com. 14 setp. 2010, n° 09-69862 – Com. 29 mars 2011, n° 09-16330 and n° 09-68144.

Legal basis and case law

Article L. 615-5 IPC

III Right of information

Title of the order

Droit d'information or droit à l'information.

Persons obliged to provide information

No persons other than those listed in Art. 8.1 ED are obliged under French law to provide information.

Types of information to be provided

No types of information other than those outlined in Art. 8.2 ED are foreseen in French legislation to be provided.

Competent authority

Judicial authorities competent to order the provision of this information are the court ruling on the merits of the case and the judge in charge of the case preparation.

A right of information request may also be submitted to a judge in preliminary proceedings.

Non-compliance with an order

Judicial authorities competent to order the provision of this information are the panel ruling on the merits of the case and the case management judge, upon request of the claimant.

The sanction in case of non-compliance with the order is a recurring penalty payment.

Appeal/review

A right of information order may be appealed in accordance with the normal appeal procedure.

However, appeal of an order handed down by the case management judge cannot be lodged without an appeal on the judgment on the merits (Article 776 (2) CCP).

The time limit to lodge an appeal is one month from the day the judgment on the merits is served (plus one month if the appellant is domiciled in a French overseas and plus two months if such party is domiciled abroad).

Where the request has been submitted to the judge in preliminary proceedings, the period for an appeal is fifteen days from the date the order is served.

The appeal is lodged before the Court of Appeal.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Article L. 615-5-2 IPC

IV Provisional and precautionary measures

Title of the order

Provisional and precautionary measures belong to the category of *mesures provisoires* and comprise *interdictions provisoires* (interlocutory injunctions) and *saisies conservatoires* (precautionary seizures).

Basic procedural framework

More specifically, the provisional measures are ordered either by the presiding judge of the Paris *tribunal de grande instance* when the measures are required before the proceedings on the merits have been initiated, or by the case management judge once the proceedings on the merits have already been launched.

The measures can be ordered either before the proceedings on the merits have been initiated or in the main proceedings on the merits.

The measures are provisionally enforceable by the bailiff.

Where the measures are ordered before an action is brought on the merits, the claimant must initiate proceedings by civil or criminal means within twenty working days or thirty-one calendar days, whichever is the longer, from the date of the order.

Factors considered by the court

Provisional measures are ordered if the evidence, reasonably available to the claimant, makes it likely that his or her rights are being infringed or that such infringement is imminent. In the case of *ex parte* proceedings, the judge also takes into account whether any delay would be likely to cause irreparable harm to the claimant.

With respect to precautionary seizures, the court will also take into consideration any circumstances likely to jeopardise the recovery of potential future damages.

Recurring penalty payments

Generally, the judge includes recurring penalty payments in the order in which the injunction is granted.

The Court may determine the level of penalty payments at its discretion. However, for the measure to be dissuasive, the court will generally order penalty payments corresponding to two to three times the value of the allegedly infringing product.

Provisional and precautionary measures against intermediaries

The right holder is entitled to bring an action against the alleged infringer or intermediaries.

Circumstances justifying an order for precautionary seizure

These measures are rarely applied in practice. There must be enough evidence that the recovery of damages is likely to be endangered, notably because of insolvency issues. Risks of insolvency must however be sufficiently proven. For instance, the Court of Paris has judged that the mere fact that the activity of the infringer is of an itinerant nature (i.e. a circus) is not sufficient in itself to trigger an order for precautionary measures (TGI Paris, 11 January 2017, n° 16/56159).

Assessment of required evidence

There must be substantial evidence of infringement. This burden is usually met, as a result of a *saisie-contrefaçon* (see above).

French law requires that the evidence reasonably accessible to the claimant makes it likely (*probable*) that the patent at stake is valid and infringed. The courts generally assess the likelihood of validity and infringement of the patent in substantially the same way as for proceedings on the merits. Therefore in practice, it is difficult for a claimant to obtain a preliminary injunction since the alleged invalidity of the patent is always raised by the defendant.

Conditions justifying *ex parte* order

According to French case law, urgency might, by itself, constitute an appropriate case for an *ex parte* measure even if extremely rare in practice in patent matters. The urgency could stem from the fact that there is a risk that the evidence will disappear (Paris Court of Appeal, 22 October 2008, n° 08/09002), or from the fact that the infringer has already been found to be infringing in the past.

Irreparable harm (as referred to in Art. 9.4 ED) exists when the injunction would be hard to enforce, for example when the infringer resides abroad and is only temporarily on French territory (for example in the case of a trade fair).

Protections available to the defendant

Security (as referred to in Art. 9.6 ED) is generally not ordered but may be so on a case-by-case basis, depending on the facts including the solvency of the claimant.

There are no equivalent assurances (as referred to in Art. 9.6 ED) foreseen in the legislation, but equivalent measures may potentially be ordered by the court depending on the facts of the case.

The court also determines “appropriate compensation” (as referred to in Art. 9.7 ED) depending on the facts of each case.

Should the provisional measure be overturned on appeal or during the proceedings on the merits, the enforcement of the provisional measures granted by the decision would automatically trigger civil liability for the claimant, without the need for the defendant to prove any fault.

The claimant would therefore be ordered to pay damages to the defendant based on the prejudice suffered, as in any other civil proceedings.

Non-compliance with an order

The judge may, when ordering the measure, reserve for himself the power to enforce the penalty payment. Otherwise, the claimant may refer the matter to the enforcement judge (*juge de l'exécution*).

In the latter case, a new judicial procedure is launched, relating only to enforcement. The proceedings will be shorter than infringement proceedings. The court will rule, and a bailiff will enforce the the court's order.

In most cases, the recurring penalty payment provided for in the judgment will be enforced. Nevertheless, the judge has a discretionary power to order damages, enforce the penalty provided for in the judgment, or modify it.

Appeal/review

When the measures are ordered as part of interim proceedings, before the proceedings on the merits have been initiated, the order may be appealed. When the measures are ordered as part of interim proceedings, the time limit for appeal is 15 days as from the notification of the decision.

However, when the measures are ordered by the case management judge during the main proceedings on the merits, such order may only be appealed along with the decision on the merits. When the measures are ordered by the case-management judge, the period for lodging an appeal is one month from the decision on the merits (plus one month if the appellant is domiciled in a French overseas and plus two months if such party is domiciled abroad).

The appeal is brought before the Paris Court of Appeal.

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Article L.615-3 IPC
Articles 490 and 496 CCP
Article L.111-10 of the Code of Civil Enforcement Procedures

Com., 16 September 2014, n° 13-10189 and Com., 6 May 2014, n° 13-11976 (on the urgency justifying *ex parte* proceedings)

Ch. req. , 27 April 1864 (on the fact that the claimant enforces the provisional decision at its own risk). Case law on this point has been firmly established since the beginning of the 19th century and is often reaffirmed. Recent examples of this rule include a Paris Court of Appeal decision in which Negma Laboratories chose to enforce a judgment in its favour that was revoked on appeal. The Court of Appeal condemned Negma Laboratories to pay Biogaran EUR 3 500 000 in damages caused by the enforcement of the judgment (Paris Court of Appeal, 31 January 2014, n° 12/05485).

V Corrective measures

Title of the order

Rappel des circuits commerciaux (recall from the channels of commerce)

[*Produits*] *Retirés définitivement des circuits commerciaux* (definitive removal from the channels of commerce)

Destruction (destruction)

Other available measures in France

Infringing goods may be confiscated from the defendant.

Basic procedural framework

The bailiff enforces the measures.

All corrective measures are requested as part of the proceedings on the merits and may be ordered by the judge in the final order. There are no specific factors to be taken into account by the courts when ordering such measures which are rarely granted. However, the court will always assess the proportionality of the request.

The applicant may ask for two of the measures in parallel. An order for confiscation of the products is often made together with an order for their destruction.

Assessment of proportionality for ordering remedies

Proportionality is taken into account as a general principle applicable to all measures.

Evidence of destruction

Generally, destruction is officially reported by a bailiff.

Non-compliance with an order

See Part IV “Non-compliance with an order”.

Appeal/review

The defendant will appeal the decision according to the normal appeal procedures. The period for filing a request before the Paris Court of Appeal for an appeal is one month (plus one month if the appellant is domiciled in a French overseas and two months if such party is domiciled abroad).

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”

Legal basis and case law

Article L. 615-7-1, IPC

Civ.1, 12 July 2012, n° 11-13666 (on the proportionality of the sanctions)

Com., 17 June 2003, n° 01-12307 (on the possibility to request forfeiture notwithstanding a request for damages)

VI Injunctions

Title of the order

Permanent injunctions are not expressly foreseen in the IPC but are granted pursuant to the provisions of this code defining the infringing acts which read: “The following shall be prohibited, save consent by the owner of the patent: (...)”. The use of the word “shall” is the basis for prohibiting the infringing acts. An injunction is therefore granted save in exceptional cases. It is referred to in the case law as *interdiction*.

Basic procedural framework

A permanent injunction is ordered in the final judgement on the merits which decides on validity and infringement of the IPR at stake. The grant of an injunction is not subject to a separate hearing and decision.

Injunctions against intermediaries

An action may be initiated against intermediaries either as party to the proceeding against the main alleged infringer or to separate proceedings.

Compulsory licence as a defence

Apart from the legally defined compulsory licences, the IPC does not expressly foresee the possibility to grant compulsory licences instead of an injunction in infringement proceedings.

Court’s discretion if finding of infringement

Case-specific facts may lead the patentee to refrain from requesting an injunction. This may be the case in relation to standard essential patents, or for ethical and/or public health reasons.

The court usually grant provisional enforcement with respect to the injunction; but has discretion to refuse to do so in specific circumstances such that the injunction is not enforceable pending appeal.

Non-compliance with an order

See Part IV “Non-compliance with an order”.

Appeal/review

The defendant will appeal the decision according to the normal appeal procedure. The period for filing a request before the Paris Court of Appeal for an appeal is one month (plus one month if the appellant is domiciled in a French overseas and two months if such party is domiciled abroad).

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Articles L.613-3 and L.615-1 IPC

TGI Paris, 29 November 2013, n° 12/14922 (injunction refused in a case regarding standard essential patents)

TGI Paris, 15 March 2016, n° 16/51152 (injunction refused for ethical reasons)

VII Alternative measures

Article 12 ED is an optional provision that was not implemented into French law. Although pecuniary compensation might be granted as an alternative to an injunction in very specific cases (see Part VI “Compulsory licence as a defence” and “Court’s discretion if finding of infringement”), there is no specific procedure and/or legal regime.

VIII Damages

Calculation methods available in France

Since the implementation of the ED, courts may take into account “all economic negative consequences” of the infringing acts, including lost profits suffered by the injured party, the moral prejudice and the profits made by the infringer.

In addition, the law provides, alternatively, that damages may take the form of a lump sum that is at least equivalent to the royalties or sums that would have been due by the infringer, should the infringer have asked for the authorization to work the patent.

Those provisions thus permit the courts to award damages as close as possible to the actual loss.

Basic procedural framework

The determination of the amount of damages may be part of the main patent infringement proceedings.

The judgment ruling on the merits of infringement may also award provisional damages and order a rendering of accounts by the defendants or appoint a financial expert (more rarely) to assess the full amount of damages.

Once the defendant has rendered accounts, the proceedings resume and the parties exchange pleadings on the calculation of damages. An oral hearing is set and the court issues a judgment on damages, usually within less than a year following the judgment on validity and infringement.

If an expert is appointed, the proceedings are stayed until the expert has drawn up his report, which is provided to the parties and to the court. The proceedings then resume and the parties exchange pleadings on the calculation of damages based on the expert’s report. The court eventually decides the issue of damages without being bound by the expert’s conclusions.

When the determination of the amount of damages is the subject of separate proceedings, the judicial authority competent to decide on such claim is the same judicial authority that decided on the claim for patent infringement.

A right of information request may be submitted to the judge in advance or during those proceedings.

Methods of calculation

The claimant may choose between the lost profits method and the lump sum method to determine damages.

The claimant (patent holder or licensee) can obtain damages amounting to lost profits on the sales which it would have made but for the infringement or to lost royalties on the sales of the infringer which the claimant would not have made absent the infringement.

Alternatively, damages may take the form of a lump sum which would be at least equivalent to the royalties or sums that would have been due by the infringer, should the infringer have asked for the authorisation to exploit the patent. The royalty rate is set with reference to rates usually applied in the relevant field of technology.

In practice, judges often set a royalty rate which is 50% to 100% higher than the market rate, on the grounds that the infringer should not be treated as a licensee to whom a licence has been freely agreed by the patentee before the patent has been found valid by a court.

In addition to these lost profits or lost royalties, the claimant may obtain compensation for its moral prejudice (usually a lump sum).

According to the applicable legal provisions, the court should “take into consideration” the profits made by the infringer to set the damages to be paid to the claimant. Case law is not settled yet on whether these provisions would allow the claimant to get hold of the infringer’s profits instead of damages corresponding to its lost profit and/or lost royalties.

Evidence of lack of knowledge

The fact that the infringer acted deliberately or in bad faith does not impact the amount of the damages awarded to the claimant.

However, so-called “secondary” infringers (i.e. distributors) are only liable for damages if they have been put on notice (i.e. they have been sent a copy of the patent to be asserted against them prior to the infringement action) pursuant to Article L. 615-1(3) IPC .

Non-compliance with an order

The enforcement of the judgment (i.e. the judgment at first instance, in the case where it is provisionally enforceable, or the decision of the court of appeal) is carried out by a bailiff who may, in particular, carry out protective seizures on a debtor’s tangible or intangible property.

In case of opposition of the defendant to the enforcement, the *juge de l’exécution* (enforcement judge), may hear request for damages claimed on the basis of non-compliance with the order.

The enforcement may be referred to the *juge de l’exécution* by the parties serving summons or by the bailiff lodging a statement with the clerk’s office of the judge.

Damages and, if so, recurring penalty payments would be possible sanctions.

Appeal/review

The order to pay damages can be appealed by the claimant or the defendant.

The statement must be lodged with the clerk’s office of the court which handed down the decision.

The time limit to lodge an appeal is one month from the day the judgment is served on the appellant, if the appellant is domiciled in France.

The time to appeal is two months if the appellant is domiciled in a French overseas territory or department and three months if the appellant is domiciled in a foreign country.

Any decision of the *tribunal de grande instance* of Paris rendered in *inter partes* proceedings, such as a judgment on the merits deciding patent infringement, validity and/or damages related issues, is subject to appeal before the Paris Court of Appeal.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Article L. 615-7 IPC

IX Legal costs

Overview of assessment of costs

Under French law, recoverable costs include legal costs and expenses.

Legal costs

Pursuant to Art. 695 CCP, legal costs cover all costs pertaining to proceedings such as fees, taxes, royalties or emoluments levied by the clerk’s offices, costs of translation rendered necessary by the law or convention (translations necessary to serve summons or pleadings abroad pursuant to international agreements, translation of European Patent), fixed-amount disbursements, the emolument of public or ministerial officers and a small share of the lawyer fees (see below “expenses”).

In patent litigation, legal costs may include the fees of the bailiff and of court-appointed experts, which are set according to a rate or a scale.

No fees are to be paid directly to the court.

Pursuant to Art. 696 CCP, legal costs are borne by the losing party, unless the court rules otherwise. The losing party is the party which does not succeed in any of its claims. If both parties lose on some of their claims and win on others, the court may decide to split the expenses between them.

Expenses

Recoverable expenses are determined by the court and mainly consist of the lawyers’ fees, the patent attorney’s fees (if one has been appointed to assist the lawyer) and, if any, party expert fees.

Pursuant to Art. 700 CCP, the party ordered to pay the legal costs or, in the alternative, the losing party shall be ordered to pay the other party's expenses.

The decision on the obligation to bear the legal costs and the amount awarded as a contribution to the winning party's expenses is part of the decision on the merits and subject to appeal. The decision on costs may be provisionally enforceable pending an appeal if the court decides so.

The lawyers' fees which are considered as legal costs are based on a scale ranging between EUR 3 000 and EUR 5 000. They are different of (and should be added to) the lawyers fees falling under the category of expenses.

The court has discretion to set the portion of expenses which will be borne by the losing party. In practice, the sums awarded in this respect remain below the amount of the actual expenses of the winning party.

The highest amount granted to a claimant as contribution to its expenses between 2000 and 2017 was EUR 315 000 (when the median amount out of the 30 highest ones is EUR 72 500). The highest amount granted to a defendant as contribution to its expenses during the same period of time is EUR 550 000 (when the median amount out of the 30 highest ones is EUR 200 000).

Legal aid

The Act N° 91-647 of 10 July 1991 provides for publicly funded legal aid which can be claimed by French individuals (and not for profit organisations) whose revenues are below a set value and re-evaluated every year. Residents of EU member states benefit from this legal aid under the same conditions.

A claimant is only granted legal aid if the action under consideration is not manifestly inadmissible or unfounded.

Legal aid covers expenses (set at a given value) and the legal costs of the beneficiary.

If the claimant's action is dismissed, he may be ordered to pay himself the whole or part of the legal costs of the defendant, unless otherwise decided by the court.

Legal basis and case law

Articles 695 and 696 CCP (legal costs)
Article 700 CCP (expenses)

X Publication of judicial decisions

Title of the order

Mesures de publicité

Basic procedural framework

The court may at its discretion order the defendant to publish the decision in full or in part, in newspapers or online.

The order is made by the court that renders the judgment on the merits.

The court may decide that publication of the judgment is unnecessary. For instance, if the infringed patent has expired (Paris Court of Appeal, 12 March 2014, n° 12/09303). More generally, publication is ordered in cases where the parties are in competition, and in particular where the a party's image has been damaged.

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

The defendant will appeal the decision according to the normal procedure before the Paris Court of Appeal. The period for filing a request for an appeal is one month (plus one month if the appellant is domiciled in a French overseas territory or department and plus two months if the appellant is domiciled abroad).

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Article L.615-7-1, IPC

XI Other appropriate sanctions

See Part XII "Additional options".

XII Additional options

Other available options in France

Criminal measures

In theory, patent infringement may result in criminal sanctions. The criminal route is seldom used by the patent holders due to its lengthy duration.

The right holder may institute criminal proceedings before the *tribunal correctionnel* of the domicile or headquarters of the defendant. In practice, the right holder who wishes to institute criminal proceedings must first file a complaint before the public prosecutor or serve a direct complaint (*citation directe*) before the *tribunal correctionnel*.

Border measures

Border measures (detention, seizure and destruction of infringing goods, customs fine) are also permitted by law. An application for customs action may be submitted by the right holder to the competent authority (i.e. *Direction générale des douanes, Bureau E 4, section de la propriété intellectuelle*). If the application is accepted, the customs services look for goods during their usual checks.

As soon as the customs authorities identify goods likely to infringe a patent, they inform the right holder.

If the applicant confirms that the suspected goods are most likely infringing and if, as a consequence, the goods are detained, the customs authorities must officially notify the detention to the applicant, the declarant or the holder of the goods of its action, as well as the public prosecutor.

This notification triggers a ten-working day time period of detention (three working days when the goods retained are perishable goods).

From that moment, the customs authorities are allowed to communicate to the applicant certain information such as the names and addresses of the sender, the importer and the consignee of the goods detained (that the applicant may use to initiate an action for infringement).

The applicant may also, at its request or at the request of the customs authorities, inspect the detained goods.

In this respect, the applicant must provide the customs authorities with:

- evidence of either protective measure decided by the competent civil jurisdiction (e.g. a *saisie-contrefaçon*) or pending civil or criminal proceedings; and
- a security to cover its potential liability in the event the infringement is not subsequently established;

during this ten-working day time period. If it does not, the detention order is lifted as of right.

However, the infringing goods may be destroyed during the period of detention, under customs officials control where,:

- the applicant has confirmed that the suspected goods are infringing and that the destruction will be carried out under his / her responsibility; and
- the holder of the goods consents to their destruction or does not oppose the destruction.

Non-compliance with an order

Criminal sanctions may be a maximum three years' imprisonment and a fine of up to EUR 300 000.

Legal basis and case law

Articles L. 615-14 et seq. IPC (criminal proceedings)
L. 614-32 et seq. IPC (border measures)

United Kingdom

The following procedures relate to England and Wales. Scotland and Ireland are separate jurisdictions with their own procedures.

I Evidence

Title of the order

Order for disclosure of documents

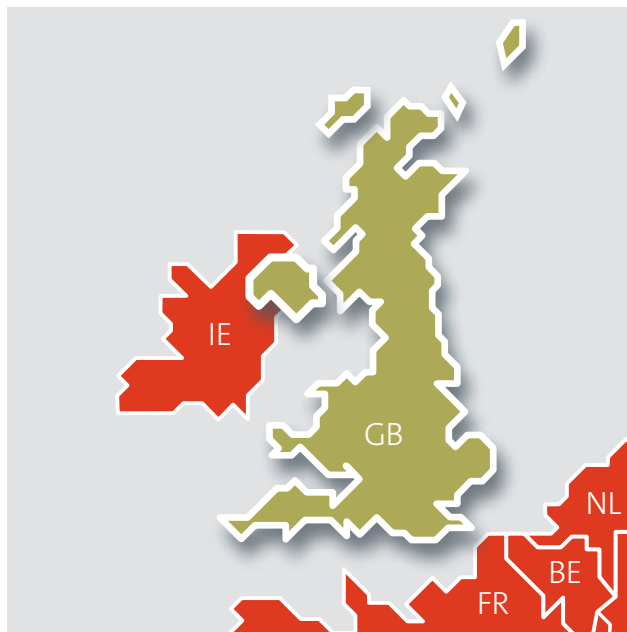
Basic procedural framework

Evidence lying within the control of an opposing party may be obtained as the result of an order for disclosure of documents¹ under the Civil Procedure Rules (“CPR”)². There are general provisions for disclosure in English law which mean that one party can request the other party to provide documents which they have in their possession and/or control during the course of proceedings.

The court may order information to be provided that is relevant to the issues in the proceedings. A traditional order for standard disclosure requires a party to disclose³:

- (a) the documents on which he relies; and
- (b) the documents which –
 - (i) adversely affect his own case;
 - (ii) adversely affect another party’s case; or
 - (iii) support another party’s case; and
- (c) the documents which he is required to disclose by a relevant practice direction elsewhere in the CPR.

Standard disclosure tends to extend to documents relevant to the issues which have been included in the pleadings filed at court when the claim is commenced. Recently, a disclosure pilot scheme has begun operating in the Business and



Property Courts of England and Wales (including the Patents Court) which can limit the disclosure to be provided “to ensure that disclosure is directed to the issues in the proceedings and that the scope of the disclosure is reasonable and proportionate ... in order fairly to resolve those issues...”⁴. Under the pilot, one of a range of disclosure models may be applied with the minimum requirement being for the disclosure of “known adverse documents” up to search-based disclosure that is request-led, or bound by narrow or wide search parameters.

In the context of a patent infringement action, documentary disclosure is not routinely granted by the courts with respect to an allegedly infringed product, even under the standard regime. Instead, an alleged infringer will typically produce or commit to produce a Product and Process Description (a “PPD”) which should enable the court to be able to assess the infringement case⁵. However, if a party provides a PPD which does not address particular claim features, further orders can be made, for example, an order for samples (see *Teva UK Ltd v ICOS Corp* [2016] EWHC 1259). The new pilot scheme envisages the continued use of PPDs in patent infringement cases where appropriate⁶.

GB

1 The term “documents” is broadly defined in civil procedure rules as “anything in which information of any description is recorded”. This definition also applies to electronic documents and will include amongst other things: emails, word documents, database information, information on portable devices, deleted documents and metadata.

2 CPR 31 / Practice Direction 51U

3 CPR 31.6

4 The Disclosure Pilot for the Business and Property Courts, specified in Practice Direction 51U, commenced on 1 January 2019 for a period of two years (and it will continue to apply afterwards to on-going proceedings in those courts). Section I, in particular paragraph 2.4, explains the guiding principles.

5 Paragraph 6.1 in the Practice Direction to CPR 63 (The description has to be supported by a sworn statement from an individual acquainted with the product or process who can be cross-examined at trial)

6 Paragraph 1.5 in Practice Direction 51U

General note: The information contained in this country profile does not reflect the ongoing negotiations between the EU and the UK on a new future partnership.

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Documentary disclosure may, however, be relevant to other issues, such as the acts of infringement (as opposed as to whether a product or process falls within a claim), successor in title and issues on common design/joint tortfeasorship. Note, however, that disclosure with respect to damages (for example, financial loss) arising from infringement is typically dealt with separately after liability has been established (see below at section VIII).

Further, there may be circumstances in which a party can request additional disclosure of specific documents or narrow classes of documents if the party presents reasonably available evidence to support claims that specific documents are within the possession of the other party is presented⁷ or, under the pilot, satisfies the court that varying the original disclosure order is necessary for the just disposal of the proceedings and is reasonable and proportionate⁸.

Neither standard disclosure nor the new disclosure pilot scheme apply to cases in the Intellectual Property Enterprise Court (“IPEC”) (a court intended for disputes between small and medium sized entities), where the parties have to show the court that any disclosure sought is proportionate and necessary to dispose of the case⁹.

In addition to disclosure, a party may also seek orders from the court relating to experiments being conducted in the litigation to provide experimental proof for the purpose of the proceedings and inspection of allegedly infringing processes.

The judicial authority competent to issue an order for disclosure is a judge of the Patents Court or IPEC (both part of the Business and Property Court of the High Court), on application from the relevant party, although the extent of the disclosure can often be agreed by the parties.

The scope of a party’s disclosure obligations will usually be settled by the court at a Case Management Conference, if not agreed between the parties¹⁰. Note that a party’s duty of disclosure continues until the proceedings are concluded.

Therefore, if documents to which that duty extends come to a party’s notice at any time during the proceedings, that party must immediately notify the other parties to the proceedings¹¹.

It is also possible to ask for pre-action disclosure before infringement proceedings have begun¹². The court can make an order before proceedings have started where the applicant and respondent to the application for documents are both likely to be party to future proceedings, the respondent’s duty by way of standard disclosure in such subsequent proceedings would extend to the documents or classes of documents of which the applicant seeks disclosure, and disclosure before proceedings have started is desirable in order to dispose fairly of the anticipated proceedings, assist with resolving the dispute without the need to commence proceedings, or save costs¹³. These types of applications for pre-action disclosure are rare, but have been granted, particularly in the context of requesting disclosure of third party licences¹⁴ and, in a recent case, for the purposes of allowing an assessment of infringement¹⁵.

The parties are responsible for complying with their own disclosure duties. A party may take up non-compliance with an order for disclosure with the court. However, other approaches (which are commonly adopted in circumstances of breach of routine orders in civil litigation), including trying to obtain compliance through correspondence or obtaining a further order of the court, may be available. This is discussed in further detail below.

Provision of evidence by third parties

An application for third party disclosure can be made in the main proceedings¹⁶. As above, the application must be supported by evidence and may only be ordered where the documents sought are likely to support the case of the applicant or adversely affect the case of one of the other parties to the proceedings; or the disclosure is necessary in order to dispose fairly of the claim or to save costs¹⁷.

Assessment of evidence in support of the application

The evidence required to support an application for the disclosure of specific documents can depend on the facts of the case but in most cases information from, for example, a

7 CPR 31.12

8 Paragraph 18 in Practice Direction 51U

9 In *Coloplast A/S v. MacGregor Healthcare Limited*, [2018] EWHC 2797 (IPEC), Judge Hacon indicated that where disclosure is ordered at all in the IPEC it is likely that disclosure will include, as a basic minimum, “known adverse documents” following the lead of the disclosure pilot scheme.

10 Under the disclosure pilot scheme guidance an Order may also be issued at a Disclosure Guidance Hearing, see paragraph 11 in Practice Direction 51U.

11 CPR 31.11 / paragraphs 3.1(2) and 3.3 in Practice Direction 51U).

12 CPR 31.16 (this rule continues to be applicable following the introduction of the disclosure pilot scheme, see paragraph 1.9 and section II in Practice Direction 51U).

13 CPR 31.16(3)

14 *The Big Bus Company v Ticketogo Ltd* [2015] EWHC 1094 (Pat)

15 *Boehringer Ingelheim v Mylan* [2019] EWHC 584

16 An application for disclosure against a person who is not a party to proceedings is permitted under section 34 of the Supreme Court Act 1981, as per CPR 31.17 (this rule continues to be applicable following the introduction of the disclosure pilot scheme, see paragraph 1.9 and section II in Practice Direction 51U).

17 CPR 31.17(3).

former employee that such information/evidence may be available or references in other documents already in the proceedings to the existence of the further information/evidence, can be sufficient. The failure by a party to answer reasonable questions put in correspondence may also support the need for an order from the court.

Protection of confidential information

Except under certain circumstances (such as a court order or agreement between the parties), until a document has been read in open court, it should not be made available to third parties or used for any purposes other than the proceedings in which it was disclosed¹⁸. If a document is confidential then an application can be made to the court to keep the document confidential and prohibit or restrict the use of the document.

It is also possible to set up a “confidentiality club” between the parties to proceedings (typically by agreement, with any disputes as to its terms being resolved by the court) in which only certain named individuals are given access to the confidential information after providing undertakings to the other party which confirm the individual will keep the information confidential. The court will generally take steps to avoid confidential information being read into the public domain at hearings, and can, if necessary, go into private session to do so.

Non-compliance with an order

The court that made the order for disclosure of documents may hear a dispute concerning non-compliance.

In all cases where there is non-compliance with an order, a party will make an application to the court that issued the order to seek enforcement of the order together with evidence. This may include a request for an “unless order” if the first order of the court is not complied with. An “unless order” is an order that, unless a party performs an obligation by a specified date or within a particular period, he will be penalised by the sanction set out in the order. The parties may also try to resolve the non-compliance through correspondence.

Additionally, the court has an inherent power to compel obedience with its orders. A court order can specify the sanctions for non-compliance.

If a party fails to comply with an unless order, they will face sanctions listed in that order which can include parts of their case being struck out.

A suspicion that documents that should have been disclosed have been withheld is, in effect, a suspicion that a false disclosure statement has been signed. It is rare but contempt of court proceedings may be brought against a person who makes, or “causes to be made” a false disclosure statement (or who signs, or “causes to be signed”, a false Disclosure Certificate) without an honest belief in its truth¹⁹. They may also be available where the breached order was served with a penal notice²⁰.

Sanctions for contempt of court include an immediate custodial sentence (ranging from one month in the case of an inferior court to a maximum of two years in the case of a superior court; the High Court, where most patent actions take place, being a superior court), a fine and/or a writ of sequestration against personal property.

Further, if a party fails to disclose a document, it may not rely on it in the proceedings, unless the court gives its permission to do so. If the court is not satisfied that all documents which ought to have been disclosed have been disclosed or expresses concern, it may draw an adverse inference against the defaulting party.

Finally, the court may award costs on an indemnity basis (which is higher than the normal standard basis) as a mark of the court’s disapproval of a party’s conduct²¹.

Appeal/review

The court has a power to vary or revoke its own orders. For example, an applicant who is unsuccessful can in limited circumstances apply for the same order again if rejected at first instance. This includes where there has been a change in circumstances or a party subsequently became aware of facts that it could not reasonably have known at the time of the original hearing/or evidence was misstated. However,

¹⁸ CPR 31.22 (this rule continues to be applicable following the introduction of the disclosure pilot scheme, see paragraph 1.9 and section II in Practice Direction 51U).

¹⁹ CPR 31.23 / Paragraph 23.1 in Practice Direction 51U.

²⁰ In the event that a party wishes to commence committal proceedings, the wronged party will usually make an application to “commit” the individual(s) who breached the injunction using a specific procedure and form of claim detailed in Part 8 of the Civil Procedure Rules. The only exception to this is if the breach has been carried out during ongoing proceedings, in which case the wronged party may make an application directly in those proceedings. There are specific procedural rules which relate to a claim for contempt of court, which are detailed in Part 81 and Practice Direction 81 of the Civil Procedure Rules. Strict compliance with these specific rules is vital, given the liberty of the accused is potentially at stake, and any procedural irregularities may result in the claim failing (*Giles v Tarry and another* [2012] EWCA Civ 1886)

²¹ *Samsung Electronics (UK) Ltd v Apple Inc (No.2)* [2012] EWCA Civ 1430

the court discourages parties from relitigating the same issues unless there are good grounds.

Otherwise, either party may appeal the order after an on-notice hearing in the usual manner (i.e. by filing an appellant's notice). For final orders made by the Patents Court or IPEC, the appellate court will be the Court of Appeal.

A party wishing to appeal from the Patents Court (or IPEC) to the Court of Appeal must seek permission from the Patents Court (or IPEC) at the hearing relevant to the order, or, from the Court of Appeal in the party's appellant's notice (which, unless extended, must be filed within 21 days from the date of the decision of the lower court).

The first judicial authority competent to hear the appeal will be the Court of Appeal. A further appeal may in exceptional circumstances be heard before the Supreme Court if there is an arguable point of law of general public importance.

Admissibility of evidence

The evidence gathering mechanisms available through the courts of England and Wales mean that it is not usually necessary to seek evidence from other EU courts. However, it is possible to use evidence in the courts of England and Wales that has been obtained in other jurisdictions (subject to any procedural or other regulations in the country in which the evidence was gathered regarding the use of that evidence in other countries).

For evidence used in national civil and administrative proceedings, once a witness statement or disclosure document has been read in court, unless subject to a confidentiality order, the document is public and can be used in other proceedings. Before this time it may be possible to use this evidence if permitted by the court or the other party. It is also possible for public documents from criminal proceedings to be used in civil proceedings.

In relation to expert evidence guidance has been given by the court in *L'Oréal v. Bellure* [2006] EWHC 1503, in which it was found that the CPR provisions preventing use of documents for any purposes other than the proceedings in which it was disclosed do not apply to expert evidence. The court accordingly concluded that there is no rule or privilege which a party can claim in respect of a report once it has been disclosed in an action. Subsequently, in *Illumina v TDL*

& *Ariosa* [2019] EWHC 1159, it was held that the permission of the Court was not required to rely on expert evidence adduced in an earlier case, although the weight likely to be given to it would be low since the expert would not be testifying in support (i.e. the normal rules on hearsay evidence would apply).

Legal basis and case law

Part 31 of the Civil Procedure Rules ("CPR")
Practice Direction 51U to CPR 51
Paragraph 6.1 in the Practice Direction to CPR 63
Section 34, Supreme Court Act 1981
CPR Part 8
CPR Part 81 and Practice Direction 81
Teva UK Ltd v ICOS Corp [2016] EWHC 1259
Coloplast A/S v. MacGregor Healthcare Limited [2018] EWHC 2797 (IPEC)
The Big Bus Company v Ticketogo Ltd [2015] EWHC 1094 (Pat)
Boehringer Ingelheim v Mylan [2019] EWHC 584
Giles v Tarry and another [2012] EWCA Civ 1886
Samsung Electronics (UK) Ltd v Apple Inc (No. 2) [2012] EWCA Civ 1430
L'Oréal v. Bellure [2006] EWHC 1503
Illumina v TDL & Ariosa [2019] EWHC 1159

II Measures for preserving evidence

Titles of the orders

Search order, search and seizure order, Product and Process Description

Basic procedural framework

A physical seizure of the infringing goods or materials and documents relating thereto is effected under a search order, or a search and seizure order, in England and Wales²². This type of order was formerly known as an Anton Piller order following the Court of Appeal judgment in *Anton Piller KG v Manufacturing Processes Ltd* [1976] Ch 55. Such an order is a type of mandatory interim injunction. Such orders are discretionary, with the patentee having to establish three factors before the court, namely, (i) there must be an extremely strong *prima facie* case, (ii) the damage, potential or actual, must be very serious for the patentee, and (iii) there must be clear evidence that the defendants have in

²² Article 7 ED was not specifically implemented into UK law as the courts of each UK jurisdiction already had the power to make search orders. The High Court has the power to grant search orders under s. 7(1) Civil Procedure Act 1997 and the case of *Anton Piller KG v Manufacturing Processes Ltd* [1976] Ch 55. The rules governing search orders are also found at Rule 23 and 25 of the CPR, together with its practice direction 25A.

their possession incriminating documents or things, and that there is a real possibility that they may destroy such material before any on-notice application can be made.

In English patent litigation, it is usual practice for an alleged infringer to be ordered to provide disclosure regarding the alleged infringing product or process and typically the alleged infringer will elect to provide a Product and Process Description (“PPD”) (see Part I above). A PPD must provide full particulars of the product or process alleged to infringe, including if necessary drawings or other illustrations (full particulars means particulars sufficient to enable all issues of infringement to be resolved). A PPD is therefore the English law equivalent of a detailed description of infringing goods under Art 7.1 ED. Usually, if ordered, a PPD will be provided during proceedings.

However, generally speaking, it is feasible to obtain disclosure before the commencement of proceedings under UK law. In relation to provision of a detailed description of infringing goods (a PPD) prior to the commencement of proceedings, a respondent may oppose providing a full PPD on the basis of costs and by arguing that the applicant is merely trying to obtain information in advance of proceedings that would be properly obtained during the course of normal infringement proceedings. It is therefore questionable whether a respondent would be ordered to provide an applicant with a PPD under an order for pre-action disclosure.

Given the mechanisms available to obtain documentary disclosure during the proceedings, it is unusual for the court to grant search/seizure order applications unless there is some reason to believe that the respondent may not comply properly with its general disclosure obligations (for example, by destroying evidence).

As search orders are considered to be one of the most draconian orders that the court can make, the court will also consider whether it can dispose of the issue with a less intrusive order. In particular, if there is insufficient evidence that the defendant would destroy the documents being sought, a different court order will likely be granted. Other possible orders include:

- “doorstep Piller” orders, as first ordered in *Universal Studios Inc v Muktar & Sons Ltd* [1976] FSR 252, which require the defendant to provide the requested materials on service of the order by the claimant’s solicitor, but which does not provide the claimant’s solicitor with the right to enter the defendant’s premises;
- An order for delivery up, which will either require the defendant to deliver specified material up to his/her own solicitor or to the claimant’s solicitor within a specified time. This is often accompanied by an interim injunction to prevent destruction of the material between grant of the order and delivery up. Therefore, such an order may assist in obtaining a detailed description of the infringing goods.

Ultimately, the type of order granted by the court depends on the facts of the case. The court will use its discretion to make the appropriate order in the circumstances. Generally, only judges of the Patents Court have the power to grant search orders. An application should therefore be made to a judge of the Patents Court. In addition, the nominated circuit judge sitting in the IPEC can grant search orders in applicable cases.

Although a claimant may make an application for a search order at any stage of proceedings, most search order applications are made before the issue of a claim.

Search orders are served on the defendant in person by a supervising solicitor, together with any further persons mentioned in the order (i.e. the claimant’s legal team). The supervising solicitor is an independent solicitor with experience of executing search orders. He/she is present as an independent officer of the court. A list of individuals with the relevant experience can be obtained from the Law Society or, in relation to the London area, the London Solicitors’ Litigation Association.

A search order should be carried out in accordance with its terms. The claimant’s solicitors also have a duty to the court (as officers of the court) and, if the execution of the order is not complied with, the claimant may be liable to the defendant for damages.

Ex parte requests

Where an *ex parte* application is made (i.e. without notice), the applicant is under a duty to make full and frank disclosure. This means that they must disclose all matters, i.e. both fact and law, which are material to the court’s decision as to whether to grant the order. This would, therefore, include facts and arguments that support the defendant’s case that no order should be made. If a search order is granted on the basis of evidence which does not provide full and frank disclosure the order may be revoked and the applicant liable for costs.

Whilst the court will be aware of the fact that the full extent of the claim may not yet be known and that evidence may be limited or circumstantial, the applicant is required to show that:

- It has a strong *prima facie* case;
- There is a likelihood of potential or actual serious damage to it; and
- There is a real possibility of destruction or disposal of the material which the applicant believes is in the defendant's possession.

In respect of the first limb, the claimant must have more than a suspicion of a claim and the search order cannot be used as a 'fishing expedition' to obtain evidence which will allow the applicant to determine whether it has a claim against the defendant. In respect of the third limb, it is not enough for the applicant to show that it would be in the defendant's interest to destroy evidence. Evidence of previous evasive conduct or fraud by the defendant will help to show, and allow the court to infer, that there is a real possibility of the destruction or disposal of evidence.

If a search order is granted, the court will fix a return date of an "on-notice" hearing (i.e. in the presence of both parties). This will usually be about one week after the initial, *ex parte* hearing. At the on-notice hearing, the court will review the supervising solicitor's report explaining how the search took place and will consider whether any part of the search order should be continued or varied, and if so, on what terms. The defendant will also have the opportunity to make arguments challenging the search order.

Protection available to defendant

The applicant is required to give an undertaking in damages to the court (together with evidence that the applicant will be able to meet such an undertaking), which can be drawn upon to compensate the defendant if it is subsequently determined by the court that the applicant was not entitled to the order. If the undertaking is enforced, an inquiry is carried out to determine the loss suffered by the defendant because of the order.

Period to initiate proceedings on the merits

If an application for a search order is made before proceedings have been commenced, the applicant will be

required to produce a draft claim form as part of the application. Unless the court orders otherwise, the applicant must undertake to issue the claim form immediately or the court will give directions for the commencement of the claim. The claim form should then, where possible, be served on the other party with the search order²³.

Witness identity protection

The UK has not implemented provisions specific to intellectual property claims concerning protecting witnesses' identity. General provisions may nevertheless apply. For example, the court may order that the identity of any party or witness must not be disclosed if it considers non-disclosure necessary in order to protect the interests of that party or witness²⁴. The court may also hear the concerned witnesses' evidence in private, but will be mindful of balancing the interests of the witness against open justice.

Non-compliance with an order

See Part I "Non-compliance with an order".

Further, a party may wish to commence proceedings for committal for contempt of court which may be used in relation to breach of a search order. However, other approaches discussed in Part I "Non-compliance with an order" may be more suitable.

Appeal/review

See Part I "Appeal/review".

Further, the granting and the terms of the search order will be reviewed at the on-notice hearing. The respondent or any third party directly affected by the order may make an application to vary or set aside the order. See also "*Ex parte* requests" above.

Non-compliance with UPC-issued order

If a party does not comply with the terms of an order of the UPC, that party may be sanctioned with a recurring penalty payment. The individual penalty will be proportionate to the importance of the order to be enforced and will be without prejudice to the party's right to claim damages or security²⁵.

23 Paragraph 4.4. of CPR Practice Direction 25A.

24 CPR 39.2

25 UPC Agreement, Article 82(4). See also Rules of Procedure, Rule 354.3

If it is alleged that a party has failed to comply with the terms of the order of the UPC, the first instance panel of the division in question may decide on penalty payments provided for in the order upon the request of the other party or on its own motion. After having heard both parties the UPC may make an appropriate order which may be subject to an appeal pursuant to Rule 220.2²⁶.

In terms of enforcement, an order of the UPC is functionally an order of the High Court. It may be necessary to “convert” the order by filing the order with the court and having it stamped, following which it should be enforceable in the same way as an order of the High Court. While some aspects of UPC orders, such as the provision of penalty payments, are not currently used in the courts of England and Wales, the enforcement procedure should nevertheless be similar to that described above.

Legal basis and case law

Section 7(1) Civil Procedure Act 1997
 CPR Part 25 and Practice Direction 25A
 CPR Rule 39.2
 UPC Agreement, Article 82(4)
 UPC Rules of Procedure, Rules 220 and 354
Anton Piller KG v Manufacturing Processes Ltd [1976] Ch 55
Universal Studios Inc v Muktar & Sons Ltd [1976] FSR 252

III Right of information

Title of the order

Norwich Pharmacal order

Where information on the origin and distribution networks of goods and/or services which infringe an intellectual property right is required and is in the possession or control of a party to proceedings (or who is intended to be party to proposed proceedings), then an order for disclosure would typically be sought. See Part I “Basic procedural framework” and also “Provision of evidence by third parties”.

If it is not possible to obtain the information via an application for disclosure, then it may be possible to seek the information required from a third party who was involved in the wrongdoing but who will ultimately not be a party to any future proceedings. Such a request is achieved through obtaining a *Norwich Pharmacal* order²⁷. The answers in this

section will focus on obtaining information on infringement by obtaining a *Norwich Pharmacal* order.

Persons obliged to provide information

The scope in England and Wales is wider than that provided in Art 8.1 ED. A *Norwich Pharmacal* order can be obtained against any party involved in the alleged wrongdoing, whether the party seeking the order intends to bring proceedings against that respondent or not. The respondent must be more than a “mere witness” or an “innocent bystander”, but involvement in the wrongdoing is construed broadly.

Types of information to be provided

Norwich Pharmacal orders have traditionally been limited to identifying infringing parties by their names and addresses. However, the courts have been flexible in the extent of the remedy ordered, including ordering the provision of information which identifies the wrongdoing itself. The terms of the order are therefore not strictly limited to the classes of information identified in the Art. 8.2 ED.

Competent authority

Norwich Pharmacal orders have been granted in patent proceedings by the judiciary sitting in the IPEC, Patents Court, Court of Appeal and Supreme Court.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Furthermore, an order against a non-party can be enforced in the same manner as if they were a party to proceedings²⁸.

Additionally, if the order is served with a penal notice (warning the recipient of the dangers of non-compliance) then the sanctions will be those for contempt of court, as described above. Note, however, that proceedings for committal for contempt of court are rarely used in patent proceedings.

²⁶ Rules of Procedure, Rule 354.4

²⁷ First established in *Norwich Pharmacal v Customs and Excise Commissioners* [1974] AC 133

²⁸ See CPR 70 and PD70 regarding general rules of enforcement for judgment and orders.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

CPR Part 70 and Practice Direction 70
Norwich Pharmacal v Customs and Excise Commissioners
[1974] AC 133

IV Provisional and precautionary measures

Titles of the orders

Interlocutory injunction, “freezing injunction”.

An interlocutory injunction is also known as an interim injunction or a preliminary injunction²⁹. In relation to search and seizure orders, see Part II above.

Basic procedural framework

In relation to the precautionary seizure of property under Art 9.2 ED, it is possible to apply for a “freezing injunction” to preserve assets until enforcement of a judgment³⁰.

The competent judicial authorities in this matter are High Court judges and judges who have jurisdiction to conduct the trial of the action and may grant a contested interim injunction³¹. Judges have the power to grant interim injunctions in some instances, for example, by consent.

High Court judges or an authorised Circuit Judge are able to grant freezing injunctions.

Interim and freezing injunctions may be made before proceedings are commenced, during the main action on the merits, or after judgment has been given³². However, an interim measure will only be granted before proceedings are issued if the matter is urgent or it is desirable in the interests

of justice³³. The order will specify any time limit for commencing main proceedings and the procedure to be followed.

It is for the party who sought the granted interim measure to serve the relevant documents – including the application notice, evidence in support and the order granting the injunction – on the party against whom the injunction has been granted. An order for an injunction should be endorsed by a penal notice, which puts the enjoined party on notice of sanctions in event of breach. If there has been a breach of an order for an interim or freezing injunction, the relevant party may bring this to the attention of the court. Sanctions for breach include committal to prison, sequestration of assets and fines (see “Non-compliance with an order”).

The applicant is required to give an undertaking in damages to the court (together with evidence that the applicant will be able to meet such an undertaking), which can be drawn upon to compensate the defendant if it is subsequently determined by the court that the applicant was not entitled to the order. If the undertaking is enforced, an inquiry is carried out to determine the loss suffered by the defendant because of the order.

Factors considered by the court

Interim injunctions

The court will generally apply the test laid down in the case of *American Cyanamid Co (No 1) v Ethicon Ltd* [1975] UKHL 1. Firstly, the court will ask whether there is a serious question to be tried. Secondly, the court will consider whether damages will be an adequate remedy for the applicant if it succeeds at trial. If so, the court will be reluctant to grant a preliminary injunction in the event that the applicant will be unlikely to suffer some irreparable harm. Finally, the court will consider the “balance of convenience”, which includes an assessment of the circumstances of the case and the *status quo*. It is generally considered important for the applicant to have moved quickly in seeking an interim injunction to demonstrate that the matter is sufficiently urgent for the court to intervene on an interim basis.

²⁹ The power to grant injunctions is provided in section 37 of the Senior Courts Act 1981. Under this section, the High Court may grant an injunction “in all cases in which it appears to the Court to be just and convenient to do so”.

³⁰ The same provision, s 37 of Senior Courts Act, permits the granting of freezing orders.

³¹ Paragraphs 1.2 and 1.3 of CPR Practice Direction 25

³² CPR 25.2(1)

³³ CPR 25.2(2)

Freezing injunctions

The court will consider whether the applicant has shown a cause of action, that is, an underlying legal or equitable right; whether the applicant has a good arguable case; and the existence of assets and the risk of dissipation. The applicant must provide an undertaking in damages in the event that an order for a freezing injunction is granted.

Recurring penalty payments

It is possible for the court to grant an order under Article 9 ED in patent proceedings by making the continuation of an alleged infringement subject to the lodging of guarantees³⁴. However, it is not usual for such a provision to be included in an order granting an interim injunction. This is because, if the infringement can be adequately compensated in money, then the interim injunction will likely not be granted.

Provisional and precautionary measures against intermediaries

Intermediaries may be jointly liable with the primary infringer under the doctrine of common design, in which case they are equally vulnerable to provisional and precautionary measures.

Under English civil procedure, it is possible to obtain interim measures against a third party in respect of whom the applicant does not have a cause of action, but there are limited circumstances in which this can occur. Such intermediary actions are more common in non-patent areas of intellectual property law.

Circumstances justifying an order for precautionary seizure

The court will consider whether the applicant has shown a cause of action, that is, an underlying legal or equitable right; whether the applicant has a good arguable case; and the existence of assets and the risk of dissipation. The applicant must provide an undertaking in damages in the event that an order for a freezing injunction is granted.

Assessment of required evidence

This will be at the discretion of the court. Evidence will typically be in the form of witness statements (for example, from senior employees of the applicant) and expert evidence covering, for example, irreparable harm and/or a serious prospect of infringement. For example, the expert evidence may demonstrate to the court that there is a serious prospect of infringement by reference to each of the features of the asserted claim(s)³⁵. See also “Conditions justifying *ex parte* order” below with respect to evidence in *ex parte* applications.

Sufficient degree of certainty will be based on the balance of probabilities. Once it has been established that, on the balance of probabilities, the applicant is the right holder, and that the applicant’s right is being infringed (or that such infringement is imminent), whether the relief is granted by the court remains discretionary.

Conditions justifying *ex parte* order

The court may grant interim measures when it is just and convenient to do so. This will depend on the circumstances of the case. Where a party seeks an *ex parte* preliminary injunction, the applicant must adhere to additional rules, such as providing reasons justifying the application being without notice and full and frank disclosure. Full and frank disclosure means that they must disclose all matters, i.e. both fact and law, which are material to the court’s decision as to whether to grant the order. This would therefore include facts and arguments that support the defendant’s case that no order should be made. If an injunction is granted on the basis of evidence which does not provide full and frank disclosure, the order may be revoked and the applicant liable for costs and potential damages suffered by the defendant.

The applicant must also show that there will be irreparable harm if the interim measure is not granted. Generally this is considered to be harm which cannot be remedied by damages at a later date. Irreparable harm would include, for example, price erosion due to the launch of a generic pharmaceutical product onto the market which could not later be quantified or compensated, or reputational harm to a company.

³⁴ CPR 25.1(p)

³⁵ *Novartis v Dexcel* [2008] EWHC 1266 (Pat)

If an application is made before proceedings have been commenced, the applicant will be required to produce a draft claim form as part of the application. Unless the court orders otherwise, the applicant must undertake to issue the claim form immediately or the court will give directions for the commencement of the claim. The claim form should then, where possible, be served on the other party with the order³⁶.

Protections available to defendant

The applicant is required to give an undertaking in damages to the court (together with evidence that the applicant will be able to meet such an undertaking), which can be drawn upon to compensate the defendant if it is subsequently determined by the court that the applicant was not entitled to the order. If the undertaking is enforced, an inquiry is carried out to determine the loss suffered by the defendant because of the order.

There are no equivalent assurances foreseen in the legislation.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Further, the penal notice on the front of any preliminary injunction puts the enjoined party on notice of the sanctions that might be brought against it.

Appeal/review

See Part I “Appeal/review”.

The granting and the terms of the order will be reviewed at the on-notice hearing. The respondent will have an opportunity to argue why the injunction should be set aside at the on-notice hearing which follows the grant of the *ex parte* measure.

Where a respondent consents to a preliminary injunction or provides undertakings to the court in lieu of a preliminary injunction (as sometimes happens early on in proceedings on the basis of pragmatism), the order will contain a “liberty to apply” clause which can be used by the respondent in limited circumstances to justify an application to vary or discharge the injunction. Limited circumstances include

where the respondent can point to a change in circumstances or show that it subsequently became aware of facts that it could not reasonably have known at the time of the original hearing. Such a liberty to apply provision may also feature in some circumstances in a contested order.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

CPR Part 70 and its Practice Direction
Section 37 of the Senior Courts Act 1981
CPR Part 25 and Paragraphs 1.1, 1.2, 1.3 and 4.4 of Practice Direction 25A
American Cyanamid Co (No 1) v Ethicon Ltd [1975] UKHL 1
Novartis v Dexcel [2008] EWHC 1266 (Pat)

V Corrective measures

Titles of the orders

Order for delivery up or for destruction of the goods³⁷.

Delivery up requires the transfer of infringing goods from the infringer to the right holder. Modification on oath, where it is determined an infringing item can be modified so as to no longer infringe, is an alternative.

Basic procedural framework

The competent authority for issuing such an order is usually a judge of the Patents Court or IPEC, on application from the relevant party.

The order is issued in main proceedings on the merits, or in accompaniment to summary judgment. It is possible to obtain delivery up to prevent misuse in preliminary proceedings coupled with an order requiring the recipient of the goods to maintain them in the event that the order is subsequently overturned on the merits or appeal.

A party may take up non-compliance with the order with court who gave the order. However, other approaches (which are commonly adopted in circumstances of breach of routine orders in civil litigation), including trying to obtain

³⁶ Paragraph 4.4. of CPR Practice Direction 25A.

³⁷ Section 61(1)(b) Patents Act 1977

compliance through correspondence or obtaining a further order of the court, may be available. In the event of non-compliance, the court has discretion to empower a third party such as a bailiff to enforce it.

If infringement is found, delivery up and/or destruction will only be withheld in exceptional circumstances³⁸.

The applicant may ask the court for two of the abovementioned measures. For example, a respondent may be both enjoined from keeping or putting products into channels of commerce and required to remove those items in the channel for delivery up or destruction. Legislation dictates that costs must be borne by the infringer unless ordered otherwise by the court; there is a strong presumption that the infringer is responsible for these costs.

Assessment of proportionality for ordering remedies

It is generally considered proportionate that, in the event of infringement, the infringing party be responsible for the removal of its good from channels of sale and bear the costs of their delivery up or destruction. These remedies are usually considered proportionate to the act of infringement.

Evidence of destruction

In practice it will be mandated in the order that destruction be conducted by a reputable company which will provide a certificate of destruction in respect of the goods, to be accompanied by a signed statement from the infringer that the goods have been destroyed.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 61(1)(b) Patents Act 1977

Kirin-Amgen Inc v Transkaryotic Therapies Inc (No. 3) [2005] F.S.R. 41

VI Injunctions

Title of the order

Final injunction

Basic procedural framework

Injunctions are an equitable remedy arising from the inherent powers of the court³⁹. The court (including the IPEC⁴⁰) is therefore the judicial authority competent to issue an injunction. The UK Intellectual Property Office (UKIPO) does not, however, have competency to issue injunctions.

If there has been a breach of an order for an injunction, the right holder may bring this to the attention of the court. An order for an injunction should be endorsed by a penal notice, which puts the enjoined party on notice of sanctions in event of breach (see below).

Injunctions against intermediaries

Only a party to proceedings may be subject to a final injunction. The right holder may therefore only apply for an injunction against intermediaries if they have been joined to the proceedings as parties on the basis of infringing acts that they have themselves committed⁴¹.

However, third parties (including intermediaries) can be found in contempt of court (and thereby subject to the same penalties as the original defendant) if they knowingly aid and abet the defendant in carrying out the breach while being aware of the injunction’s existence.

³⁸ *Kirin-Amgen Inc v Transkaryotic Therapies Inc (No. 3)* [2005] F.S.R. 41

³⁹ This has been codified in the Patents Act 1977, s61(1), which states that a proprietor may claim “for an injunction... restraining the defendant... from any apprehended act of infringement”.

⁴⁰ Depending on the value of the dispute in issue, at first instance the competent court would be either IPEC or the Patents Court. The maximum value of a dispute in respect of which IPEC may issue an injunction is GBP 500 000 (unless the parties to a higher-value dispute agree to waive this limit).

⁴¹ Patents Act 1977, s61(1),

Compulsory licence as a defence

Compulsory licences are, in the first instance, a matter for the UKIPO. It is possible for a defendant to apply for a compulsory licence before the UKIPO and simultaneously deny infringement in parallel court proceedings.⁴² In the event that a compulsory licence is granted by the UKIPO before the patent infringement action is heard before the court, then the court may refuse to grant an injunction.⁴³

On the other hand, pending compulsory licence proceedings before the UKIPO are not usually sufficient reason to justify staying infringement proceedings before the court.⁴⁴ That being said, the factors relevant to the compulsory licence proceedings may also be relevant when the court is exercising its discretion as to whether or not to grant an injunction (as to which, see below).

Court's discretion if finding of infringement

A final injunction is not automatic, but is instead a discretionary remedy based on the threat of infringement by the defendant.

Absent exceptional circumstances, the establishment of past infringement is normally seen as sufficient evidence of an intention to continue infringement.⁴⁵ Further, the threat of infringement may also be sufficient justification for an injunction if a defendant has not yet performed any infringing acts.

The court will exercise its discretion not to grant an injunction (and, for example, award damages *in lieu* of an injunction) in limited circumstances. In particular, the Court of Appeal has held (in an intellectual property case) that the test as to whether to grant an injunction is whether enforcement of the injunction would be “*grossly disproportionate*”, rather than merely considering the balance of convenience⁴⁶. In reaching this test, the court found that it would have to be a very strong case for an injunction to be withheld, and, if the effect of the grant of an injunction is not oppressive (i.e. not grossly disproportionate), the defendant cannot buy his way out of

it, even if the price, objectively ascertained, would be modest⁴⁷.

The legal test concerning the grant of an injunction was recently reviewed by the Patents Court,⁴⁸ which concluded that it should be carried out in light of the criteria of efficacy, proportionality and dissuasiveness specified by Article 3.2 ED, while bearing in mind the requirements to avoid undue interference in legitimate trade and to safeguard against abuse. Shortly afterwards, in a nuisance case⁴⁹, the Supreme Court held that the *prima facie* position is that an injunction should be granted, so the legal burden is on the defendant to show why it should not. However, subject to the legal burden, there should be no inclination either way and the outcome should depend on all the evidence and arguments. It would normally be right to refuse an injunction if the four so called *Shelfer*⁵⁰ tests are satisfied (i.e. the injury to the claimant's legal rights is (1) small, (2) capable of being estimated in money, (3) can be adequately compensated by a small money payment, and (4) where the case is one in which it would be oppressive to the defendant to grant an injunction). However, if those tests are not all satisfied, it does not mean that an injunction should be granted.

The court also has discretion as to the type of injunction that may be ordered. For example, in *Unwired Planet v Huawei*⁵¹, the court granted a FRAND injunction which, whilst restraining infringement of the relevant patent in the usual manner, also includes a proviso that it will cease to have effect if the infringer enters into a FRAND licence. This type of injunction is also subject to an express liberty to either party to return to the court to address the position at the end of the term of the FRAND licence, or in circumstances where the FRAND licence ceases to have effect for any other reason.

Another example of the court's discretion as to the type of injunction that it may order are springboard injunctions. These are injunctions that aim to prevent defendants from carrying out acts that would otherwise be lawful, but which benefited from the defendant building up a springboard into a market whilst the infringed patent was in force. The court has found that springboard injunctions fall within

42 *Halcon S.D. Group Inc's Patents* [1989] R.P.C. 1.

43 *ibid.*

44 *Pfizer Corp v DDSA Pharmaceuticals Ltd* [1966] R.P.C. 44.

45 *Losh v Hague* [1838] 1 W.P.C. 200.

46 *Virgin Atlantic Ltd v Premium Aircraft Interiors Ltd* [2010] FSR 15. This is an example of a case where, on the facts, the granting of an injunction was found to be grossly disproportionate.

47 *ibid.*, endorsing Pumfrey J. in *Navitaire Inc v EasyJet Airline Co Ltd* (No. 4) [2006] R.P.C. 4 at [104].

48 *HTC Corp v Nokia Corp* [2013] EWHC 3778 (Pat) (The Court of Appeal subsequently overturned the High Court judge's refusal to stay the final injunction in relation to *all* of the infringing products pending a substantive appeal).

49 *Lawrence v Fen Tigers Ltd* [2014] UKSC 13

50 *Shelfer v City of London Electric Lighting Co* (No. 2) [1895] 2 Ch. 388

51 *Unwired Planet v Huawei* [2017] EWHC 1304 (Pat) (This judgment has been upheld by the Court of Appeal but a further appeal is pending before the Supreme Court).

Article 3 ED (i.e. such an order could be fair and equitable, effective and dissuasive)⁵².

The court may also withhold or qualify an injunction on the grounds of public interest where, for example, an injunction would significantly impact the health of patients being treated by the infringing product. This may be because the infringing product is the only available treatment to patients at the time when the injunction is being sought, in which case, the injunction may be withheld (although the patentee may be given the right to apply to terminate the stay where a non-infringing treatment becomes readily available)⁵³. Alternatively, where a new non-infringing treatment will soon become available, and additional time is required for clinicians to adopt the new treatment, the injunction may be stayed for a period of time to allow for the alternative, non-infringing treatment, to become available. Again, the court will consider whether the remedies awarded fall within Article 3 ED.

The court has also used its discretion to allow an agreed exemption from the scope of an injunction restraining infringement of a patent to enable the infringing party to preserve a series of technical advances unrelated to the inventions of the patents in suit.⁵⁴ In the same case, the court also confirmed that an injunction restraining infringement should not prevent the infringer from doing any acts for the purposes of a ‘medicinal product assessment’ within the meaning of s.60(6D)–(6E) of the Patents Act 1977.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Injunction orders are typically endorsed with a “penal notice”, meaning that breaching their terms (or knowingly aiding and abetting another in doing so) may amount to contempt of court. Where the enjoined party is a corporation, it is possible for the directors of the corporation to be held personally liable.⁵⁵ Committal proceedings for breach of an injunction should be brought in the Patents Court.

Appeal/review

See Part I “Appeal/review”.

Further, in the event that an injunction has been granted, the defendant may request that the final injunctions be stayed pending appeal. Whether a stay is granted is a matter of discretion for the court and will be assessed based on similar principles to those considered in the context of an application for an interim injunction, including the “balance of convenience” test.

In circumstances where it is appropriate to stay the injunction pending appeal, depending on, for example, the defendant’s financial position, the defendant may be required to deposit money. In some circumstances, this may be deposited into a ring-fenced (or even jointly held) account to ensure sufficient funds are available to compensate the claimant if necessary.⁵⁶

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Patents Act 1977, s.61(1) and s.60(6D)–(6E)
Halcon S.D. Group Inc’s Patents [1989] R.P.C. 1
Pfizer Corp v DDSA Pharmaceuticals Ltd [1966] R.P.C. 44
Losh v Hague [1838] 1 W.P.C. 200
Virgin Atlantic Ltd v Premium Aircraft Interiors Ltd [2010] FSR 15
Navitaire Inc v EasyJet Airline Co Ltd (No. 4) [2006] R.P.C. 4 at [104]
HTC Corp v Nokia Corp [2013] EWHC 3778 (Pat)
Lawrence v Fen Tigers Ltd [2014] UKSC 13
Shelfer v City of London Electric Lighting Co (No. 2) [1895] 2 Ch. 388
Unwired Planet v Huawei [2017] EWHC 1304 (Pat)
Smith & Nephew plc v Convatec Technologies Inc (No. 2) [2014] R.P.C. 22
Edwards Lifesciences LLC v Boston Scientific Scimed Inc & Ors [2018] EWHC 1256 (Pat)
Regeneron v Kymab [2018] EWCA Civ 1186
Attorney-General for Tuvalu v Philatelic Distribution Corporation Ltd [1990] 1 WLR 926
Quantel v Spaceward Microsystems [1990] R.P.C. 147

⁵² *Smith & Nephew plc v Convatec Technologies Inc (No. 2)* [2014] R.P.C. 22 – whilst this judgment was overturned at appeal on other grounds, the findings in respect of springboard relief were not appealed

⁵³ *Edwards Lifesciences LLC v Boston Scientific Scimed Inc & Ors* [2018] EWHC 1256 (Pat)

⁵⁴ *Regeneron v Kymab* [2018] EWCA Civ 1186. The patents in suit were concerned with the production of human antibodies using transgenic mice: Kymab, the party found to infringe, was permitted to take steps to produce non-infringing mice. An appeal of the substantive case is pending before the Supreme Court.

⁵⁵ *Attorney-General for Tuvalu v Philatelic Distribution Corporation Ltd* [1990] 1 WLR 926

⁵⁶ *Quantel v Spaceward Microsystems* [1990] R.P.C. 147.

VII Alternative measures

Titles of the orders

Damages in lieu of an injunction or damages in lieu of an order for delivery up or destruction.

Basic procedural framework

The competent judicial authority is the same court (whether at first instance or on appeal) administering the main infringement action. Damages in lieu of an injunction or damages in lieu of an order for delivery up or destruction are equitable remedies arising from the inherent powers of the court.

Damages in lieu of an injunction will generally only be granted where the harm to the defendant resulting from an injunction would be “grossly disproportionate” to the act(s) of infringement (see Part IV “Court’s discretion if a finding of infringement is made” for a detailed discussion).

Once it has been established that infringing material exists, damages in lieu of an order for delivery up or destruction of infringing articles will only be granted by the court in the most “exceptional circumstances”⁵⁷.

Damages in lieu of an injunction or delivery up/destruction of infringing articles should fully remedy the wrong solely by financial means. The normal principles for determining damages will therefore apply (see Part VIII Damages below).

Non-compliance with an order

See Part I “Non-compliance with an order”.

Unpaid damages are considered a debt owed to the successful claimant, and can be enforced using the standard procedure for enforcement of debts. However in practice it is common for payment of damages to be stayed pending appeal (see below in Appeal/review).

The court has access to a number of powers which can be used to extract money due from parties who are unable (or unwilling) to pay. These include, most notably, imposing security over the party’s interest in land, shares or certain other assets, orders to take control of the party’s goods, or in extreme cases a court-ordered declaration of bankruptcy and administration or liquidation of a corporation.

Appeal/review

See Part I “Appeal/review”.

Further, in the event that damages in lieu of an injunction or damages in lieu of an order for delivery up or destruction are ordered, the defendant may request that the such an order be stayed pending appeal. In these circumstances the infringer may be required to offer security to the court/patentee.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Kirin-Amgen Inc v Transkaryotic Therapies Inc (No. 4) [2005] F.S.R. 41

VIII Damages

Calculation methods available

The two calculation methods available are compensation (“enquiry as to damages”) or restitution (“account of profits”).

The enquiry as to damages is compensatory in nature and so seeks to ascertain the financial position that the patentee would have otherwise been in but for the infringing act(s), and calculates a sum that would return them to that position (which would include lost profits as a result of the infringement). The compensation may be based on

- (i) a reasonable royalty that should have been paid, or
- (ii) the actual damage suffered by the claimant.

The account of profits, on the other hand, is a restitutionary claim based on unjust enrichment arising from the law of property – the profits made through infringing the patent were made at the patentee’s expense and thus rightfully belong to them. This approach therefore seeks to identify and quantify the profits that were unjustly made by the defendant through infringing acts, and restore an equivalent sum to the patentee. The defendant is, however, permitted to make deductions, such as R&D, manufacturing and

⁵⁷ *Kirin-Amgen Inc v Transkaryotic Therapies Inc (No. 4)* [2005] F.S.R. 41

distribution costs. The profits may also be apportioned between those parts of the product that infringe and those that do not, unless the invention is found to be the essential ingredient of the product.

These two calculation methods are mutually exclusive i.e. if a patentee opts for damages, then the infringer's profits cannot form part of the damages calculation⁵⁸.

Basic procedural framework

The enquiry or account is considered a continuation of the main patent infringement proceedings, although in practice it will typically be scheduled as a separate hearing after liability has been established.

The same judicial authority that decided the claim for patent infringement will typically decide the damages claim.

If the patentee requires more information prior to making an election as between damages or an account of profits, it is entitled to seek financial disclosure from the infringer.⁵⁹ This would involve requesting details of, for example

- (i) the number of products sold (or otherwise disposed of),
- (ii) the number of related products supplied;
- (iii) the sums received or receivable in respect of (i) and (ii); and
- (iv) estimated costs incurred that the defendant may seek to offset against any account of profits.

Once an election has been made, the nature of any additional disclosure will depend on the basis of the damages calculation. For example, in appropriate circumstances, comparable licences may be disclosable. The disclosure obligations also run both ways i.e. the infringer may also request disclosure from the patentee.

Methods of calculation

A patentee may make an election (choose) as between damages or an account of profits.⁶⁰ It is not necessary to specify which remedy is sought at the outset of proceedings, although the

election must be made as soon as the patentee has obtained sufficient information to enable them to make an informed choice. If an exclusive licensee is involved in proceedings, they must agree a common choice with the patentee.⁶¹

If the patentee elects for an enquiry as to damages, then the method used to calculate the damages may be disputed by the infringer. For example, it may be more favourable to the patentee to base the assessment on the actual damages suffered by the patentee, but more favourable to the infringer to base the assessment on a reasonable royalty. This type of dispute will be resolved by the court if the parties are unable to reach agreement.

Damages and account of profits are mutually exclusive and the successful patentee must make an election covering the entire claim. This is notwithstanding that under Article 13 ED the judge calculating damages is required to "take into account" any profits made by the defendant.⁶² If a claim for damages on one fails, then the claimant is not allowed to relitigate the other.

The law does not in principle exclude the possibility that a patentee could opt for a separate account and damages for *different* acts of infringement (or in respect of infringement of different patents), though in practice this is likely to be discouraged by the courts from a case management perspective, in line with the courts' "overriding objective" to keep costs proportionate to the remedy sought by simplifying, wherever possible, the number of issues in contention. This may be different for example where substantial sums are likely to be sought and what is proportionate should be assessed by what is at stake⁶³.

The election between an account of profits and damages is ultimately for the successful patentee to decide, and can be highly dependent on the nature of the industry in which the alleged infringement occurred, as well as the specific circumstances of the case and nature of the infringing acts.

If damages are elected, then any dispute as to the approach to be adopted (i.e. reasonable royalty or actual damage) will be resolved based on factors such as the patentee's commercial practices, for example, whether the patentee has previously granted comparable licences to third parties. The court has wide discretion as to how damages should ultimately be calculated.

⁵⁸ Patents Act 1977, s62(1)

⁵⁹ *Island Records Ltd v Tring International Plc* [1996] 1 WLR 1256

⁶⁰ Patents Act, s61(1)(c) and (d)

⁶¹ *Spring Form Inc v Toy Brokers Ltd* [2002] F.S.R. 17

⁶² Patents Act 1977, s62(1)

⁶³ *GSK UK Limited v Wyeth Holdings LLC* [2017] EWHC 91 (Pat)

This depends on the commercial realities of the case. For example, where the patentee can point to identifiable heads of commercial loss, for example, lost sales of its own product covered by the patent, then it may wish to base its claim on such losses. On the other hand, where the patentee has not suffered a direct loss but derives its income from licensing, then damages may be calculated on the basis of the royalty that would have been paid for a licence on the patentee's usual terms. Alternatively, where the patentee would not have granted a licence, damages may be calculated based on what a willing licensor and willing licensee would have agreed to license the patent in the relevant market, had they done so at the relevant time.⁶⁴

Evidence of lack of knowledge

This situation is known as “innocent infringement” and can provide a complete defence to a damages claim⁶⁵. The burden of proof is on the defendant to show (on the balance of probabilities) that it neither knew, nor had reasonable grounds for supposing, that the patent existed. This test is an objective one i.e. it is enough that the defendant should have known that the patent existed.

Non-compliance with an order

See Part I “Non-compliance with an order”. Further, unpaid damages are considered a debt owed to the successful claimant, and can be enforced using the standard procedure for enforcement of debts. Note, however, that in practice it is common for payment of damages to be stayed pending appeal (see

The court has access to a number of powers which can be used to extract money due from parties who are unable (or unwilling) to pay. These include, most notably, imposing security over the party's interest in land, shares or certain other assets, orders to take control of the party's goods, or in extreme cases a court-ordered declaration of bankruptcy and administration or liquidation of a corporation.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Patents Act 1977, ss.61(1)(c) and (d), s62(1)
Island Records Ltd v Tring International Plc [1996] 1 WLR 1256
Spring Form Inc v Toy Brokers Ltd [2002] F.S.R. 17
GSK UK Limited v Wyeth Holdings LLC [2017] EWHC 91 (Pat)
Catnic Components v Hill & Smith Ltd [1983] F.S.R. 512

IX Legal costs

Overview of assessment of costs

The successful party in main proceedings is entitled to recover reasonable and proportionate costs. What is reasonable and proportionate in the UK is a matter of discretion for the court. The court has held that the touchstone of reasonable and proportionate costs is not the amount of costs which it was in a party's best interests to incur, but the lowest amount which it could reasonably have been expected to spend in order to have its case conducted and presented proficiently, having regard to all the relevant circumstances⁶⁶.

In particular, incurred costs will be considered by the court to be proportionate if they bear a reasonable relationship to⁶⁷

- (a) the sums in issue in the proceedings;
- (b) the value of any non-monetary relief in issue in the proceedings;
- (c) the complexity of the litigation;
- (d) any additional work generated by the conduct of the paying party; and
- (e) any wider factors involved in the proceedings, such as reputation or public importance.

In addition, the court will have regard to other factors when considering costs, which include⁶⁸

⁶⁴ *Catnic Components v Hill & Smith Ltd* [1983] F.S.R. 512.

⁶⁵ Section 62(1) Patents Act 1977, see also *Collingwood Lighting Ltd v Aurora Ltd* [2014] EWHC 228 (Pat)

⁶⁶ *Kazakhstan Kagazy PLC v Zhunus* [2015] EWHC 404 (Comm)

⁶⁷ CPR Rule 44.3(5)

⁶⁸ CPR Rule 44.4(3)

- (a) the conduct of all the parties, including in particular—
 - (i) conduct before, as well as during, the proceedings; and
 - (ii) the efforts made, if any, before and during the proceedings in order to try to resolve the dispute;
- (b) the amount or value of any money or property involved;
- (c) the importance of the matter to all the parties;
- (d) the particular complexity of the matter or the difficulty or novelty of the questions raised;
- (e) the skill, effort, specialised knowledge and responsibility involved;
- (f) the time spent on the case;
- (g) the place where and the circumstances in which work or any part of it was done; and
- (h) the receiving party's last approved or agreed budget⁶⁹.

Costs which are disproportionate in amount may be disallowed or reduced even if they were reasonably or necessarily incurred⁷⁰. Further, the court will resolve any doubt which it may have as to whether costs were reasonably and proportionately incurred or were reasonable and proportionate in amount in favour of the paying party⁷¹.

With respect to a particular dispute, a party's legal costs and other expenses will include fees incurred by its solicitors, barristers, experts, and witnesses. It will also include costs relating to disclosure and experiments, where relevant, as well as other expenses, such as travel costs, court fees, translation fees, transcriber fees, books and articles, and photocopying.

Costs may be decided partly at a Form of Order hearing that occurs after judgment in the infringement action has been given, followed by, in certain circumstances, and in the absence of agreement, separate costs proceedings (known as detailed costs assessment proceedings).

In particular, during the Form of Order hearing, the court may consider whether any deductions should be made to the overall winner's costs in relation to issues on which it did not succeed (known as an issues based approach). For example, an alleged infringer may have successfully invalidated an asserted patent, but failed on its non-infringement arguments, meaning it would have been found to infringe if the patent were valid. In such circumstances, the alleged infringer's recoverable costs may be discounted to reflect the costs it incurred dealing with non-infringement and may be discounted further to reflect the patentee's costs incurred on this issue.

Factoring in any deductions, the court will order that the winning party is entitled to a certain percentage of its costs. It will then either make a summary assessment of those costs, for example, by reference to any approved cost budgets⁷², or will order that such costs are to be assessed unless not agreed.

If costs are to be assessed, in the absence of agreement, the actual recoverable costs will be decided in separate detailed costs assessment proceedings. These proceedings should be commenced within three months after the event giving rise to the right to detailed assessment (e.g. the date of the order addressing costs)⁷³. Detailed assessment can itself be a costly and timely exercise, and is usually avoided by the parties settling costs before such proceedings are commenced.

Where assessment of costs is ordered, the court may also order that an interim payment be made to the winning party (typically within two to three weeks) at the Form of Order hearing. This involves a rough assessment of the total potentially recoverable costs of the successful party (after any deductions have been made, as discussed above). The court will then order a proportion of those costs to be paid to the winning party (usually around 60%). The benefit to the paying party of making an interim payment is the avoidance of potentially substantial interest accruing on recoverable costs prior to agreement being reached, or the matter being decided in detailed costs assessment proceedings. If the amount that is actually recoverable is found at the detailed costs assessment proceedings to be less than the interim payment, then the winning party will likely have to return the difference to the losing party.

⁶⁹ Cases are subject to cost budgeting unless exempt, for example, if the amount claimed is more than GBP 10 million.

⁷⁰ CPR Rule 44.3(2)(a)

⁷¹ CPR Rule 44.3(2)(b)

⁷² Unless exempt (for example, where the amount claimed is more than GBP 10 million), cost budgets are generated at an early stage in the proceedings, and must be accompanied by a statement of truth confirming that the budget has been drawn so that it is a fair and accurate statement of costs which it would be reasonable and proportionate to incur in the litigation. The parties attempt to agree cost budgets, and, in the absence of agreement, the court will decide what is reasonable and proportionate at a Case Management Conference. Cost budgets may, in certain circumstances, be amended during the course of proceedings, before the Form of Order hearing.

⁷³ CPR Rule 47.7

The court has discretion as to the amount of costs that it may award to a party⁷⁴. Specific rules may apply to types of litigation and/or courts. For example, in IPEC, recoverable legal costs are capped at GBP 50 000 for the main proceedings and GBP 25 000 for any damages enquiry, and there are maximum fees recoverable for different stages of the litigation. However, in the Patents Court, costs are not awarded on a flat-rate scheme or according to rules on minimum costs.

Legal basis and case law

CPR Rules 44.2, 44.3 and 44.4

CPR Rule 47.7

Kazakhstan Kagazy PLC v Zhunus [2015] EWHC 404 (Comm)

X Publication of judicial decisions

Title of the order

Dissemination and publication of the judgment

Basic procedural framework

The court (including the IPEC) is the judicial authority competent to order the dissemination and publication of a UK judgment.

Where the court finds that an intellectual property right has been infringed, the court may, at the request of a party, order appropriate measures for the “dissemination and publication of the judgment” to be taken at the expense of the infringer⁷⁵.

The court has a discretion to make wider declaratory orders than that provided for in the Art. 15 ED. Dissemination and publication of the judgment may therefore extend beyond circumstances where infringement has been found, for example, to declarations of non-infringement⁷⁶, or even against an unsuccessful claimant⁷⁷.

There are no prescriptive requirements concerning the form of an order to disseminate and publicise a judgment in the UK. The courts have, however, found that, with respect to the form of the publicity order, no more than that which is proportionate is necessary⁷⁸.

However, where such an order is made, it is typical for a court to order that a “publicity notice” be published by a party to disseminate and publicise a judgment in the UK. This notice may, for example, explain that judgment has been given, provide a summary of the judgment, provide a link to the judgment, and explain whether the judgment is subject to appeal.

The court has discretion as to where the publication should take place. Again, no more than that which is proportionate is necessary. The court has ordered publication of publicity notices (discussed above) in newspapers⁷⁹ and on a party’s homepage of its website.

With respect to websites, in some circumstances a link to a separate page on a party’s website, along the lines of “[Claimant/Defendant] UK judgment”, rather than posting the publicity notice on the homepage itself, may be sufficient.

The court has explained that publicity orders should not be the norm. They should normally only be made, in the case of a successful intellectual property owner, where they serve one of the two purposes set out in recital 27 ED⁸⁰, and in the case of a successful non-infringer, where there is a real need to dispel commercial uncertainty in the marketplace (either with the noninfringer’s customers or the public in general).⁸¹

As part of its analysis, the court will consider whether it is reasonable and proportionate to impose upon a party an obligation to disseminate and publish the judgment. For example, the court may consider it unreasonable and/or disproportionate to disseminate and publish the judgment where the matter concerns a specialised and relatively small public. In such circumstances, it would be highly unlikely that those in the relevant field would have not become aware of the court’s decision, and publication would, therefore, not be necessary to act as a deterrent to future infringers or to contribute to the awareness of the public at large⁸².

74 CPR Rule 44.2(1)(b)

75 CPR Practice Direction 63 para. 26.2

76 *Samsung Electronics v Apple* [2012] EWCA Civ 1339

77 *BOS GmbH & Co KG v Cobra UK* [2012] EWPC 44

78 *Samsung Electronics v Apple* [2012] EWCA Civ 1339

79 In the *Samsung v Apple* litigation the newspapers in which Apple were ordered to publish the publicity notice were the Financial Times, the Daily Mail, The Guardian, Mobile Magazine and T3 Magazine.

80 To act as a supplementary deterrent to future infringers and to contribute to the awareness of the public at large, it is useful to publicize decisions in intellectual property infringement cases.

81 *Samsung Electronics v Apple* [2012] EWCA Civ 1339

82 *Regeneron Pharmaceuticals Inc v Kymab Ltd* [2018] EWCA Civ 1186

Once it has been decided that such an order should be made, the contents of the notice itself should be proportionate in the circumstances.

Non-compliance with an order

See Part I “Non-compliance with an order”.

In circumstances where a party has been ordered to publish a notice of the judgment, which is itself misleading, the court may require that a further notice be published which: explains that the original notice did not comply with the first order; should be made more prominent, for example, by requiring the relevant notice be published directly (rather than providing a link to the notice) on a defendant’s homepage; and is displayed for an extended period of time⁸³.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

CPR Practice Direction 63 paragraph 26.2
BOS GmbH & Co KG v Cobra UK [2012] EWPC 44
Samsung Electronics v Apple [2012] EWCA Civ 1339
Regeneron Pharmaceuticals Inc v Kymab Ltd [2018] EWCA Civ 1186
Samsung Electronics (UK) Ltd v Apple Inc (No. 2) [2012] EWCA Civ 1430

XI Other appropriate sanctions

Name and type of sanctions

The CPR governing litigation in England and Wales, including patent litigation, provide numerous additional appropriate sanctions available to parties and the court. For example, if a witness statement for use at trial is not served within the

time specified by the court, then the witness may not be called to give oral evidence unless the court gives permission.⁸⁴ By way of a further example, if a defendant fails to file a defence to patent infringement, the claimant may in certain circumstances obtain default judgment, i.e. summary judgment in the main proceedings.⁸⁵

Further, and of relevance to patent cases, is that an exclusive licensee may lose the right to recover costs and expenses arising from infringement proceedings even if successful if registration of the relevant licence did not occur within six months from the date of the agreement.

See also Part XII “Additional options” below.

Non-compliance with an order

See Part I “Non-compliance with an order”. The particular provisions of the CPR provide specific sanctions where relevant.

Appeal/review

See Part I “Appeal/review”.

Legal basis and case law

CPR Rule 32.10
 CPR Rule 15.3

XII Additional options

Other available options in the United Kingdom

Criminal proceedings are not possible for actions concerning patent infringement in the UK. Border measures may, however, be available to patent proprietors and SPC holders. The UK national customs authority, Border Force, is the relevant law-enforcement entity, and is part of the Home Office. Border Force’s powers derive from EU Regulation 608/2013 concerning customs enforcement of intellectual property. A patentee may file a UK Customs application form⁸⁶ with the Border Force describing, *inter alia*, authentic goods and potentially infringing goods, together with the

⁸³ *Samsung Electronics (UK) Ltd v Apple Inc (No. 2)* [2012] EWCA Civ 1430

⁸⁴ CPR Rule 32.10

⁸⁵ CPR Rule 15.3

⁸⁶ Regulation 1352/2013/EU provides standard forms to use in conjunction with Regulation (EU) 608/2013.

requisite undertakings (for example, an undertaking to assume liability for seizures made where the goods are subsequently found to not be non-infringing). Further, whilst not deriving from UK legislation, a patentee may also wish to consider systems for take down requests/notices provided by some online retailers, such as eBay⁸⁷ and Amazon⁸⁸.

A patentee may also obtain a certificate of contested validity from the court⁸⁹ if a patent has been upheld. This provides for potential cost consequences in favour of the patentee should the validity of the patent be contested in a subsequent action. An application for a certificate of contested validity is usually heard at the Form of Order hearing at the close of the infringement action where validity has been challenged.

In addition, the court has a potentially broad, inherent power to grant declarations at its discretion⁹⁰. Positive declarations, such as declarations of infringement, validity, entitlement, and in the case of SEPs, essentiality⁹¹, may therefore be available. The list of possible declarations is non-exhaustive, and situations may arise in the future in which a patentee may wish to seek a novel type of declaration to assist the enforcement of their patent rights. For completeness, declarations may also be granted in favour of an alleged infringer, for example, declarations of non-infringement⁹², and declarations that a product was obvious at a particular date (known as Arrow declarations⁹³).

Finally, it is worth noting that care should be taken when drafting cease and desist letters in light of the UK's provision concerning groundless threats⁹⁴. These provide for a potential action against a patentee for groundless threats.

Non-compliance with an order

N/A

Legal basis and case law

CPR Rule 15.3
Regulation 1352/2013/EU
Regulation 608/2013/EU
Patents Act 1977, ss 65(2), s70 and s71(1)
CPR Rule 40.20
Rolls-Royce plc v Unite the Union [2009] EWCA Civ 387, [2010] 1 W.L.R. 318, [120] at para 40
Nokia Corp v Interdigital Technology Corp [2005] EWCA Civ 614 and [2006] EWCA Civ 1618
Arrow Generics v Merck & Co Inc [2007] F.S.R. 39
FKB v AbbVie [2017] EWCA Civ 1, [2017] R.P.C. 9

87 <https://pages.ebay.co.uk/help/tp/vero-rights-owner.html>

88 <https://www.amazon.co.uk/report/infringement>

89 Patents Act 1977, s65(2)

90 Now regulated under CPR Rule 40.20. See also *Rolls-Royce plc v Unite the Union* [2009] EWCA Civ 387, [2010] 1 W.L.R. 318, [120] at para 40.

91 *Nokia Corp v Interdigital Technology Corp* [2005] EWCA Civ 614 and [2006] EWCA Civ 1618.

92 Patents Act 1977, s71(1)

93 *Arrow Generics v Merck & Co Inc* [2007] F.S.R. 39; confirmed in the Court of Appeal in *FKB v AbbVie* [2017] EWCA Civ 1, [2017] R.P.C. 9

94 Patents Act 1977, s70

Greece

I Evidence

Title of the order

Διαταγή προσκόμισης αποδεικτικών στοιχείων στα πλαίσια ασφαλιστικών μέτρων ή αγωγής (order to produce evidence in the context of interim measures or actions)

Basic procedural framework

The Court of First Instance¹ is competent to issue such an order in preliminary proceedings or in proceedings on the merits.

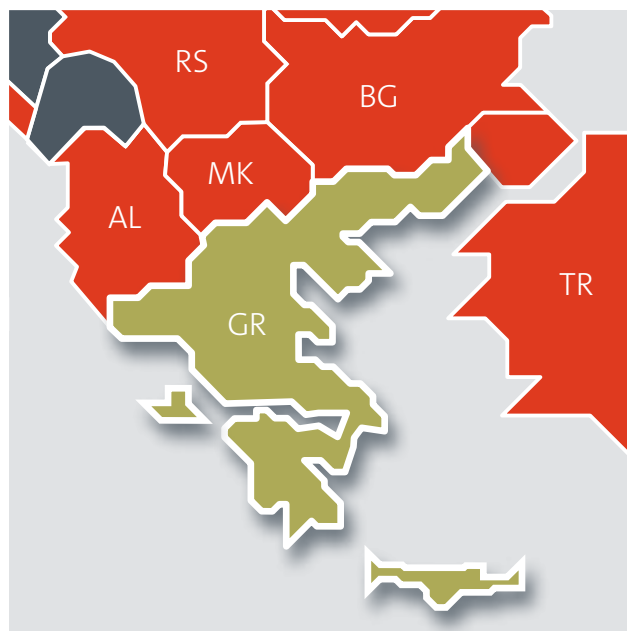
A court bailiff instructed by a lawyer is responsible for enforcing the order.

Provision of evidence by third parties

The court may, in the course of preliminary proceedings or proceedings on the merits, order a third party to provide information on the origin and distribution network of infringing products in accordance with Art. 8 ED. There is no provision implementing Art. 6 that would specifically allow the judicial authority to order a third party to present the evidence mentioned in Art. 6 ED.

Assessment of evidence in support of the application

Assessment is on a case-by-case basis. There is no definition in the legislation of what constitutes “reasonably available evidence”. Art. 17A.1 Law No. 1733/1987 on Technology Transfer, Inventions and Technological Innovation (hereinafter Law No. 1733) provides that the existence of a substantial number of copies may be considered to constitute reasonable evidence when considered together with the other circumstances of the case.



Protection of confidential information

While the law (Art. 17A.3 Law No. 1733) provides an obligation to ensure the protection of confidential information, no specific measures are listed in the legislation. They lie at the discretion of the judge depending on the circumstances.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

In case a party who has been summoned to produce the evidence, does unjustifiably not do so, the claims of the party that sought the production or communication of such evidence “shall be considered as admitted” (Art. 17A.1 Law No. 1733).

Appeal/review

An order for the presentation of evidence may be appealed or reviewed when issued in the course of proceedings on the merits through an appeal of the relevant judgment. The period for filing the appeal is 30 days from the notification of the judgment (30 extra days are granted for foreign entities)

GR

¹ The first instance courts in Athens and Thessaloniki have exclusive competence to deal with patent (and other IP) proceedings. However, they are only competent for proceedings on the merits. Preliminary proceedings may be initiated and dealt with by all other (non-specialised) courts of first instance.

or two years from publication of the judgment, if not served, as service of a judgment lies at the initiative of the parties.

If such order was made in the course of preliminary proceedings the order may be reviewed in those proceedings. The review may be filed at any time up to the hearing of the case on the merits.

The request must be brought before the same court that granted the order or, in the case of an appeal, to the relevant Court of Appeal.

Admissibility of evidence

Evidence obtained in other national criminal, administrative or other civil proceedings is admissible in civil proceedings.

Evidence obtained in proceedings before a court of another country is admissible in civil proceedings, unless the form of evidence may not be presented before a court in Greece, for example unlawfully obtained tape recordings.

If any provisions of Law No. 1733 are deemed contrary to the provisions of EU Regulation 1206/2001, the latter would prevail.

Legal basis and case law

Art. 17A Law No. 1733/87 on Technology Transfer, Inventions and Technological Innovation

II Measures for preserving evidence

Title of the order

Διαταγή συντηρητικής κατάσχεσης ή αναλυτικής απογραφής στα πλαίσια ασφαλιστικών μέτρων

Further available measures

There are no other measures available than the two mentioned in Art. 7.1 ED.

Basic procedural framework

The Court of First Instance (single judge) is competent to issue such an order, in both preliminary proceedings and proceedings on the merits. Such an order may be granted *ex parte* according to Art. 687.1 of the Code of Civil Procedure

and a Temporary Restraining Order (TRO) may be granted to this effect according to Art. 691.2 of the Code of Civil Procedure.

The court may issue the order for precautionary evidence “without needing to specify the evidence proving infringement or threat of infringement, only to determine such evidence on a category basis”, i.e. without specifying the exact document by number or date.

The court however may require the claimant to provide any reasonably available evidence to substantiate that the claimant is the right holder and that his right is being infringed, or there is a risk of imminent infringement (Art. 17B.7 Law No. 1733).

A court bailiff instructed by a lawyer is responsible for enforcing the order.

Ex parte requests

Where an *ex parte* order is requested, the level of evidence to be presented is rather high. The claimant must demonstrate that a delay is likely to cause irreparable harm or that there is a demonstrable risk of evidence being destroyed. It must be obvious to the judge that infringement is clear. *Ex parte* orders are not very common.

The other party may request a revocation or amendment of the order applying the relevant procedure available in Preliminary Injunction proceedings.

Protection available to defendant

The court may order the claimant to lodge an “adequate security” (as referred to in Art. 7.2 ED), the determination of which lies at the discretion of the judge.

There are no “equivalent assurances” (as referred to in Art. 7.2 ED) foreseen in the legislation.

“Appropriate compensation” is also calculated at the judge’s discretion. Such obligation for compensation will exist only if there is a finding that the claimant’s actions were abusive (Art. 17B.8 Law No. 1733).

Period to initiate proceedings on the merits

Where the order is issued in preliminary proceedings, the period to initiate proceedings on the merits is set by the judge but must be within 30 days.

Witness identity protection

There are no available measures to protect witnesses' identity.

Non-compliance with an order

Where the defendant does not co-operate with the enforcement of an order for detailed description or seizure of the infringing goods, which is for the claimant to enforce, there may be criminal sanctions relating to obstruction of justice.

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at "Non-compliance with an order" above.

Legal basis and case law

Art. 17B Law No. 1733/87

III Right of information

Title of the order

Διαταγή παροχής πληροφοριών στα πλαίσια ασφαλιστικών μέτρων (order for information under interim measures).

Persons obliged to provide information

There are no other persons obliged than those listed in Art. 8.1 ED to provide information.

Types of information to be provided

According to Art. 17A.5-6 of Law No. 1733, the information comprises:

- (a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers;
- (b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question and applies without prejudice to other statutory provisions which:
 - (i) grant the right holder rights to receive fuller information;
 - (ii) govern the use in civil or criminal proceedings of the information communicated;
 - (iii) govern responsibility for misuse of the right of information; or
 - (iv) afford an opportunity for refusing to provide information which would force the person referred to above to admit to his/her own participation or that of his/her close relatives in an infringement of an intellectual property right; or
 - (v) govern the protection of confidentiality of information sources or the processing of personal data.

The proportionality of the request is examined by the court (Art. 17A.4 of Law No. 1733).

Competent authority

The Court of First Instance is competent to order the provision of this information in preliminary proceedings or proceedings on the merits.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

The procedure laid down in the Code of Civil Procedure relating to monetary claims is applicable (Art. 614 et seq. Code of Civil Procedure).

The following sanctions may be imposed: penalty payment of EUR 100 000 due to a state fund for non-compliance with the order to provide information according to Art. 8.1 ED (Art. 17A.4 Law 1733), and imprisonment up to one year (Art. 947 Code of Civil Procedure).

In case the party ordered to provide information provides inaccurate information willfully or by gross negligence such party is liable for the damages caused for this reason (Art. 17A.7 of law 1733/87).

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at “Non-compliance with an order” above.

Legal basis and case law

Art. 17A of Law No. 1733/87

IV Provisional and precautionary measures

Title of the order

Διαταγή παροχής ασφαλιστικών μέτρων

Basic procedural framework

The Court of First Instance is competent to issue such an order, in preliminary proceedings or in proceedings on the merits.

The conditions for issuing an order are *prima facie* evidence suggesting infringement together with an urgent need to prevent imminent damage to the claimant.

A court bailiff instructed by a lawyer is responsible for enforcing the order. The period to initiate proceedings on the merits is set by the court and can be no longer than 30 days.

Factors considered by the court

The balance of both parties' interest is taken into account by the court.

Recurring penalty payments

The court may issue an order for recurring penalty payments. Penalty levels are evaluated at the discretion of the judge and may be up to EUR 10 000 due to the claimant for each violation (Art. 17 Law No. 1733).

Provisional and precautionary measures against intermediaries

The claimant may apply for a provisional and precautionary measure against intermediaries (Art. 17 Law No. 1733).

Circumstances justifying an order for precautionary seizure

In accordance with Art. 9.2 ED, to justify an order for precautionary seizure of property of the alleged infringer including the blocking of bank accounts, the claimant must show an infringement committed on a commercial scale (Art. 17B.3 Law No. 1733).

Assessment of required evidence

There is no definition of what constitutes “reasonably available evidence” or “sufficient degree of certainty” (as referred to in Art. 9.3 ED). It is for the judge to examine this in accordance with the circumstances.

Conditions justifying *ex parte* order

According to Art. 17B.4 Law No. 1733, an *ex parte* order may be granted. The claimant must demonstrate that any delay would cause irreparable harm. In such cases, the decision or the order, if not notified to the defendant before or during its enforcement, it shall be notified on the first business day following enforcement.

What constitutes “appropriate cases” (as referred to in Art. 9.4 ED) is not defined in the legislation. It depends on the judge to examine this in accordance with the circumstances.

What constitutes “irreparable harm” (as referred to in Art. 9.4 ED) is not specified in the legal provision.

Protections available to the defendant

See Part II “Protection available to the defendant”.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

The following sanctions may be imposed: monetary penalty up to EUR 100 000 and imprisonment of up to one year (Art. 947 Code of Civil Procedure).

The procedure laid down in Code of Civil Procedure relating to monetary claims is applicable. See also Art. 614 et seq. Code of Civil Procedure.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at “Non-compliance with an order” above.

Legal basis and case law

Art. 17B Law No. 1733/87

V Corrective measures

Titles of the orders

Διορθωτικά μέτρα (corrective measures)

Απόσυρση (recall)

Απομάκρυνση (removal)

Καταστροφή (destruction)

Other available measures in Greece

There are no measures other than those provided for in Art. 10.1(a)-(c) ED that may be ordered.

Basic procedural framework

The Court of First Instance may issue the order in proceedings on the merits.

A court bailiff instructed by a lawyer is responsible for enforcing the order.

For the grant of an order for recall or removal from the channels of commerce, the patentee will file a main action. The court will generally hear both parties and will issue a decision.

If an order for the destruction of infringing goods is served on the defendant, the defendant is obliged to arrange for the destruction of goods and present a certificate confirming its execution to the claimant.

The claimant may ask for the abovementioned measures in parallel.

The legislation does not define “particular reasons” (as referred to in Art. 10.2 ED) not to carry out the measures at the expense of the defendant. It lies at the discretion of the judge.

Assessment of proportionality for ordering remedies

The court will apply the principle of proportionality between the seriousness of the infringement and the remedies ordered, as well as the interests of third parties (Art. 17.1 Law No. 1733).

Evidence of destruction

A report is prepared by the entity responsible for destruction, usually a private company or the tax authorities.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

The following sanctions may be imposed: a penalty up to 10 000 EUR due to the claimant for each violation (Art. 17 Law No. 1733), and imprisonment of up to one year (Art. 947 Code of Civil Procedure).

The procedure laid down in Code of Civil Procedure relating to monetary claims is applicable. See also Art. 614 et seq. Code of Civil procedure.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at “Non-compliance with an order” above.

Legal basis and case law

Art. 17(1) Law No. 1733/87

VI Injunctions

Title of the order

Απαγορευτική διάταξη

Basic procedural framework

The Court of First Instance is competent for issuing an injunction.

A court bailiff instructed by a lawyer is responsible for enforcing the injunction.

Injunctions against intermediaries

The claimant may apply for an injunction against intermediaries, provided that the third party’s services are used to infringe.

Compulsory licence as a defence

Further to the new provisions regarding compulsory licences (Law 4605/2019, Art. 5) compulsory licences are granted by the patent office. Accordingly aspects justifying the grant of

a compulsory licence can not be brought forward as a defence in infringement proceedings since the court would not be competent to grant such licence.

Court’s discretion if finding of infringement

The court has a discretion as to whether to issue a permanent injunction once infringement is established.

The court will take urgency and the balance of interests into account when considering the permanent injunction.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

Non-compliance is established according to the procedure of Art. 686 of Code of Civil Procedure (preliminary proceedings).

The following sanctions may be imposed: monetary penalty up to 10 000 EUR due to the claimant for each violation (Art. 17 of Law No. 1733), and imprisonment of up to one year (Art. 947 Code of Civil Procedure).

The procedure laid down in Code of Civil Procedure relating to monetary claims is applicable. See also Art. 614 et seq. Code of Civil procedure.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at “Non-compliance with an order” above.

Legal basis and case law

Art. 17(1) Law No. 1733/87

VII Alternative measures

Title of the order

Εναλλακτικά μέτρα

Basic procedural framework

Article 17C Law No. 1733 provides that pecuniary compensation may be paid to the claimant instead of applying the measures referred to in Arts. 17A and 17B (corresponding to Arts. 6 to 9 ED). Art. 12 ED (alternative measures) is applicable to measures in Section 5, Arts. 10 (corrective measures) and Art. 11 (injunctions) ED.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

The procedure applicable is that of Art. 904 et seq. of the Code of Civil Procedure. The following sanctions may be imposed: seizure of debtor's property or bank accounts, and imprisonment of up to one year for a debt over EUR 30 000 (Art. 1047 of the Code of Civil Procedure).

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at "Non-compliance with an order" above.

Legal basis and case law

Art. 17C Law No. 1733/87

VIII Damages

Calculation methods available in Greece

The calculation methods indicated in Art. 13.1(a) and (b) ED are available in Greece.

Basic procedural framework

The determination of the amount of damages ordered for the successful party may be requested in the main infringement proceedings or in subsequent separate proceedings.

The judicial authority competent to decide on such a claim is the same court that decided on the claim for patent infringement.

The successful party may request information as per Art. 8 ED (Art.17A.4-5 Law No. 1733) in order to calculate damages and/or profits gained as a result of infringement.

Methods of calculation

The claimant may choose between different calculation methods to determine damages, such as lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the right holder by the infringement. Alternatively, in appropriate cases, the damages may be set as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

However, the judicial authorities may not mix and match different calculation methods to determine damages. The court will be bound by the method requested by the claimant.

Evidence of reasonable royalties may be submitted by the parties and the court may consider judgments (either Greek or foreign) recognising a royalty rate as reasonable in the relevant technological sector.

Evidence of lack of knowledge

The defendant should have acted without intention (*dolus*) or negligence (Art. 17.2 Law No. 1733).

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

The procedure applicable is that of Art. 904 et seq of the Code of Civil Procedure. The following sanctions may be imposed: seizure of debtor's property or bank accounts, and imprisonment of up to one year for a debt over EUR 30 000 (Art. 1047 of Code of Civil Procedure).

Appeal/review

The order to pay damages may be appealed within 30 days (plus an extra 30 days for foreign entities) from service of judgment or, where the judgment has not been served, within two years from publication of judgment.

The appeal must be brought before the relevant Court of Appeal.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at "Non-compliance with an order" above.

Legal basis and case law.

Art. 17D.1 Law No. 1733/87

IX Legal costs

Overview of assessment of costs

What constitutes "reasonable and proportionate" (as referred to in Art. 14 ED) is decided at the court's discretion.

Law No. 1733/87 stipulates that "general legal costs and expenses" shall include: expenses for experts, witnesses, attorney fees, fees for investigators or technical advisors and expenses for discovering the identity of the infringer.

Costs are decided in the infringement action.

Attorneys' fees are awarded in accordance with national rules (Law 4194/2013). In case of lawsuits claiming damages, the rules provide that the fees for preparing and filing a lawsuit for damages are calculated at 3% of the amount claimed for the claimant's attorney and 2% for the defendant's attorney. If no damages are claimed, the attorney fees awarded are minimal.

Legal basis and case law

Art. 17D.2 Law No. 1733/87

Art. 58 et seq. of Law No. 4191/2013

X Publication of judicial decisions

Title of the order

Δημοσίευση Δικαστικής Απόφασης

Basic procedural framework

The court, upon request by the claimant, may order the publication of the decision in whole or in part at the cost of the opposing party. The operative part of the judgment must be published for the measure to be implemented.

The publication will generally take place in a newspaper but there is no restriction in this regard. Publication on the internet is also foreseen in the legislative text.

The competent court to issue the order is the one dealing with the preliminary and/or main proceedings. The request may be filed in preliminary proceedings or proceedings on the merits. The judicial authorities take into account whether the objective of this measure is met, which is to correct false impressions to consumers regarding the identity of a product and to set a precedent in order to prevent future infringement by others.

Non-compliance with an order

The Court of First Instance is competent in case of non-compliance.

The procedure applicable is that of Art. 904 et seq. of the Code of Civil Procedure. The following sanctions may be imposed: seizure of debtor's property or bank accounts, and imprisonment of up to one year for a debt over EUR 30 000 (Art. 1047 of Code of Civil Procedure).

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued by the national court. Therefore the authority and procedure would be the same as indicated at “Non-compliance with an order” above.

Legal basis and case law

Art. 17D.3 Law No. 1733/87

Art. 692 Code of Civil Procedure

XI Other appropriate sanctions

None available.

XII Additional options

Other available options in Greece

Greek patent law does not contain any criminal sanctions, i.e. patent infringement as such is not a criminal act in Greece.

Criminal proceedings may only be instituted if the patent infringement at the same time constitutes a criminal act according to general provisions of criminal law, including forgery (Art. 216 Greek Penal Code) or fraud (Art. 386 Greek Penal Code). For criminal proceedings the competent authority is the criminal court. The procedure for criminal proceedings is based on Code of Criminal Procedure.

Border measures are available in Greece. The competent authority for border measures are the customs authorities. The procedure for border measures is based on Regulation (EU) No. 608/2013. The destruction of goods may follow.

Non-compliance with an order

Criminal sanctions may be applicable in case of non-compliance with border measures.

Legal basis and case law

Border measures: EU Regulation 608/2013

Criminal proceedings: Art. 216 Penal Code (forgery) and Art. 386 Penal Code (fraud)

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Croatia

I Evidence

Title of the order

Pribavljanje dokaza tijekom parničnog postupka (taking of evidence in the course of the civil proceedings), Art. 95.l Patent Act (hereinafter PA)

Basic procedural framework

The competent judicial authorities to issue this order are the commercial courts.¹

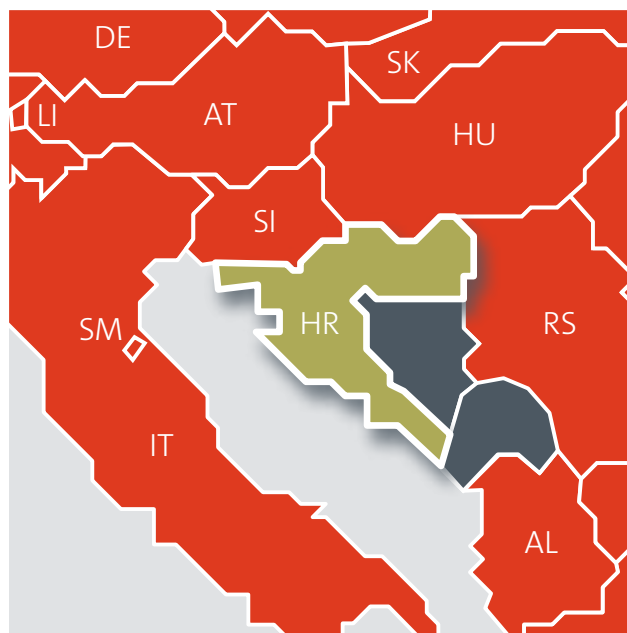
Where a party to civil proceedings requests evidence claiming that it lies under the control of the opposing party, the court shall invite the opposing party to present such evidence within a specified time limit (Art. 95l(1) PA). The time limit is at the discretion of the court, although Art. 95.m PA prescribes that a procedure concerning infringement of the rights shall be “expeditious”.

Where the patent owner, as a claimant in a legal action, claims that the infringement of a patent has been committed on a commercial scale for the purpose of acquiring commercial or economic benefit, and has shown it is likely during the proceedings, and where he requests in the proceedings banking, financial or similar economic documents, papers or the like evidence, claiming that they lie with the third party but under the opposing party’s control, the court shall invite the third party to present such evidence within a specified time limit (Art. 95l(2) PA).

According to Article 95l(3) PA, where the party, which is ordered to present evidence, denies that the evidence lies with it or under its control, the court shall evaluate the evidence to establish the truth of such fact.

The provisions of the Act on Civil Proceedings relating to the right of refusal to present evidence as a witness shall apply *mutatis mutandis* to the right of the party to refuse to present evidence.

Such a request would either constitute a separate procedure against a person who either infringes the patent or is



connected somehow with such an infringement in civil proceedings already instituted before the court or such claim may also be included in main proceedings as the first claim, provided that the person requested is a defendant in the main claim.

Provision of evidence by third parties

The court may order that a third party should present evidence in a procedure established under Article 95i PA relating to the provision of information (see Part III “Right of information”).

If such ‘third party’ does not satisfy the criteria², the right holder may request the court to order the third party to provide such evidence only during the main proceedings on the merits, according to the Article 95l PA.

Assessment of evidence in support of the application

In commercial disputes, there is no *ex officio* collection of evidence unless the law specifically provides for this (as in Art. 95l PA). It is up to the parties to provide “reasonably available evidence.” It is difficult to evaluate what exactly constitutes “reasonably available evidence sufficient to

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¹ The commercial courts in Zagreb, Rijeka, Split and Osijek are competent to hear patent cases in Croatia. The term “commercial court” in this country report will therefore refer to those specifically unless otherwise indicated.

² The PA does not set out a prescribed “set of criteria”. The “criteria” will be developed (and is still under development) by the court on a case-by-case basis.

support the applicant's claims (as referred to in Art. 6.1 ED).

The claimant should demonstrate:

- (1) the type of the evidence that should be presented by the opposing party;
- (2) why such evidence is solely under the control of opposing party;
- (3) which fact(s), i.e. claim(s) the evidence will prove.

It may be sufficient to show for example the opposing party's catalogue of products and the plaintiff's technical explanation of why the production or distribution of the product infringes the patent.

Protection of confidential information

A party may request the court to exclude the public from all or part of the proceedings if this is in the interests of official or business secrets (among others), but only to the extent which, in the opinion of the court, is unconditionally necessary in interests of justice (Article 307 Act on Civil Proceedings). Exclusion of the public shall not apply to parties, their legal representatives, agents and intervenors³.

The judge shall instruct the persons attending the hearing from which the public is excluded that they are obliged to treat as confidential any information emanating from the proceedings and draw their attention to the consequences of disclosing such information.

The court shall decide on the exclusion of the public by a ruling that must be reasoned and public. No separate appeal is permitted against a ruling on the exclusion of the public.

Non-compliance with an order

The competent judicial authority is the court that has issued the order.

The commercial court is responsible for the enforcement of an order (Section XIX, Arts. 246 and 247 Croatian Enforcement Act; hereinafter Enforcement Act). The court ensures the enforcement of the order through the court's bailiff.

In case of non-compliance with an order, the claimant is entitled to request enforcement, including a penalty that the court should impose. The court will evaluate the request on a case-by-case basis and may issue a writ of enforcement providing an additional deadline for the opposing party to comply with the order, and imposing a recurring penalty payment of an amount at the court's discretion on a daily basis starting from the first day after the expiry of the deadline, until the day on which the order is actually complied with.

If the opposing party fails to comply with the order despite having paid the penalty, the court may impose a term of imprisonment of up to six months (Art. 263 (1) to (6) Enforcement Act).

In the case of a refusal by third parties to provide evidence, the court may impose a fine of between HRK 500 and HRK 10 000. The fine is payable to the State Budget and is enforced *ex officio* (Article 346 Act on Civil Proceedings). If the third party still refuses to present evidence, the court may impose a term of imprisonment (Article 248 Act on Civil Proceedings).

Appeal/review

According to Art. 95l(6) PA, a separate appeal is not possible for decisions relating to Arts. 95l(1) and (2).

An appeal may be lodged if a party considers that the court order is not in compliance with the law and/or procedural rules. Croatian civil procedural rules do not recognise the concept of "requesting leave to appeal". The party who considers that the court order is not in compliance with the law and/or procedural rules may file the appeal with the High Commercial Court, which will issue the final decision on the matter.

The period for filing an appeal is eight days from the decision of the court.

Admissibility of evidence

Evidence emanating from national and foreign proceedings is admissible but the court has discretion as to whether to accept it.

³ Intervenor (*umješač*) is a third party in whose interest it is to join the ongoing litigation, where the judgment may affect the intervenor's legal interest. The court will decide whether the third party may join the ongoing litigation as an intervenor.

Legal basis and case law

Patent Act⁴ (Article 95I)
Civil Obligations Act⁵
Enforcement Act⁶
Act on Civil Proceedings⁷

II Measures for preserving evidence

Title of the order

Privremene mjere za osiguranje dozaka (provisional measures for the preservation of evidence), Art. 95k PA.

Further available measures

If measures for preserving evidence provided by the PA do not suffice, the right holder may initiate a regular civil procedure for preservation of evidence pursuant to the Act on Civil Proceedings. The Act on Civil Proceedings establishes the procedure for preservation of evidence, but does not stipulate the method of preservation of evidence. It is up to the claimant to propose the procedure and the court will evaluate whether it is justified. Usually, technical evidence is required to establish infringement for these proceedings.

Basic procedural framework

Upon request of the patent owner who demonstrates that his patent has been infringed, or threatened to be infringed, the court may order a provisional measure for preserving evidence. The competent judicial authorities are the commercial courts. The request is made in separate proceedings.

The court may order in particular:

- (i) preparation of a detailed description of the goods alleged to infringe a patent, with or without taking of samples;
- (ii) seizure of the goods alleged to infringe a patent;

- (iii) seizure of the materials and implements used in the production and distribution of the goods alleged to infringe a patent and the documentation relating thereto.

In the decision ordering the preservation of evidence the court shall specify the scope of the measure and, if the measure has been ordered before the institution of the main action, the period within which the applicant for measures shall institute a legal action to justify the measure. This period shall not exceed 20 working days or 31 calendar days whichever is the longer from the date of communication of the decision to the defendant.

A party may appeal the decision (regardless whether the court issued the provisional measure(s) or rejected the application). The measure will be executed if there is no appeal, or if the High Commercial Court rejects the appeal and confirms the order.

The provisions of the Enforcement Act shall apply to matters not regulated by this article in the PA. The court will issue a writ of enforcement. Seizure of the goods is to be enforced by the court officer (bailiff).

The provisions of Art. 95k PA shall be without prejudice to the possibility of the court to order provisional measures comprising the preservation of evidence pursuant to the provisions of the Act on Civil Proceedings.

Ex parte requests

The order may be requested without informing the opposing party, if the claimant demonstrates there is a risk of the evidence being destroyed, irreparable damage occurring, or that otherwise the provisional measure would not be effective. If a measure is ordered *ex parte*, the court shall require, upon its enforcement, communication of the decision to the opposing party.

The opposing party is entitled to lodge an appeal, including a request to be heard, upon which the High Commercial Court will take a final decision. The High Commercial Court will decide whether the measure shall be modified, revoked or

4 Official Gazette (hereinafter OG) 173/03 (in force from January 1st, 2004), OG 87/05 (in force from July 18th, 2005), OG 76/07 (in force from July 31st, 2007), OG 30/09 (in force from March 17th, 2009), OG 128/10 (in force from November 25th, 2010), OG 49/11 (in force from May 7th, 2011), OG 76/13 (in force from June 29th, 2013), OG 46/2018 (in force from May 26th, 2018)

5 OG 35/05, 41/08, 125/11, 78/15, 29/18

6 OG 112/12, 25/13, 93/14, 55/16, 73/17

7 OG 53/91, 92/92, 58/93, 112/99, 88/01, 117/03, 88/05, 02/07, 84/08, 96/08, 123/08, 57/11, 148/11, 25/13, 89/14

confirmed. If the High Commercial Court considers that the measure is justified and that the opposing party in its appeal does not present arguments to the contrary, the Court will confirm the measure and reject the appeal.

Protection available to defendant

The parties should address protection for the defendant on a case by case basis. The most straightforward approach is one where the opposing party accepts an offer from the claimant to provide adequate security or an equivalent assurance with the request for the provisional measure.

If there is no such offer, but the opposing party requests the payment of an adequate security (or equivalent assurance) due to damage that the defendant may suffer, the court will at its own discretion, decide whether and to what extent the request is justified (Article 15 Enforcement Act).

There is no provision in the law or in jurisprudence regarding the criteria that the courts must apply to determine “adequate security” as referred to in Art. 7.2 ED

The Enforcement Act (Articles 348 and 349) lays down the rules with respect to the payment of an “equivalent assurance” either by the claimant or the opposing party.

The claimant may accept the payment of an “equivalent assurance” in the following cases:

- (1) if he is willing to receive “equivalent assurance” instead of issuance of the provisional measures;
- (2) if the claimant would like to enforce the provisional measure but he fails to prove that his claim meets required criteria, he may offer the payment of an “equivalent assurance” to the opposing party in the amount that corresponds to the damage that would be suffered by the opposing party if the subject measure was enforced.

Such a proposal made by the claimant will not postpone the proceedings relating to the order for provisional measures.

The opposing party is entitled to offer payment of an equivalent assurance to the claimant instead of having provisional measures enforced.

If either party will not accept such an offer, the Court will decide at its discretion whether the payment of equivalent assurance should occur as well as the amount thereof.

“Appropriate compensation” for the defendant (as referred to in Art. 7.4 ED) is calculated in accordance to the general criteria established by the Code on Obligations.

Period to initiate proceedings on the merits

In the decision ordering a provisional measure to preserve evidence the court shall specify the timing for execution of the measure and, if the measure has been ordered before the filing of the main proceedings, the period within which the applicant for measures shall initiate the main proceedings to justify the measure. This period shall not exceed 20 working days or 31 calendar days whichever is longer (Article 95k(4) PA).

Witness identity protection

There is no possibility to “hide” a witness’ identity in civil procedures. However, the witness may refuse to provide information pursuant to the provisions of the Act on Civil Proceedings (Article 238), if such information would expose him or his spouse and children, to serious disgrace, significant material damage or criminal prosecution.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”

For appeals relating to *ex parte* requests, see “*Ex parte* requests” above.

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act (Article 95.k)
Civil Obligations Act
Enforcement Act
Act on Civil Proceedings, Chapter XIX, Articles 272 to 276

III Right of information

Title of the order

Zahtjev za dostavom podataka (Claim for provision of information, Article 95i PA).

Persons obliged to provide information

The patent owner who has instituted civil proceedings for an alleged infringement may request the provision of information on the origin and distribution channels of the goods infringing his patent. Only persons listed in Art. 8.1 ED are obliged to provide information.

The claim may be made in main proceedings or as a provisional measure.

The request for information may also be included in main proceedings on the merits as the first claim, provided the defendant is also included in the main claim.

Types of information to be provided

There is no other information to be provided other than that listed in Art. 8.2 ED. The provision of information shall be without prejudice to

- (i) the manner of use of confidential information in civil and criminal proceedings;
- (ii) regulating the responsibility for misuse of the right to acquire information;
- (iii) the provisions regulating the processing and protection of personal data; and
- (iv) to the provisions of Article 91l PA regulating the taking of evidence in civil proceedings.

The request for information on the origin of the goods and distribution channels of the goods and services referred to may include in particular:

1. information on the names and addresses of the producers, distributors, suppliers and other previous holders of the goods and providers of the services, respectively, as well as the intended wholesalers and retailers;

2. information on the quantities produced, delivered, received or ordered, as well as the price obtained for the goods or services concerned.

Therefore, any information which is related to 1 and 2 is of importance and should be disclosed as such. Generally, what is referred to are the name(s) of the person(s) involved in the distribution channels, description of their activities including financial operations related to such activities, as well as earnings gained from such activities (which is usually verified by the court expert following a specific court order).

Such a claim may be made in a separate proceeding against a person who either infringes the patent or is connected somehow with such an infringement, provided that the right holder already has instituted civil proceedings before the court for infringement.

Competent authority

The competent authority is the commercial court.

Non-compliance with an order

See also Part I “Non-compliance with an order” and Part II “Witness identity protection”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act
Civil Obligations Act
Enforcement Act
Act on Civil Proceedings

IV Provisional and precautionary measures

Title of the order

Privremene mjere zbog povrede patenta (provisional measures due to the infringement of a patent; Art. 95j PA)

Basic procedural framework

Upon the request of patent owner who demonstrates the likelihood that the patent has been infringed or threatened to be infringed, the court may order any provisional measure requiring termination or prevention of the infringement. In particular the court may:

- (1) order the opposing party to cease or desist from the infringing acts;
- (2) issue such order against an intermediary whose services are being used to infringe a patent;
- (3) order the seizure or removal from the market of the goods resulting from or acquired as a result of an infringement of a patent, and objects (implements and tools) used in the creation of the goods infringing a patent.

Upon the request of the owner of a patent who demonstrates the likelihood that his patent has been infringed on a commercial scale and for the purpose of acquiring commercial or economic benefit, and that such infringement will cause him irreparable damage, the court may, in addition to the provisional measures referred above, order the seizure of movable and immovable property of the opposing party, not directly related to the infringement, including the blocking of his bank accounts and other assets (Art. 95j(2) PA).

For the purpose of ordering and enforcing the seizure of movable and immovable property of the opposing party, not directly related to the infringement, including the blocking of his bank accounts and other assets, the court may require from the opposing party or other relevant persons the communication of banking, financial and other economic information, or access to other relevant information and documents. The court shall ensure the protection of confidentiality of such information, and prohibit any misuse thereof (Art. 95j(3) PA).

The competent judicial authorities to issue these orders are the commercial courts. They are issued either in separate proceedings before proceedings on the merits have been initiated, or in main proceedings on the merits.

Enforcement of such orders is performed through the court i.e. through the enforcement procedure which is conducted by the judge. The judge issues a writ of enforcement ordering the court officers, government bodies and officers to, for e.g. seize, collect and keep the goods; to enter into the premises in order to enforce the measure, etc.

The authority enforcing the measure depends on the measure itself. Usually the court bailiff is responsible for enforcement. However, in the case of seizure of funds deposited at a bank, the government financial agency (FINA) is responsible for such seizure. If the particular goods need particular handling and storage, then the court will appoint a person suitable for handling and storing the goods in question.

In the decision ordering a provisional measure the court shall specify the time for execution of the measure, and, if the measure has been ordered before the institution of main proceedings. The period within which main proceedings must be instituted shall not exceed 20 working days or 31 calendar days whichever is the longer from the date of communication of the decision to the defendant (Art. 95j(5) PA).

The provisions of the Enforcement Act shall apply to matters not regulated by Article 95j PA.

The provisions of Art. 95j PA shall be without prejudice to the possibility to order provisional measures pursuant to other provisions of the Act, and the provisions of the Enforcement Act.

Factors considered by the court

The court will assess whether it is likely that the patent has been infringed or threatened to be infringed on case by case basis.

There are no provisions relating to the “criteria” that the court should take into account when exercising its discretion.

The claimant should provide a clear explanation of the invention and evidence of the alleged infringement of all relevant claims.

Recurring penalty payments

See Part I “Non-compliance with an order” with regard to recurring penalty payments.

Provisional and precautionary measures against intermediaries

The right holder may apply for a provisional and precautionary measure against intermediaries.

Provisional measures against an intermediary, whose services are being used to infringe a patent, may be ordered without informing the opposing party if the claimant demonstrates the likelihood that otherwise provisional measures would not be effective, or that taking into consideration the very serious circumstances of the infringement, provisional measures are necessary.

If a provisional measure is ordered without informing the opposing party thereof, the court shall order that the decision be communicated to the opposing party, promptly upon its enforcement (Art. 95j(4) PA).

Circumstances justifying an order for precautionary seizure

There is no provision setting out the circumstances likely to endanger the recovery of damages and therefore to trigger an order for precautionary measures. This will depend on the facts of each case.

For instance, where there is a risk of the goods “disappearing”, or of relocation of production of the goods, or if the alleged infringer’s financial status is not solid, this would demonstrate that any recovery of damages is endangered, and could justify an order for precautionary measures.

In addition, the claimant should provide any reasonably available evidence to the court in order to provide a sufficient degree of certainty that the applicant is the right holder and that the applicant’s right is being infringed, or that such infringement is imminent.

Assessment of required evidence

- (1) The court will evaluate the evidence on case by case basis. “Sufficient degree of certainty” (as is referred to in Art. 9 ED), is understood to mean a clear and distinct statement of facts which constitute the cause of

action, including that the applicant is the patent holder (or holder of a licence to exploit the patent and is therefore entitled to request the issuance of the measure);

- (2) the patent is valid; and
- (3) the opposing party is likely to be infringing the patent.

Conditions justifying *ex parte* order

Provisional measures may be ordered without informing the opposing party if the claimant demonstrates the probability that otherwise final relief will not be effective, or that irreparable damage is threatened to occur.

“Appropriate cases” (as referred to in Art. 9.4 ED) will exist when the “certainty” described above clearly shows that any delay would cause irreparable harm to the right holder.

“Irreparable harm” will exist when the opposing party distributes goods for export or there are other circumstances as a result of which it would be hard or almost impossible to establish the exact scope of damages.

“Irreparable harm” would also exist if the opposing party is an entity without employees and/or assets, following which the collection of adequate damages would be difficult or even impossible for the applicant.

Protection available to defendant

See Part II “Protection available to the defendant”.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act
Civil Obligations Act
Enforcement Act
Act on Civil Proceedings

V Corrective measures

Titles of the orders

Corrective measures: *Zahtjev za oduzimanjem I uništenjem predmeta* (Art. 95.d PA), *Zaštitna mjera oduzimanja proizvoda, alata I pribora* (Art. 98(2) PA)

Recall from the channels of commerce: *Nalog za prestanak odnosno odustanka od radnji kojima se povređuje patent* (Art. 95.j(1), aline 1 PA)

Removal from the channels of commerce: *oduzimanje ili isključenje iz prometa proizvoda koji su nastali ili pribavljeni povredom patenta i predmeta (pribora i alata)* (Art. 95.j(1), aline 2 PA).

Destruction: *uništenje* (Art. 95.d PA)

Other available measures in Croatia

According to the Article 347 of the Croatian Enforcement Act, it is possible to request the issuance of corrective measures (among those predicted by the Patent Act) which will:

- prohibit the opposing party to surrender or deliver a product, transfer a right or undertake any other non-monetary obligation against which the claim is referring to;
- prohibit the opposing party to undertake any actions which might inflict damage to the applicant and to prohibit any alterations on the things against which the claim is referring to.

The person against whom the prohibitions have been issued can release himself of liability by depositing at the court the objects to which the prohibition relates, if these objects are suitable for such deposition, or by depositing them with a warden or manager determined by the court at his proposal.

Basic procedural framework

The competent judicial authority is the commercial court. The order may be issued either in separate proceedings

before the proceedings on the merits have been initiated, or in the main proceedings on the merits.

Such enforcement is performed through the court i.e. through the enforcement procedure which is conducted by the judge. The judge issues a writ of enforcement ordering to the court officers, government bodies and officers, to e.g. seize, collect and keep the goods; to enter into the premises in order to enforce the measure, etc.

The court exercising its discretion takes into account the same factors as its evaluation of whether it is likely that infringement of the patent would take place.

The recall from the channels of commerce is usually requested either as a provisional measure based on the Article 95.j. of the Patent Act, or as a subsequent claim being part of main claim (if the court establishes that the opposing party infringes the patent, then the recall from the channels of commerce would be ordered). See also Part IV Provisional and precautionary measures.

Also, the recall from the channels of commerce can be requested in a misdemeanour procedure, if such procedure is initiated against the person who either:

- (1) makes, offers for sale, sales or imports and stocks for such purposes a product manufactured according to the protected invention; or
- (2) uses or offers for use a process which is the subject-matter of the protected invention; or
- (3) offers for sale, sales, uses, exports or imports and stocks for such purposes a product obtained directly from the process which is the subject-matter of the protected invention; or
- (4) offers or delivers a product which constitutes the essential element of the protected invention.

The definitive removal from the channels of commerce will take place following the court decision described above.

In addition, such definitive removal may take place in a misdemeanour procedure as it is described above.

The destruction of infringing goods, materials and implements is requested as a subsequent part of a main claim (if the court establishes that the opposing party infringes the patent, then the destruction of infringing goods, materials and implements will be ordered).

Also, the misdemeanour court referred to, may order that articles intended or used for the commitment of the misdemeanour (meaning infringing goods and materials), shall be destroyed, but only if the final decision to that effect being issued by the judicial authority (commercial court).

The same procedural rules apply to other corrective measures, which means that the applicant should demonstrate that it is likely that his patent has been infringed on a commercial scale for the purpose of acquiring commercial or economic benefit, and that such infringement has threatened to cause him irreparable damage.

The applicant may ask for two of the abovementioned measures in parallel.

There is no rule as to what is considered a “particular reason” (as referred in Art. 9.2 ED). It will depend on the case as such.

However, general rules about the costs related to the issuance of such measures are laid down by Article 15 of the Enforcement Act. Therefore, if such particular reasons exist, the opposing party is entitled to claim non-payment of such costs. The court will evaluate at its discretion whether such particular reasons exist and will issue the final order with respect to the payment of such costs. Such a decision on costs may be appealed by the parties and High Commercial Court will decide upon such appeal.

Assessment of proportionality for ordering remedies

The judge has discretion as to how to assess proportionality between the seriousness of the infringement and the remedies ordered, also considering the interests of third parties.

Evidence of destruction

In most cases, a “protocol on destruction” is issued by an authorised destroyer” (depending on the type of goods destroyed) and constitutes sufficient evidence of destruction. It involves the parties, court officer⁸ and authorised “destroyer”.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act (Art. 95.j)
 Enforcement Act
 Act on Civil Proceedings

VI Injunctions

Title of the order

In Croatia injunctions are not given a specific name, this measure falls under the title “misdemeanour”, provided for in Articles 97 and 98 PA.

Basic procedural framework

The competent judicial authority is the misdemeanour court⁹, and a court-appointed official (usually the bailiff) will enforce it. Once the judicial decision is issued, the misdemeanour court, in addition to a fine, may issue an injunction ordering the seizure of products resulting from or acquired by infringement, and of objects (tools and implements) predominantly used in the manufacture of products infringing a patent, irrespective of whether they are the property of the infringer or not. The order may also include the destruction of the seized articles and objects.

If the commercial court rules in the main proceedings that the defendant has infringed the patent (as well as on the prohibition of such and similar future infringements), but the defendant continues infringing, the claimant may:

- initiate the procedure before the misdemeanour court requesting the payment of a fine and additional corrective measures (if necessary);

⁸ The court officer not only acts as a bailiff, but will actually act as a “judge” in this particular case.

⁹ The commercial court will rule on infringement and will then refer the matter to the misdemeanour court.

- initiate the enforcement of the main decision before the commercial court requesting the “enforcement” of the enforcement of the prohibition of infringement by requesting the recurring penalty payment for non-compliance with the subject claim.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries. The PA does not specify whether it is possible to issue an injunction against intermediaries. However, Article 22b of the Act on Electronic Commerce states:

- (1) “Any person who considers that a service provider is violating its right, may request the issuance of injunctions before the competent court.
- (2) The court may, by such injunction:
 - prohibit actions or actions that may lead to a violation of rights or continuation of violations already initiated,
 - restrict the provision of information society services in a way that orders the service provider to remove or disable access.”

Compulsory licence as a defence

Theoretically it is possible to bring forward aspects justifying the grant of a compulsory licence as a defence in infringement proceedings. However, to date this ‘defence’ has not been invoked in Croatia and therefore it is not known how the court would evaluate this argument.

Court’s discretion if finding of infringement

The court has discretion to evaluate whether the “new infringement” is of the same nature as a previous one. The court conducts simple comparison of the presented facts with the previous case.

It means that applicant should provide to the court any reasonably available evidence in order to provide sufficient degree of certainty that the applicant’s right is (again) being infringed, or that such infringement is imminent. The applicant may claim the existence of the same circumstances as in previous case, but should still provide evidence that the infringement is taking place or may take place. The court will evaluate such arguments and evidences, following which will take a decision.

Non-compliance with an order

The competent judicial authority is the misdemeanour court. If the opposing party does not appeal the court order, the court will impose sanctions.

Any legal person shall be punished for a misdemeanour by a fine amounting from HRK 20 000 (EUR 2 700) up to HRK 100 000 (EUR 13 515) if contrary to the provisions of the Patent Act he:

1. makes, offers for sale, sells, or imports and stocks for such purposes a product which is manufactured according to the protected invention
2. uses or offers for use a process which is the subject-matter of the protected invention
3. offers for sale, sells, uses, exports or imports and stocks for such purposes a product which is obtained directly from the process which is the subject-matter of the protected invention
4. offers or delivers a product which constitutes the essential element of the protected invention to persons not entitled to use such invention.

Any natural person shall be punished for a misdemeanour by a fine between HRK 2 000 and HRK 10 000. A responsible person in the legal entity shall also be punished for a misdemeanour referred above by a fine between HRK 5 000 and HRK 10 000. A natural person, a craftsman or other self-employed person respectively, shall be punished for the misdemeanour by a fine between HRK 5 000 to HRK 50 000, where the misdemeanour has been committed in the performance of her/his activities as a craftsman or other self-employed person, respectively.

The fine is payable to the State Budget and is enforced *ex officio*.

Articles intended or used for the commitment of the misdemeanour shall be seized and destroyed, the final decision to that effect being issued by the misdemeanour court, and the commercial court if its decision is to be enforced.

If the defendant does not comply with the order, the court will enforce it. If, for any reason, a fine cannot forcibly be collected in full or in part within two years, the Court will replace the fine with community service, so that each HRK 300 of a fine shall be replaced with two hours of community service in which case community service shall not be

imposed for less than six hours or more than 240 hours.
There shall be no remuneration paid for community service.

If a convicted person does not agree to do community service or fails to complete their community service through their own fault within the time limit set therefor, a sentence of imprisonment shall be substituted for the fine, so that each HRK 300 of a fine shall be replaced with one day of imprisonment, which will not be imposed for less than three days or more than 60 days.

Imprisonment is foreseen as the last 'resort' in order to force the opposing party to accept and follow the Court order.

Appeal/review

In respect of the injunction the regular appeal may be lodged before High Misdemeanour Court within eight days from receipt of the decision.

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act
Enforcement Act
Misdemeanour Act
Act on Civil Proceedings

VII Alternative measures

Article 12 ED was not implemented into Croatian law.

VIII Damages

Calculation methods available in Croatia

Both calculation methods indicated in Art. 13.1(a) and (b) ED are applicable, and claimant may choose among them.

Basic procedural framework

The claim for damages may be part of the main patent infringement proceedings, or the subject of separate proceedings. In case of separate proceedings the judicial authority is the same as that which decided on the claim for patent infringement, the commercial court.

If there are separate proceedings the successful party may request information as per Art. 8 ED.

Methods of calculation

The right holder may choose between different calculation methods to determine damages. It is also possible for the judicial authorities to mix and match different calculation methods, so they are not mutually exclusive. However the generally applicable method of calculation is the one indicated in Art. 13.1(a) ED.

The judicial authority may set the damages as a lump sum on the basis of certain elements. The court would accept such calculation if the evidence supports the amount of royalties or (licence) fees that would have been due if the infringer had requested authorisation to use the patent. The claimant should prove the subject amounts either based on concluded licence agreements or on other relevant business practices such as offers received, regular licence fees in that technical field and which are known to public.

Evidence of lack of knowledge

The assessment of whether the infringer did not knowingly or "with reasonable grounds" know that it was engaging in infringing activities depends on the facts of each case.

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act (Art. 95.f)
Civil Obligations Act (Arts. 214-246, 346, 410, 1045-1051, 1085-1106)
Enforcement Act (procedural rules)
Act on Civil Proceedings (procedural rules)

IX Legal costs

Overview of assessment of costs

“Reasonable and proportionate legal costs” (as referred to in Art. 14 ED) are assessed by application of the rules laid down in the Act on Civil Proceedings. In Croatia, the Attorney Tariff Act defines the amount of attorney fees associated with specific procedures and services.

Legal costs and other expenses include:

- attorney fees
- expenses related to expert witnesses (including travel, accommodation (if necessary) and honorarium if applicable)
- expenses related to the witness travel to the court
- court fee (payable according to the Act on Court Taxes).

Legal costs are decided in the main proceedings and are awarded according to national rules. The unsuccessful party bears the costs.

Legal basis and case law

Act on Civil Proceedings
Attorney Tariff Act¹⁰
Act on Court Taxes¹¹

X Publication of judicial decisions

Title of the order

Zahtjev za objavom presude

Basic procedural framework

Pursuant to Article 95.g PA, the right holder may claim that the final judgment, whether wholly or partially upholding the claim for infringement, is published at the expense of the defendant.

The court shall decide on the means of public communication and whether the judgment shall be published entirely or partially. If the court decides that only a part of the judgment shall be published, it shall order, that at least the dispositive part of it and if necessary, the part of the judgment specifying the infringement concerned and the person having committed it is published.

The requirements for implementation of the measure depend on the case and claimant’s request. The publication usually takes place in a newspaper, but the claimant may request publication in a particular trade journal as well. The commercial court is competent to issue such an order as part of the infringement procedure. The court will assess whether to publish a decision on a case-by-case basis but will generally grant the request if there is a finding of infringement.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Croatia is not a party to the UPC Agreement.

Legal basis and case law

Patent Act
Civil Obligations Act
Enforcement Act
Act on Civil Proceedings

¹⁰ OG 142/12, 103/14, 118/14, 107/15

¹¹ OG 74/95, 57/96, 137/02, 26/03, 125/11, 112/12, 157/13, 110/15

XI Other appropriate sanctions

Name and type of sanctions

In Croatia fines and imprisonment are available.

Non-compliance with an order

In case of non-compliance the competent judicial authority is the misdemeanour court.

The procedure may be initiated by the patent holder (see also Part V Corrective measures and Part VI Injunctions) or another authorised person (customs authorities to enforce border measures) before misdemeanour court.

Appeal/review

The order can be appealed by lodging a regular appeal to High Misdemeanour Court within eight days of the judgment.

Legal basis and case law

Patent Act
Enforcement Act
Misdemeanour Act¹²

XII Additional options

Other available options in Croatia

Other options available to a patent right holder are (i) border measures and (ii) criminal proceedings.

Border measures

The competent judicial authority for border measures is the Customs Administration.

There are prescribed forms which should be duly filled out and delivered to the Customs Administration in order to initiate the action. The Customs Administration shall promptly respond and establish whether it is likely that the patent has been infringed. If so, they will initiate a

misdemeanour procedure against the alleged infringer and shall keep the goods or instruments used for the production of subject goods in its possession until the court decides otherwise.

Criminal proceedings

The competent authority is the State Attorney Office. The patent holder will report that an offence pursuant to Article 287 Criminal Code has been committed to the State Attorney Office, with accompanying evidence to support its claims. The State Attorney Office will investigate whether this has occurred and will initiate criminal proceedings.

Non-compliance with an order

For border measures, the Custom Administration will initiate a misdemeanour procedure before the misdemeanour court. The procedures are outlined in the Patent Act as well as the Misdemeanour Act are applicable. There is a specialised unit within the customs authority which acts according to the Regulation on Custom Enforcement of IP rights (NN 116/2018 as of December 21st, 2018), in line with EU Regulation 608/2013 on customs enforcement of IP rights.

For criminal measures, the State Attorney Office will initiate the criminal procedure which would take place before the Criminal Court.

Legal basis and case law

Criminal Code¹³
Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013, laying down the Union Customs Code
Act on Custom Service¹⁴
Act on implementation of EU Custom Code and Regulation¹⁵

¹² OG 107/07, 39/13, 157/13, 110/15, 70/17

¹³ OG 125/11, 144/12, 56/15, 61/15, 101/17) and Criminal Procedure Act (OG 152/08, 76/09, 80/11, 121/11, 91/12, 143/12, 56/13, 145/13, 152/14, 70/17

¹⁴ NN 115/16

¹⁵ NN 40/16

Hungary

I Evidence

Title of the order

Bizonyításfelvétel (taking of evidence)

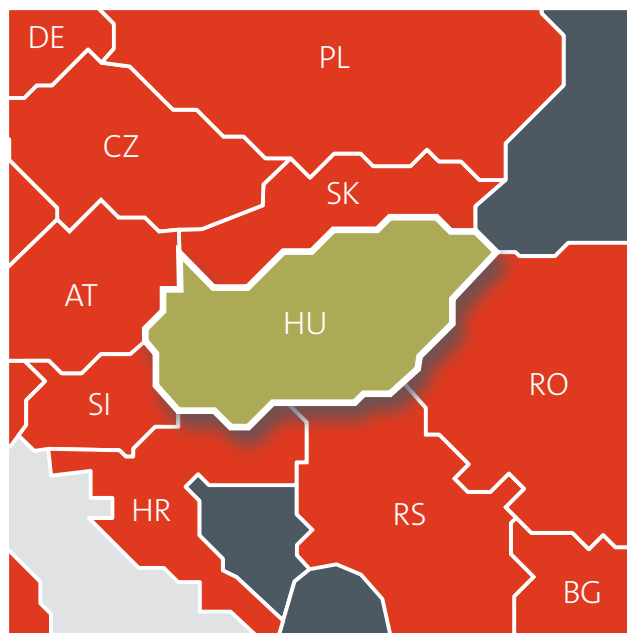
There is no specific name for this proceeding in Act CXXX of 2016 on the Code of Civil Procedure (hereinafter CCP) or Act XXXIII of 1995 (hereinafter Patent Act). It forms part of the procedure for the taking of evidence. The court will issue an order to that effect (*végzés*).

Basic procedural framework

The Metropolitan Court of Budapest¹ (*Fővárosi Törvényszék*) is competent to issue such an order.

Such orders may be issued in main proceedings, and in theory it is not excluded to order them in pre-trial interlocutory injunction proceedings or proceedings for the prior collection of evidence. However, to date this measure has not been ordered in pre-trial proceedings.

There is no relevant court practice as to the enforceability of this type of order. However, based on available case law it seems that the consequence of a failure to comply would be the court exercising its discretionary power in evaluating the defendant's non-compliance rather than pursuing judicial foreclosure². For example, in the only case³ where this type of measure has been ordered the court instructed the defendant to prove the absence of certain features in the allegedly infringing product and, failing to do so within a certain deadline to provide information on the quantities of the manufactured products, basing this order on Art. 104(9) Patent Act. The court maintained that if the defendant failed to comply with the order, the court would decide on the basis of other available information.



Provision of evidence by third parties

Independent of the implementation of the ED, the provision of evidence by third parties is possible on a different legal basis. If the third party is summoned as a witness, Art. 296 of the Code of Civil Procedure states that the witness may be obliged to produce any document or object that is regarded as evidence. However, hearing of witnesses is only possible in main proceedings, not in interlocutory injunction proceedings. Similarly, under the general rules of the CCP one way of obtaining evidence is by the judges inspecting an object or document that constitutes evidence. Art. 328 CCP makes it possible to have an object or document inspected even if it lies in the possession of a third party.

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¹ The Metropolitan Court of Budapest is the competent authority to adjudicate patent infringement cases in Hungary. For the purposes of this country profile dealing with patents it is referred to as the competent court, unless otherwise indicated.

² Judicial foreclosure of court orders is subject to a separate proceeding from that which the order was issued in. These proceedings are regulated in Act LIII of 1994 on the Act of Judicial Foreclosure.

Upon the implementation of the Enforcement Directive, a section was incorporated in the Act specifically dealing with foreclosure of orders made in IP cases. It obliges the defendant to perform a certain activity, such as cease and desist orders, or seizures or destruction of goods. According to these rules where the claimant requests judicial foreclosure, the court issues an order in which, via the bailiff, it calls on the defendant to comply with the order within three days and sets the amount of penalty due for each day of delay. These amounts are cumulating exponentially with the delay and can be quite substantial.

If, despite of the penalty, the defendant fails to comply with the order the court may either entitle the claimant to perform the required act at the expense of the defendant, seek police assistance or issue a fine. The actual acts of foreclosure are executed by a bailiff upon the court's order.

However, there is no practice with the foreclosure of obligation such as recall of infringing products from the market or orders on taking evidence.

³ Metropolitan Court 3.P.23.574/2014/20

Assessment of evidence in support of the application

There is no relevant court practice as to what constitutes “reasonably available evidence” (as referred to in Art. 6.1 ED). The only case in which Art. 104(9) Patent Act was applied (see “Basic procedural framework” above) the claimant successfully demonstrated the inability to determine the volume of infringing product manufactured by the defendant from public data and thus the defendant was ordered to present its own manufacturing documents.

Protection of confidential information

The court is entitled to exclude the public from the court hearing. Upon the request of either party the court may order that the other party may only inspect certain documents upon consenting to a non-disclosure agreement (Art. 163 and 231 CCP).

Non-compliance with an order

The Metropolitan Court is the competent judicial authority and decides in the same proceedings in which the order was made. If there is a failure to comply, the court may decide on the basis of the available information to use its discretion to accept the allegations of the claimant as proven (Art. 279 CCP).

Appeal/review

The order for the presentation of evidence cannot be appealed.

Admissibility of evidence

From other national proceedings

The court may rely on evidence obtained in other proceedings - including a party’s factual claims made in other proceedings, except if the method used for taking the evidence in those other proceedings violates the provisions of the CCP. The court shall upon request examine any objection to the admissibility of evidence (Art. 270 CCP).

From foreign proceedings

Both for EU and non-EU member states, the Hungarian civil procedural system applies the principle of freedom of evidence. The parties may offer any kind of evidence including evidence from a foreign proceeding (i.e. evidence taken in a foreign proceeding abroad, not for the purpose of the Hungarian proceedings) and it is at the discretion of the court to decide what weight it attributes to such evidence.

Legal basis and case law

Primarily (implementing Art. 6 ED): Art. 104 (9) Patent Act Arts. 163, 231, 270, 279, 296, 328, CCP

II Measures for preserving evidence

Title of the order

Előzetes bizonyítás (preliminary taking of evidence)

Further available measures

None.

Basic procedural framework

Neither the Patent Act (Arts. 104(10) and (11)) nor the CCP (Arts. 334-339) specify what types of measures may be ordered. Theoretically the scope of the preliminary taking of evidence is not restricted compared to the scope of “normal” taking of evidence in the main lawsuit; the difference being that in the preliminary taking of evidence, evidence-taking is applied for in preliminary proceedings or in an earlier phase of proceedings on the merits. Seizure of products and documents are not available in the procedure for the prior obtaining of evidence. Seizure of infringing products and tools for making allegedly infringing products may be seized as part of an interlocutory injunction order.

The Metropolitan Court is competent to issue an order to take evidence in both main proceedings and in separate preliminary proceedings for the taking of evidence.

The bailiff (in the absence of voluntary compliance) is responsible for enforcement. However enforcement in practice depends on the content of the order, i.e. it can be only executed if the evidence to be produced is specified in detail. Judicial foreclosure is usually ineffective if the bailiff cannot specifically determine what object is the subject of the order.

Ex parte requests

There is no relevant court practice of *ex parte* requests in the area of patents; the court has not granted a motion for preliminary taking of evidence (either *ex parte* or *inter partes*) to date but the standard of evidence expected by the Metropolitan Court regarding interlocutory measures will generally be high.

According to Art. 104(12) CCP any delay as a consequence of hearing the defendant on the subject of ordering the preliminary taking of evidence that is likely to cause irreparable harm, or if there is a demonstrable risk of evidence being destroyed, the order may be issued without hearing the defendant. If the court decides not to hear the defendant, the order for provisional measures or for the preliminary taking of evidence shall be delivered to the defendant without delay after being executed. Upon being notified of the order the defendant may request to be heard and may request modification or revocation of the ruling ordering the preliminary taking of evidence.

If the *ex parte* application for the preliminary taking of evidence is refused, the court shall send the application to the defendant together with its decision.

If the *ex parte* application is granted there is no appeal. The court shall annul the order on the preliminary taking of evidence if the claimant fails to initiate main proceedings within 15 days from the receipt of the order.

Protection available to defendant

There is no court practice relating to “adequate security” (as referred to in Art. 7.2 ED). Existing court practice only relates to the calculation of a bond in interlocutory injunction proceedings, where the court generally calculates the potential lost profit of the defendant for the probable duration of the injunction. However, what loss the defendant would suffer due to the taking of evidence should be decided on a case by case basis.

“Equivalent assurances” (as referred to in Art. 7.2 ED) are not foreseen in the legislation. A bond, as referred to above, may be provided in the form of cash, securities or non-cash instruments, or by depositing a bank guarantee.

There is no court practice as to how “appropriate compensation” (as referred to in Art. 7.4 ED) is calculated. However, the judgment of the CJEU in C-688/17 (Bayer) regarding the interpretation of Art. 7.9 ED may be of relevance in this regard, with regard to the identity of the expression “appropriate compensation” used therein.

Period to initiate proceedings on the merits

The period to initiate proceedings on the merits is 15 days from the receipt of the first instance decision allowing the preliminary taking of evidence.

Witness identity protection

Before giving evidence, a witness shall be asked whether he wishes to have his personal data kept confidential (Art. 293 CCP).

Non-compliance with an order

The competent judicial authority is the Metropolitan Court. Case law has provided no confirmation that an order on the preliminary taking of evidence may be an order enforceable by judicial foreclosure in the same way as other specific acts ordered by the court, e.g. as part of final injunctions to which the rules of judicial foreclosure are applicable in the first place (Art. 184/A of Act LIII of 1994 on Judicial Foreclosure).

Recurring penalty payments provided for in the order are deemed enforceable in judicial foreclosure, but there is no judicial practice to date.

Appeal/review

The appeal proceeding (*fellebbezési eljárás*), which is only allowed against an order granting preliminary taking of evidence but not against one refusing it, shall be submitted to the court of first instance.

The court of first instance will send the appeal to the other party inviting them to provide observations and with those will send the files to the Metropolitan Appeal Court for decision. There is generally no hearing and the Metropolitan Appeal Court sends its decision in writing via the first instance court (Arts. 389 to 391 CCP).

The period for filing the appeal is 15 days from the day of receipt of the first instance order.

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Primarily (implementing Art. 7 ED): Arts. 334-339, 389-391 CCP
Arts. 104(10) and (11), (13) Patent Act.

III Right of information

Title of the order

Adatszolgáltatásra kötelezés (provision of information order)

Persons obliged to provide information

Only the persons listed in Art. 8.1 ED are mentioned in Art. 35(5) to (7) Patent Act.

Types of information to be provided

Only information listed in Art. 8.2 ED may be required.

Competent authority

The Metropolitan Court of Budapest.

Non-compliance with an order

The Metropolitan Court of Budapest is the competent judicial authority.

The relevant procedure is Judicial Foreclosure (Art. 184/A of Act LIII of 1994 on Judicial Foreclosure). The primary sanction is recurring penalty payments (specific to intellectual property infringement proceedings, Art. 184/A of Act on Judicial Foreclosure).

Based on the general rules of the Act on Judicial Foreclosure (Art. 274) the following sanctions are possible in the event of non-compliance:

- a) ordering the defendant to pay the cash equivalent of the specific act (if applicable);
- b) granting authorisation to the claimant to perform the specific act ordered at the cost and risk of the defendant, and at the same time ordering the defendant to advance the estimated costs of such;
- c) imposing a fine upon the obligor up to HUF 500 000 (approx. EUR 1 600);
- d) enforcing the specific act with police assistance.

Appeal/review

As the order relating to right of information is a part of the judgment on the merits the standard rules for appealing judgments apply. Either party may appeal within 15 days of receipt of the judgment.

The appeal shall be filed with the court of first instance which will forward it to the Metropolitan Appeal Court. The Metropolitan Appeal Court invites the non-appealing party to provide a response to the appeal and sets a date for a hearing. The judgment is announced at the hearing and sent in writing to the parties at a later stage (Arts. 364 to 388 CCP).

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Primarily (implementing Art. 8 ED): Art. 35(5)-(7) Patent Act
Art. 364 - 391 CCP.
Arts. 184/A and 274 of Act LIII of 1994 on Judicial Foreclosure

IV Provisional and precautionary measures

Titles of the orders

Ideiglenes intézkedés (interlocutory injunctions) and the rules are contained in Article 104(2) to (8) Patent Act as well as in the CCP (Articles 103-109).

lefoglalás (precautionary seizure).

For such purposes Art. 104(5) Patent Act contains the request for protective measures as an independent procedural claim and regulates it in accordance with rules and conditions for interlocutory injunctions laid down in the CCP as well as the specific rules contained in the Patent Act. The general rules on protective measures are provided in the Act on Judicial Foreclosure.

Basic procedural framework

The Metropolitan Court of Budapest (*Fővárosi Törvényszék*) is competent to issue such orders.

Interlocutory injunctions may be initiated as part of the main petition or in separate proceedings, i.e. before the proceedings on the merits have been started as stipulated by Article 104(4) Patent Act and Art. 108 CCP.

Protective measures are regulated within the framework of the procedural rules for interlocutory injunctions in patent infringement proceedings, thus a request may also be initiated in separate proceedings, i.e. before the proceedings on the merits have been started. However, at present there is no court practice for requesting protective measures pre-trial.

Interlocutory injunctions are executed by a bailiff, in the framework of a foreclosure proceeding (Act on Judicial Foreclosure, Article 184/A).

Protective measures are also executed by a bailiff, in the framework of a foreclosure proceeding (Act on Judicial Foreclosure, Articles 185-190).

According to Art. 104(8) Patent Act the claimant shall initiate proceedings on the merits within 15 days following the receipt of an order on the granting of the interlocutory injunction. Failure to do so, the court shall, upon request of the opposing party, revoke its order on the grant of the provisional measure.

Factors considered by the court

The basic requirement for the grant of an interlocutory injunction is the establishment of the probability of infringement. The court will evaluate the alleged infringement based on the patent as granted. The probability of infringement, shall be demonstrated by the claimant. It is the established practice of the Metropolitan Court that it first examines the probability of infringement and only turns to the other requirements once this is satisfied⁴. Obtaining an interlocutory injunction requires one of the following four additional requirements to be met and one additional cumulative condition based on the CCP.

The additional requirements are:

- (a) for the purpose of preservation of the status quo, if subsequent restitution would not be possible;
- (b) in order to prevent loss of the claimant's subsequent exercise of rights;
- (c) in order to eliminate any harm the claimant may directly be exposed to;
- (d) other exceptional circumstances.

In patent infringement cases, (c) and (d) will most often be relied upon. As for (d), Art. 104(2) of the Patent Act provides for the following legal presumption for the benefit of the patentee. If the claimant certifies that he is the patentee and if the application for an interlocutory injunction has been filed within 60 days from the date on which the claimant became aware of the alleged infringement and of the identity of the alleged infringer, and further that six months have not yet elapsed from the beginning of the alleged infringing activity, the law will presume that the claimant has a special interest to be protected. The defendant may argue that the presumption should not apply, and the court may take into account all circumstances.

⁴ e.g. Metropolitan Court 3.Pk.991/2016.31

In addition to conditions (a) to (d) above the court shall consider whether ordering the measure, including the provision of security if any, is likely to cause greater harm to the applicant's adversary by comparison to the degree of harm the applicant is likely to suffer if the measure is not ordered. The Patent Act adds to the general rule that the court shall even consider if the measure is likely to obviously and significantly harm public interest or interests of third parties. This requirement, the balance of interests, is always an important part of the preliminary injunction decision, representing the cumulative condition.

With regard to requirements for interlocutory injunctions, according to Art. 104(5) Patent Act, the patentee may request the court to order security measures in accordance with the provisions of the Art. 185 of Act LIII of 1994 on Judicial Foreclosure. The patent must demonstrate that circumstances exist which are likely to endanger the later enforcement of a claim for damages or for the surrender of profits obtained as a result of the infringement. This measure may involve the freezing the defendant's bank account as well as attachment of his assets. The claimant may also request the court to order the alleged infringer to communicate or produce banking and financial details or commercial documents.

Recurring penalty payments

According to Art. 184/A (1)-(2) of the Act on Judicial Foreclosure, with express reference to Art. 9 ED in the Ministry commentary of the Act, the court may order the defendant to comply with an enforcement order without undue delay, and may also specify a penalty payment to be charged for each day of delay. According to Art. 184/A (2) of the Act on Judicial foreclosure the fine may be imposed between HUF 10 000 to 200 000 per day (approx. EUR 30 to 630). The daily amount of the fine shall be increased on the thirtieth day following the expiry of the date for complying with the order and every month thereafter by doubling the amount. The fine shall be payable as of the date of expiration of the date for compliance until the order is in fact complied with and verified.

Provisional and precautionary measures against intermediaries

According to Art. 35(4) Patent Act, certain injunctions are available against certain categories of intermediaries, who must be party to the proceedings as defendants. Cease and

desist orders may be sought against a person whose services are being used in connection with the infringement.

There is no court practice to date but the wording of Art. 104(5) Patent Act appears to imply that precautionary measures, as distinct from preliminary injunctions, are not available against intermediaries.

Circumstances justifying an order for precautionary seizure

In the absence of established court practice it is likely that circumstances resulting in a negative change in a person's financial situation which may subsequently hinder the recovery of damages (e.g. liquidation proceedings) will justify an application for precautionary seizure. The claimant shall demonstrate an objective risk to the recovery of damages.

There has been only one patent infringement proceeding where the court ordered such a precautionary seizure where the defendant began to dispose of its assets and capital after the establishment of patent infringement at first instance.⁵

Assessment of required evidence

In line with Art. 9.3 ED a party may produce all reasonably available evidence in patent-related interlocutory injunction proceedings. However, in practice if the evidence produced is too complex so that a high probability of infringement cannot be established, the courts tend to reject the application for interlocutory injunctions, having regard to the simplified procedure for obtaining an interlocutory injunction. Thus, "reasonably available evidence" (as referred to in Art. 9.3 ED), excludes evidence which is unduly complex.

For instance, in its decision 3.P.25.138/1999/15, the Metropolitan Court referred to the limited time frame of an interlocutory injunction proceeding and refused to obtain an expert opinion to resolve contradictory statements of the parties. Nor was the court prepared to wait for further pleadings of the claimant.

As regards "sufficient degree of certainty" of infringement (as referred to in Art. 9.3 ED), the court generally requires a rather high level of probability. This may refer to the infringing features of the defendant's product/process as well as the infringing acts, which the defendant actually performs or is about to perform, which shall be proven

⁵ Metropolitan Court, 3.P.23.061/2006/56

preferably by “clear-cut” documentation (e.g. marketing approval documentation and invoices) or experiments.

Art. 104(2) Patent Act states that provisional measures shall be granted if the claimant is able to prove that the patent is in force and that the claimant is the patentee or a licensed user entitled to commence proceedings in his own name. Evidence to the contrary is admissible, for example if the patent was invalidated by the Hungarian Intellectual Property Office or the court of first instance, or if a European patent with effect for the territory of Hungary was invalidated by the EPO, or in another EPO contracting state.

The presumption in favour of a patentee as provided for in Art. 104(2) Patent Act shall not apply if the alleged patent infringement has commenced more than six months before the commencement of proceedings, or if a period of 60 days has passed since the claimant gained knowledge of the alleged infringement and the identity of the alleged infringer.

Conditions justifying *ex parte* order

For the grant of an *ex parte* order, “appropriate cases” (as referred to in Art. 9.4 ED) are covered in Art. 104(12) Patent Act which only mentions the case where any delay would cause irreparable harm, an interlocutory injunction may be granted without the defendant being heard.

To date there is no jurisprudence to demonstrate what constitutes “irreparable harm” (as referred to in Art. 9.4 ED). In earlier practice the court only established what is not irreparable harm and stated that e.g. the risk of an originator’s products suffering price decrease due to the distribution of the allegedly infringing product in a general in a general pharmaceutical market, does not constitute a risk of irreparable harm and that the obviously infringing nature of a product, even if the court shares this opinion, is not a reason not to hear the other party.⁶

Protections available to the defendant

According to Art. 104(13) Patent Act, the court may require the claimant to deposit a bond as a precondition for an interlocutory injunction to take effect. Typically, the court issues the order for an interlocutory injunction and it states that the injunction shall take effect subject to the claimant depositing a bond within eight days and notifying the defendant and the court thereof.

The new CCP has fine-tuned and partly amended the rules on the need for security/bond. An order for security is made dependent on the parties’ request and the acceptance whether or not a provision of a bond should be imposed. Thus, the court may not, of its own motion, require the lodging of a security for the requested interlocutory injunction. The amount thereof shall be determined on the basis of the potential future damage claims or the amount offered by the claimant as a bond, i.e. in the amount covering the loss likely to be suffered by the defendant, or in the amount offered by the claimant and accepted by the defendant. It functions as a lump sum of damages for the benefit of the defendant. In case of the likelihood of insignificant damage, the court shall decline to order a security.

If the claimant offers a specific amount of security, the court shall prompt the defendant to make his intention on acceptance without delay. Accepting the security shall not constitute acceptance of the arguments presented in support of the order for an interlocutory injunction.

The bond shall be provided in cash (via direct payment or bank transfer), securities or non-cash instruments (such as credit card, check card, commercial card, bills or vouchers), or by depositing with the court a suitable guarantee.

The court in its final decision on the merits of the case shall decide on the issue of repayment of the bond. As a very important amendment of the new CCP, the law strictly provides that in case the interlocutory injunction later turns out to be unfounded, the amount of bond should be automatically transferred to the defendant, who may claim additional damages as well.

There are no “equivalent assurances” (as referred to in Art. 9.6 ED) foreseen in the legislation. Security may, in particular, be provided in the same form as a bond.

The calculation of “appropriate compensation” for the defendant (as referred to in Art. 9.7 ED) in the event of the patentee being ultimately unsuccessful, and typically losing the patent after the interlocutory injunction, is granted, is the subject of debate. In this regard, there is a reference pending before the CJEU⁷, in which the Hungarian court seeks interpretation of the term “appropriate compensation” for the defendant in accordance with Art. 9.7 ED.

⁶ Metropolitan Court. 3.Pk.20.044/2012/13

⁷ C-688/17, Bayer

Non-compliance with an order

The Metropolitan Court, with the involvement of a bailiff, is the competent judicial authority in case of non-compliance with the order.

For the procedure, see Part III “Non-compliance with an order” above.

Appeal/review

An appeal shall be filed with the Metropolitan Court within 15 days from the receipt of the first instance decision. Importantly, if an interlocutory injunction is granted, the decision is enforceable regardless of an appeal.

The Metropolitan Court serves the appeal on the other party with a notice to file observations within eight days. After receipt of observations, the Metropolitan Court forwards the appeal to the Metropolitan Appeal Court.

The Metropolitan Appeal Court makes its decision without holding an oral hearing. The case is decided by three legal judges; there are no technical judges involved at second instance. The Metropolitan Court of Appeal may either change the decision of the Metropolitan Court or revoke the decision and instruct the court of first instance to rehear the case, taking into account the reasoning of the Metropolitan Court of Appeal (Art. 389-391 CCP).

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Primarily (implementing Art. 9 ED): Art. 104 (2)-(8), (13) Patent Act
Art. 35(4) Patent Act
Art. 103-107 CCP
Art. 184/A of Act LIII of 1994 on Judicial Foreclosure

Metropolitan Court 3.Pk.991/2016.31
Metropolitan Court 3.P.23.061/2006/56

Metropolitan Court 3.P.25.138/1999/15
Metropolitan Court. 3.Pk.20.044/2012/13

V Corrective measures

Titles of the orders

No specific name is given to this measure in Hungarian law. These measures are commonly referred to as *visszahívás* (recall), *kivonás* (definitive removal) and *megsemmisítés* (destruction) and they are listed in Art. 35(2)(f) Patent Act among other injunctions and damages as a consequence of patent infringement.

Other available measures in Hungary

According to Article 35(1)(f) Patent Act, in addition to those listed in Art. 10.(1)(a)-(c) ED, the claimant may demand seizure of those assets and materials used exclusively or primarily in the infringement of the patent, as well as seizure of the products infringing on the patent, or demand that they are delivered to a particular person.

Basic procedural framework

The Metropolitan Court (*Fővárosi Törvényszék*) is competent to issue such an order in the main proceedings as a final injunction or in interlocutory injunction proceedings. In practice, in interlocutory injunction proceedings, of the measures indicated in Art. 35(1)(f) Patent Act, the court typically orders only seizure and recall of infringing products from commerce as those are regarded as having a reversible nature, suitable for an interlocutory measure, as opposed to irreversible actions such as destruction.

The bailiff is responsible for enforcing the measures in the absence of voluntary compliance.

The court is willing to order these measures if the claimant proves that there are infringing products available at the premises, stocks of the defendant or in resellers (e.g. wholesalers and pharmacies in pharmaceutical patent litigation). The court consistently refuses to order measures in interlocutory injunction proceedings that are irreversible, hence destruction of goods has never been ordered in interlocutory injunction proceedings.

The order to deliver infringing goods to a third person has not yet been issued in practice. Seizure is routinely ordered if a cease and desist injunction is granted and recall from the channels of commerce is also often ordered – usually triggering difficulties in fulfilment as the defendant can argue that they have no contractual power to recall the already sold goods. In one case⁸ the Metropolitan Court established that the defendant as a pharmaceutical wholesaler is presumably in a contractual relationship with pharmacies, so recalling the infringing products may not significantly harm their interests. However the court pointed out that the defendant shall even purchase the infringing products from pharmacies in order to fulfil the obligation to recall the products from the channels of commerce.

The procedure for recall is not detailed in Hungarian law. In the first cases after the implementation of the ED defendants argued that it is not possible for them to recall sold products from their resellers. In later cases the claimants tend to specify the procedure for this measure by asking that the court should specify in the order the exact manner by which the recall takes place, e.g. by ordering the defendant to prove that it has requested all resellers to send back infringing products and also to prove receipt of those including quantities.

There is no procedure detailed in the Patent Act and also no relevant court practice for the definitive removal from the channels of commerce.

In patent cases destruction of infringing goods, materials and implements has not yet been ordered. In cases where the patent expires by the time a final judgment is reached on the merits, corrective measures are not justified.

Theoretically the court may order delivery of infringing goods to a third person but this has not yet occurred. It is not excluded for the applicant to request two of the abovementioned measures in parallel. Typically seizure and recall from channels of commerce are requested together.

There are no particular reasons specified in the Patent Act for not carrying out these measures at the expense of the infringer and there is no relevant court practice.

Assessment of proportionality for ordering remedies

There is no relevant court practice on this issue.

Evidence of destruction

There is no relevant court practice on this issue in patent cases.

Non-compliance with an order

See Part III “Non-compliance with an order”.

Appeal/review

See Part IV “Appeal/review”.

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Primarily implementing Art. 11: Articles 35(2)f) and 35(9) Patent Act

Metropolitan Court 3.Pk.22.006/2012.

VI Injunctions

Title of the order

In Hungarian legislation there is no specific name for injunction. *Eltiltás* is the term closest to a “cease and desist” order, and it is regulated in Art. 35(2)(b) Patent Act.

Basic procedural framework

The Metropolitan Court of Budapest has exclusive jurisdiction.

⁸ Metropolitan Court 3.Pk.22.006/2012

In the absence of voluntary compliance, the first step of enforcement is that the Metropolitan Court issues an order obliging the defendant to comply without undue delay with its enforcement order, and simultaneously specifies the amount of financial penalty to be charged for each day of delay, if applicable. (Art. 184/A (1) Act on Judicial Foreclosure). In the absence of compliance the bailiff is responsible for enforcing the order.

Injunctions against intermediaries

Cease and desist orders are available against intermediaries. See Part IV “Provisional and precautionary measures against intermediaries” above.

Compulsory licence as a defence

Compulsory licences are available based on three legal grounds: non-genuine use of the patent, dependency of patents, and for the treatment of public health problems. However no compulsory licence has been granted since the new Patent Act took effect and there was only one case where a compulsory licence was granted based on the former Patent Act.

The use of the grant of a compulsory licence as a defence in infringement proceedings is theoretically possible, either as a counterclaim or as a basis for requesting a stay if the appropriate procedure for obtaining the compulsory licence has been already initiated. However, this has never been sought in Hungary.

Court’s discretion if finding of infringement

A permanent injunction is granted where patent infringement is proven by the claimant. Although the discretion of the court is not excluded by the wording of the Patent Act, in practice, if there is a finding of infringement, the court always grants the injunction without consideration of other facts, such as the loss of revenue of the defendant or the interests of third parties or whether the defendant committed the infringement intentionally.

Non-compliance with an order

The Metropolitan Court, involving a bailiff, is the competent judicial authority.

For the procedure, see Part III “Non-compliance with an order”.

Appeal/review

In infringement proceedings, which belong to the exclusive jurisdiction of the Metropolitan Court, the appeal is adjudicated by a panel of three legal judges of the Metropolitan Court of Appeals. In appeal proceedings there is usually a hearing. There is a limited possibility to introduce new evidence. The Metropolitan Court of Appeals may either approve or change the decision of the Metropolitan Court or revoke the decision and order the first instance court to rehear the case. The decision of the Metropolitan Court of Appeals becomes final upon its oral judgment, or in the absence of oral judgment, upon delivery of the written judgment.

An appeal shall be filed with the Metropolitan Court within 15 days from the receipt of the first instance decision. Importantly, the appeal has a suspensive effect on the foreclosure of the judgment.

A request for review to the Curia (Hungarian Supreme Court) is only possible on questions of law. A request is excluded if the decision became final at first instance or if the party seeking judicial review has not appealed against the first instance decision and that decision has been approved by the appeal court following an appeal by the opposing party. Neither is it possible to request a review concerning secondary questions (interest, procedural costs). Decisions of the Curia itself cannot be the subject of further review. The Curia holds an oral hearing if the parties so request or if considered necessary. No further evidence can be filed with the Curia. The Curia may either approve the contested decision or change it or revoke the decision ordering the lower court to rehear the case.

A request for judicial review shall be filed with the Metropolitan Court within 45 days from the receipt of the final judgment in written form. The submission of a request for review has no suspensive effect on the execution of the final decision unless the Curia (in exceptional cases) orders so. There is no definite guideline in judicial practice if judicial review by the Curia is available against second instance interlocutory injunctions if made in a separate pre-trial proceeding. One case is pending in this regard at the time of writing.

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Art. 35(2)b) and 35(4) Patent Act
Art. 364-388 CCP
Art. 184/A of Act LIII of 1994 on Judicial Foreclosure

VII Alternative measures

This optional measure as referred to in Art. 12 ED has not been implemented in Hungarian law.

VIII Damages

Calculation methods available in Hungary

In Hungary there are two types of pecuniary compensation as a consequence of patent infringement. The objective one, even for unintentional and non-negligent infringement, is the defendant's obligation to return the patentee the enrichment made via the infringement (Art. 35(2)e, Patent Act).

In the present court practice, and especially in patent cases, the primary method for determining enrichment is the calculation of the profit of the infringer by deducting direct costs from the revenue made directly out of infringement. The court has indicated that an alternative calculation method could be the calculation of a hypothetical licence fee, but that has not been applied so far in practice in patent cases.

The second type of monetary compensation is damages, which requires a subjective intention on the part of the defendant. Regarding the calculation of damages governed by Art. 35(3) Patent Act, the patentee shall prove the amount of damages suffered in connection with the infringement as well as a causal link between the damage and the infringing act. Damages consist of lost profit and damage to assets as well as the costs incurred in connection with preventing damage. The defendant shall prove that he is not liable if he alleges that the infringement was unintentional or non-negligent.

There is a presumption with respect to validated European patents that liability cannot be found as long as the patentee did not submit to the defendant the full Hungarian translation of the patent unless it is obvious that the defendant could understand the language of the patent.

Basic procedural framework

The determination of the amount of both types of damages may take place in the same or separate proceedings. In both circumstances the Metropolitan Court is the competent authority.

The court tends not to allow the collection of data related to damages as part of an interlocutory injunction measure, arguing that it is in contradiction with the temporary, reversible nature of the procedure and also because the Metropolitan Court explicitly stated that the aim of interlocutory proceedings is not to facilitate gathering evidence to calculate damages.⁹

However, provision of data is often ordered in the judgment declaring infringement and such data can be the basis of claiming the return of profit made by the infringer.¹⁰ The collection of data should also be possible in separate proceedings for damages.

Methods of calculation

The scope of the lawsuit is primarily determined by the petition, so it is the claimant who determines the requested amount and also provides the calculation method, or methods even in order of preference.

The legislation does not limit the court's discretion relating to the calculation method, however mixing and matching calculation methods has not occurred in practice.

In Hungary, the most often applied calculation method is that of return of defendant's profits. This is regarded as the easiest for the claimant to prove.¹¹

Evidence of lack of knowledge

The recovery of the defendant's profit is not dependent on the intention of the defendant.

Regarding damage compensation, the question of the defendant's lack of intention has been dealt with in general civil law but there is no specific practice relating to patent infringement cases, given the low number of patent cases that reach the phase of damage claims rather than being settled once the validity of the patent is decided.

⁹ Metropolitan Court 3.Pk.22.006/2012/7

¹⁰ Metropolitan Court 3.P.23.989/2012/9

¹¹ Metropolitan Court 3.P.21.996/2010/33

Non-compliance with an order

The Metropolitan Court is competent in case of non-compliance with the order.

The procedure is Judicial Foreclosure (Art. 58-163 of Act LIII of 1994 on Judicial Foreclosure). No specific intellectual property provisions apply, only the general rules of foreclosure regarding pecuniary debts.

Appeal/review

See Part VI "Appeal/review".

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Art. 35(2)e and (3) Patent Act
Arts. 58-163 of Act LIII of 1994 on Judicial Foreclosure

Metropolitan Court 3.P.23.989/2012/9
Metropolitan Court 3.Pk.22.006/2012/7
Metropolitan Court 3.P.21.996/2010/33

IX Legal costs

Overview of assessment of costs

There are no specific rules for assessing costs in patent proceedings. The liability for costs is based on the general provisions of the CCP (Arts. 78-83). The successful party may claim costs incurred in connection with appearing before court.

Costs consist of court fees, direct costs and legal representation fees. The costs are awarded in the judgment of the court. According to general practice, any cost is considered "reasonable" if the party can prove it with invoices and that it was directly paid by the party (and not by

e.g. the parent company or non-litigating licensor). The court also accepts the cumulative costs of patent attorneys and lawyers. However the court sometimes decreases the costs claimed by the successful party as the court may wish to keep the award of costs lower than what the successful party actually incurred.

No flat rate scheme applies for attorneys' fees. However, a ministerial decree contains guidance for attorney fees in the absence of invoices. According to the guidance, fees are to be determined with respect to the type of procedure (lawsuit or pre-trial proceedings) and the value of the lawsuit.

Legal basis and case law

Art. 78-83 CCP
Regulation 32/2003 (VIII. 22.) of the Ministry of Justice

X Publication of judicial decisions

Title of the order

Nyilvános közzététel (publication).

Basic procedural framework

There are two provisions in the Patent Act that provide for the publication of decisions. According to Art. 35(2)d) Patent Act the patentee, in the event that infringement is established may demand that the infringer makes amends for the infringement in public.

In addition, Art. 35(11) Patent Act provides for the possibility of making the decision public at the expense of the infringer:

"the court may order, at the request of the holder of the patent and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision. The mode of dissemination shall be decided by the court. Dissemination shall include publication in a national newspaper or display on the internet".

The court typically orders that part of the judgment is published and specifies the newspaper or periodical as well as the size (e.g. 1/8 page) and the frequency. In case of internet publication the court usually specifies where the decision shall be published (e.g. on main page) and on the duration.¹²

¹² e.g. Metropolitan Court 3.P.21.996/2010/33

Typically, publication will take place in leading newspapers or trade journals depending on the subject (e.g. in pharma cases daily newspapers are typical but in cases that concern products not in mass circulation trade journals are more typical). Internet publication on the website of the defendant is also common.

The Metropolitan Court is competent to give the decision and in the main infringement lawsuit or, theoretically, also in interlocutory injunction proceeding. However, this measure has never been allowed or even requested in an interlocutory injunction proceeding.

The court usually takes into account the proportionality of publication compared to the volume of infringement.

Non-compliance with an order

See Part III “Non-compliance with an order”.

Appeal/review

An appeal is only possible if the publication is ordered based on Art. 35(2)d Patent Act, i.e. that it is part of the judgment.

For the appeal procedure, see Part VI “Appeal/review”.

Non-compliance with UPC-issued order

Article 82(3) of the UPC Agreement provides that enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Hungary has not drafted special provisions to this effect, but an amendment of the rules on judicial foreclosure may be necessary.

Legal basis and case law

Arts. 35(2)d and 35(11) Patent Act

Metropolitan Court 3.P.21.996/2010/33)

XI Other appropriate sanctions

There are no other appropriate sanctions foreseen in the legislation.

XII Additional options

Other available options in Hungary

Border measures

Article 35/A of the Patent Act states that in the event of patent infringement the patentee may, according to the provisions of specific legislation, request action by the customs authorities to prevent alleged infringing goods coming on to the market.

North Budapest Customs and Financial Control Directorate of the National Tax and Customs Authority are the competent judicial authorities.

The procedure is regulated in line with the provisions of EU Regulation 608/2013.

Criminal measures

According to Article 388 of the Criminal Code infringement of industrial property rights qualify as a criminal offence.

The relevant investigation authority in patent infringement as criminal offence is the National Tax and Customs Authority. The judicial phase of criminal proceedings is conducted by county courts at first instance including the Metropolitan Court, and appeals are adjudicated by appeal courts.

Criminal proceedings are preceded by an investigation. The investigation may be based on a complaint or *ex officio*. The case is transmitted to judicial phase following the investigation. The court generally holds a hearing and the case is adjudicated by an individual judge. The decision of the court of first instance may be subject to appeal.

In practice, criminal proceedings regarding patent infringement are not very common; right holders tend to prefer civil actions.

Non-compliance with an order

In criminal proceedings, wilful patent infringement which causes financial loss, as a criminal offence, is sanctioned as follows according to Art. 384 of the Criminal Code:

- a) imprisonment not exceeding two years;
- b) imprisonment between one to five years if the infringement is committed on a commercial scale.

Depending on the extent of financial loss, the duration of the imprisonment may vary up to 10 years.

Legal basis and case law

EU Regulation 608/2013

Government Decree 556/2013

Art. 35/A Patent Act

Art. 384 of Act C of 2012 of the Criminal Code

Ireland

I Evidence

Title of the order

This procedure is known as “discovery” in Ireland.

Basic procedural framework

Although patent proceedings are usually heard in the Commercial Court, a case-managed list within the High Court which specifically deals with commercial disputes, short-term patents may be enforced in the Circuit Court.

The High Court is the competent judicial authority to issue an order for discovery in the first instance. An application for discovery is issued in the main proceedings on the merits, although the hearing on discovery will take place prior to the main hearing on the merits.

Order 31 of the Rules of The Superior Courts (as amended) governs the circumstances in which a party to litigation, including patent cases (or, in certain circumstances, a third party who is known to hold documents which are relevant to the issues in dispute) can be ordered by the court to provide “documents” in its power, possession or procurement to the other side. This includes documents which are in its physical possession and documents which are not physically in its possession but which it has a right to access. A “document” has been deemed to be anything on which information of any description is recorded (and therefore includes electronically stored information such as emails, SMS text messages, instant messages, backup data, excel spread sheets etc.). The mere fact that a document contains confidential or commercially sensitive information does not, in and of itself, mean that a party will not have to provide it to the other side.

The parties may be ordered to make discovery of all documents which may enable the party receiving the discovery to advance its own case or to damage the case of the party giving discovery. Documents may also be discoverable which may fairly lead to a train of inquiry which may have either of those consequences.

By way of very brief overview, in the High Court a party seeking discovery from another party to litigation must prepare a list of categories of discovery and ask the other side to voluntarily provide it with all documents which are



responsive to those categories. The parties must justify why the categories of discovery they are seeking are relevant and necessary to the litigation, which is normally done by making reference to the pleadings. If agreement cannot be reached between the parties, an application to court can be made and the court will order a party to make discovery of whatever categories of documents it considers appropriate.

In the Commercial Court, the solicitor for each of the parties must give an undertaking that they will use his/her best endeavours to ensure that the court’s directions are complied with.

Provision of evidence by third parties

An order for “third party discovery” may be granted in certain circumstances (see above). This order will be granted at the same time as ordinary discovery, i.e. on foot of an application issued in the main proceedings on the merits.

Assessment of evidence in support of the application

Requests for discovery must be confined to documents that are material to the issues in dispute and necessary for the fair disposal of the proceedings or for saving costs.

The UK Peruvian Guano case (*Compagnie Financière du Pacifique v Peruvian Guano Co 11 QBD 55*) provided the ‘relevance and necessity test’ which for many years has been

the default test applied to assessing the reasonableness of discovery requests in Irish litigation. However, the courts in Ireland have more recently been seen to move on from simply providing for discovery based on relevance.

The current position, seen from the Court of Appeal in *Boehringer Ingelheim Pharma GmbH & CO KG -v- Norton (Waterford) Limited t/a Teva Pharmaceutical Ireland* [2016] IECA 67 in the patent context and more recently by the Court of Appeal in *Tobin v The Minister for Defence & Ors* [2018] IECA 230 is critical of the current discovery procedure noting that it was inhibiting the courts and putting an unfair burden on the recipients of discovery requests. As acknowledged by the Court of Appeal, the 'Peruvian Guano' test was appropriate for its time but "the burdens now imposed by the process contribute significantly to legal costs and to delays within the legal system to the point where a process designed to assist the fair administration of justice now at times threatens to overwhelm it by imposing disproportionately onerous demands upon litigants."

As such, requesting discovery of documentation on the basis that it is merely relevant or may lead to a line of enquiry may be considered insufficient.

With regard to the respondent's ability to disclose the requested discovery, the test used in Ireland is whether the documents/evidence are in "the power, possession or procurement" of the party.

There has been some case law regarding when a document is in the "procurement" of a party. Generally speaking, a document held by a subsidiary will be held to be in the procurement of a parent company but a document held by a parent company may not necessarily be in the procurement of a subsidiary (see for example *Thema International Fund plc v HSBC Institutional Trust Services (Ireland) Ltd* [2010] IEHC 19 and *Glaxo Group & Anor. v. Rowex Limited* [2016] IEHC 253).

Protection of confidential information

There is an implied undertaking to the court that documents provided on discovery will only be used for the purposes of the proceedings and are otherwise confidential.

It is possible to limit the number of people who have access to documents made available on discovery. The court can order that only certain people (often referred to as "confidentiality clubs") can review the documents for discovery purposes (see for example the judgment of Mr Justice Hedigan in *Boehringer Ingelheim Pharma GMBH & Co KG v the Patents Act* [2015] IEHC 736).

Non-compliance with an order

The court by which the order was granted is the competent judicial authority in the first instance for non-compliance with an order.

If a party does not make discovery or makes insufficient discovery, the other party/parties can make an application to court to compel the making of proper discovery. If any party fails to comply with any order for discovery or inspection of documents, they shall be liable to have their action dismissed for want of prosecution, and, if a defendant, to have their defence, if any, struck out, and to be placed in the same position as if they had not defended. The High Court may also make an order for attachment, provided the Order for Discovery contains a penal endorsement. Further, the documents not discovered cannot be relied upon by the defaulting party in the proceedings.

The system of recurring penalty payments does not exist in Ireland as in other EU member states.

Generally speaking, the effect of not making proper discovery is that the party in question's claim/defence is struck out. This only happens in extreme cases. It is more usual for further time to be granted for the making of discovery.

If a party does not make proper discovery in the Commercial Court, it is possible that the solicitor on record for the party may be subject to a fine for not complying with the directions of the court.

Appeal/review

An appeal of a High Court decision is generally heard by the Court of Appeal unless special circumstances exist which warrant a "leapfrog appeal" to the Supreme Court. An appeal to the Court of Appeal, which is most common in the context of discovery orders in patent cases, must be brought by lodging a "Notice of Expedited Appeal" with the Office of the Court of Appeal setting out:

- a) particulars of the decision that it is sought to appeal;
- b) the grounds of the appeal;
- c) the orders sought from the Court of Appeal;
- d) a list of the documents intended to be relied on by the appellant in the appeal; and
- e) particulars of the appellant and of the defendant.

Where a written judgment has been given in the court of first instance, the appellant must also lodge with the Registrar an attested copy of the written judgment approved by the court below when the notice of appeal is lodged or otherwise promptly after it becomes available.

If no written judgment has been given in the court below, the appellant must, at his own expense, lodge with the Registrar:

- a) a transcript of the oral judgment of the court below certified as accurate by the person responsible for preparing the transcript and authenticated by the judge of the court below, and
- b) where necessary for the proper determination of the appeal, a transcript of any relevant ruling or direction of the judge in the court below certified as accurate by the transcript writer and authenticated by the judge of the court below.

A copy of the notice of appeal must then be served on all parties directly affected by the appeal within four days after the notice of appeal has been issued. The appellant must lodge an affidavit of service of the notice of appeal on each defendant served.

Once served with the notice of appeal, each defendant must, within seven days after service on him of the notice of appeal, lodge a “defendant’s notice” which:

- a) states if that defendant opposes the appeal, in whole or in part and, if so, sets out concisely the grounds on which the appeal is opposed;
- b) if that defendant intends, on the hearing of the appeal, to contend that the judgment or order appealed from should be affirmed on grounds other than those set out in the judgment or order of the court below and if so, sets out a concise statement of the additional grounds on which it is alleged the judgment or order appealed from should be affirmed;
- c) if that defendant intends, on the hearing of the appeal, to contend that the judgment or order appealed from should be varied, and if so includes a separate section entitled “notice of cross-appeal”, which sets out a concise statement of the grounds on which it is alleged the judgment or order appealed from should be varied;
- d) sets out the orders sought from the Court of Appeal, and
- e) includes a list of any additional documents not identified in the notice of appeal on which that defendant intends to rely at the hearing of the appeal.

As mentioned above, in exceptional cases, where the matter is of public importance and the interests of justice require it, an appeal can be brought directly to the Supreme Court from the High Court (“a leapfrog appeal”). However, there is precedent authority for the proposition that patent cases are not of sufficient public importance to merit an appeal directly to the Supreme Court (*see Boehringer Ingelheim Pharma GmbH and Co. KG v. Norton (Waterford) Ltd [2016] IESCDT 62*).

The notice of expedited appeal shall be lodged for issue and an attested copy of the order of the court below shall be lodged not later than 10 days from the perfecting of the order appealed against.

Admissibility of evidence

It depends on the jurisdiction of the court in the other proceedings and the directions given regarding the evidence provided in those proceedings. In most circumstances, it would be prudent to obtain leave of the court before using evidence in other proceedings.

It is generally not permissible without leave of the court to use evidence obtained in the course of Irish proceedings before a court in another country.

As regards whether it is permissible to use evidence obtained elsewhere in Irish proceedings, this depends on the law of the country in question.

It may be possible to use EU Regulation 1206/2001 to compel a party in another member state to provide evidence. This can be particularly useful in situations where documents in the possession of an individual/entity in another member state have been deemed not to be in the “power, possession or procurement” of the parties to the Irish litigation and therefore will not be made available under the discovery process.

EU Regulation 1206/2001 does not specifically define “evidence”. However, the Practice Guide for the Application of the Regulation on the Taking of Evidence provides guidance and states that included within the remit of “evidence” are:

- a) Hearings of witnesses to fact and parties to proceedings;
- b) Verifications;
- c) Expertise;
- d) The production of documents.

EU Regulation 1206/2001 only applies to evidence which is intended for use in judicial proceedings. Therefore, it is possible that courts will not entertain a wide request for documents under this regulation, only documents that will directly be used in proceedings are likely to be made available under this Regulation.

Nevertheless, EU Regulation 1206/2001 remains a useful tool available to parties.

Legal basis and case law

Order 31 of the Rules of the Superior Courts
Compagnie Financiere et Commerciale du Pacifique v. Peruvian Guano Company (1882) 11 QBD 55
SKM SA v Wagner Spraytech (UK) Ltd [1982] RPC 497
Ryanair plc v. Aer Rianta CPT [2003] 4 I.R. 264
Framus v CRH plc [2004] 2 I.R. 20
Schneider (Europe) GmbH v. Conor Medsystems Ireland Ltd [2007] IEHC 63
Medtronic Inc. v. Guidant Corporation [2007] IEHC 37
Thema International Fund plc v HSBC Institutional Trust Services (Ireland) Ltd [2010] IEHC 19
Medinol Ltd v. Abbott Ireland [2010] IEHC 6
AstraZeneca AB v. Pinewood Laboratories Ltd [2011] IEHC 159
AstraZeneca v The Patents Acts [2014] IEHC 189
Norton (Waterford) Limited t/a Teva Pharmaceuticals Ireland v Boehringer Ingelheim Pharma GmbH & Co KG (No 2) [2015] IEHC 318
Norton (Waterford) Limited t/a Teva Pharmaceuticals Ireland v Boehringer Ingelheim Pharma GmbH & Co KG (No 2) [2015] IEHC 332
Boehringer Ingelheim Pharma GmbH and Co. KG v. Norton (Waterford) Ltd [2016] IECA 67
Boehringer Ingelheim Pharma GmbH and Co. KG v. Norton (Waterford) Ltd [2016] IESCDT 62
Glaxo Group & Anor. v. Rowex Limited [2016] IEHC 253
Goode Concrete v CRH [2017] IEHC 534
Biogen Inc & Ors & v Celltrion Inc & Ors [2018] IEHC 239

II Measures for preserving evidence

The European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006 (SI No. 360 of 2006) (“the IP Enforcement Regulations”) implements into Irish law the Enforcement Directive.

Title of the order

This type of order is referred to as a preservation order.

The measure is available under the common law in Ireland and is referred to as an *Anton Piller order*. Once ordered, this allows the plaintiff to enter into the defendant’s premises to inspect documents or other items, and remove any items of evidence pending the trial of the action. An Anton Piller order may only be obtained from the Superior Courts.

Further available measures

It is not uncommon for a party to write to an opposing party in advance of the issuing of proceedings seeking confirmation that documents will be retained and preserved. If that confirmation is not forthcoming, proceedings must be commenced in order for a court order to be obtained. Order 50, Rule 4 of the Rules of the Superior Courts provides for the making of a preservation order for the preservation (and detention for that purpose if necessary) of any property or thing being the subject of such cause or matter or “as to which any question may arise”. The court may also authorise any samples to be taken or any observations to be made or experiment to be tried, which may be necessary or expedient for the purpose of obtaining full information or evidence.

In accordance with Order 31, rule 12 of the Rules of the Superior Courts, an order for the preservation of documents may also be made in lieu of an order for discovery where a court declines to make an order for discovery of the documents but recognises that they may be relevant and discoverable at a later point in the proceedings. In *Independent Newspapers (Ireland) Ltd v Murphy* [2005] IEHC 353, rather than make an order of discovery, the judge felt it more prudent to order the plaintiff to refrain from destroying the documents pending trial, to draw up a list of the documents and furnish that list to the plaintiff’s solicitors.

Basic procedural framework

The High Court is the competent judicial authority to issue preservation orders in the first instance.

These orders are normally sought on an interlocutory basis. They will therefore normally be granted well in advance of the hearing on the merits (although from a procedural perspective they are part of the same proceedings).

An application for Anton Piller relief is often issued at the same time as the proceedings and heard *ex parte* to prevent any prior warning which may result in destruction or

movement of materials. However, it is technically possible for this order to be sought at any time during the course of proceedings.

An Anton Piller order normally allows for the claimant or its legal representatives to enter the defendant's premises for the purposes of searching it and removing articles or documents, or obtaining information (for example, from computers). If the defendant does not allow this to be done, it will be deemed to be in contempt of court.

***Ex parte* requests**

The test for the granting of an Anton Piller order is as follows:

- There is a strong *prima facie* case against the defendant;
- The damage, potential or actual, must be very serious for the applicant;
- There must be clear evidence that the defendants have in their possession relevant documents or things and that there is a real possibility that they may remove or destroy such material before an *inter partes* application can be made; and
- The applicant must be able to satisfy the court that in inspecting or removing the items of evidence, it will not cause damage to the defendant or the defendant's case.

As with all *ex parte* applications, the applicant must disclose all facts relevant to the matter, including facts which are not supportive of its case.

A return date for an *inter partes* hearing will generally be included in any order granted on an *ex parte* basis. This is the date upon which the defendant (the party subject to the order) can apply to vary or set aside the order.

However, in *Microsoft Corporation v Brightpoint Ireland Limited* [2001] 1 ILRM 540 the High Court held that it was possible for the defendant to apply to vary or discharge an order before the return date where Anton Piller orders were involved because of the nature of the order in question. In such a scenario, the defendant would have to bring its own motion grounded on affidavit. If the defendant refuses to allow the claimant / the claimant's solicitor on to its premises, this will result in that party being in contempt of court and will normally trigger an urgent application for the order to be set aside.

An application to vary, set aside or discharge an Anton Piller order can be made on a number of different grounds but the most common ground is that full and frank disclosure was not made when seeking the order.

In many instances, it may seem futile to have an Anton Piller order discharged, as the evidence in question will already have been seized and reviewed. However the defendant may seek to make the applicant liable for damages or even to have the claim to which the Anton Piller order is ancillary dismissed.

Protection available to defendant

As with any interlocutory measure, the applicant will in almost all cases be required to provide an "undertaking as to damages". This is essentially an undertaking (or promise) by the applicant to the court that it will compensate the defendant for any damage suffered by reason of the measure.

The court must be satisfied that the applicant will be in a position to pay such damages if necessary. If the defendant wishes to question whether the applicant is able to discharge an undertaking, it must put in specific evidence outlining the extent of the damage to be suffered. The judge will then determine whether the applicant can pay this if it becomes necessary.

If the applicant is not in a position to pay such damages (or to convince the court that it can pay such damages), the court will take this into account when determining whether to grant the measure, although it is not necessarily determinative as to whether the measure will ultimately be granted.

It may be necessary to conduct an inquiry as to damages after the main hearing to determine what the damages owed to the defendant actually are. For Anton Piller orders in particular, it may in circumstances be difficult to establish that the defendant suffered any damage. It will depend on what evidence was seized.

The undertaking as to damages is normally the only type of assurance given in this context. However the claimant must also undertake to preserve the evidence taken.

If the defendant successfully applies to have the Anton Piller order varied or discharged, it may well seek compensation from the party which sought the order for the damage it suffered. It may be the case that a hearing as to damages will be required to establish the damage suffered by the defendant. In such a scenario, the court will consider the submissions made by both parties and the evidence submitted by both parties as to the damage suffered and determine what the appropriate compensation should be.

Period to initiate proceedings on the merits

Under the Irish legal system, the claimant must have initiated proceedings on the merits before/at the same time that it applies to court to obtain an Anton Piller order. As discussed above, an Anton Piller order is an order that is granted on an interlocutory basis, normally well in advance of the hearing on the merits, but is still part of the same proceedings from a procedural perspective.

The proceedings will therefore proceed in the usual way and the claimant will be required to deliver a statement of claim (outlining the nature of its claim in significantly more detail) within 21 days of an appearance being entered. It is possible that the deadline for delivering the statement of claim will arise before the hearing of the interlocutory application. In such circumstances, it is generally considered to be incumbent on the claimant to deliver its statement of claim within the time limits specified and prosecute its case promptly. The courts will not look favourably on a claimant which seeks and/or secures interlocutory relief (in particular, an Anton Piller order) and then delays in prosecuting its case.

Anton Piller orders should not be used as a means of finding out what sort of claims can be made (see, for example, the English case of *Hytrac Conveyors Ltd v Conveyors International Ltd* [1983] 1 WLR 44; [1982] 3 All ER 415 and the Northern Irish case of *Group 4 Securitas (Northern Ireland) and Group 4 Monitoring Services Limited v Joseph McIlDowney* [1997] 1 NIJB 23), all of which are persuasive authorities in Ireland.

Witness identity protection

There are no specific measures in place to protect witnesses' identity in applications for Anton Piller orders. Although hearsay evidence is admissible in interlocutory proceedings, the name of the informant must be given (see decision of *Geoghegan J in McKenna v AF* [2002] 1 IR 242).

Having said this, section 45(1)(a) of the Courts (Supplemental Provisions) Act 1961 allows an application for the hearing of the *ex parte* application to be held *in camera*. A judge may also use the court's inherent jurisdiction to limit or inhibit publication of the order. A judge generally has an inherent jurisdiction to grant whatever order it sees fit. Therefore it is possible that a claimant/applicant could make an application to the judge for the name of the witness in the grounding

affidavit to be redacted in the copy of the affidavit served on the defendant, although we are not aware of any such application ever having been made.

Non-compliance with an order

The High Court is the competent judicial authority in the first instance.

The party in whose favour the order has been made would apply to the court for leave to seek an order of attachment¹ and committal² or sequestration³.

Once it has been granted leave, it would then make a new application seeking the relevant relief. Unlike "regular" applications, an application seeking an order for attachment must contain a general statement of the grounds on which an order for attachment is sought which should be set out in the notice of motion itself. Normally the motion seeks an order for "attachment and committal" and the grounds for both are therefore stated in the Notice of Motion.

The order sought would be for the *An Garda Siochana* (the Irish police force) to "attach" and/or "commit" the person concerned. Generally speaking, the motion papers should be served personally on the defendant, even if they have instructed solicitors and the solicitors have entered an appearance. The burden of proof is on the applicant to prove the breach of the order by the defendant.

Irish Court rules set out the circumstances in which an order for sequestration may be issued. Any person seeking an order for sequestration must apply to the Master of the High Court to approve one or more sequestrators and obtain directions as to his or her or their security and accounting. The Master will issue a certificate approving the nominee(s) at which point the order may issue directed to the sequestrators. The applicant must establish beyond all reasonable doubt that there has been a breach of the order by the claimants.

The system of recurring penalty payments does not exist in Ireland as in other EU member states.

The court also has inherent jurisdiction to grant whatever remedy it sees fit, for example the imposition of a fine.

1 Attachment: An order for attachment requires the person who is in breach of the court order to come before the High Court and answer for the contempt he is alleged to have committed.
2 Committal: this involves the summary imprisonment of the person who is in contempt of courts. The courts have always taken the view that the power to order committal is one which must be exercised with great care.
3 Sequestration: An order for sequestration essentially deprives a person or company of his/her/its assets.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

The UPC Agreement provides at Article 82(3) that enforcement procedures shall be governed by the law of the Contracting Member State where the enforcement takes place. Any decision of the court shall be enforced under the same conditions as a decision given in the contracting member state where the enforcement takes place. There should therefore not be any difference between enforcing an order of the UPC and enforcing an order of the Irish courts.

Legal basis and case law

Order 50 RSC

The European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006 (SI No 360 of 2006)
Anton Piller KG v Manufacturing Processes Limited, & Ors [1975] EWCA Civ 12, [1976] 1 All ER 779 (8 December 1975)
Microsoft Corporation v Brightpoint Ireland Limited [2001] 1 ILRM 540

Hytrac Conveyors Ltd v Conveyors International Ltd [1983] 1 WLR 44; [1982] 3 All ER 415

Group 4 Securitas (Northern Ireland) and Group 4 Monitoring Services Limited v Joseph McIlDowney [1997] 1 NIJB 23

III Right of information

Titles of the orders

Order for disclosure of information⁴
Norwich Pharmacal relief⁵

Persons obliged to provide information

The relevant persons referred to in Regulation 3 of the IP Enforcement Regulations and those to whom a claim may be addressed are:

1. An alleged infringer;

2. Any person who:

- Was found in possession of the infringing goods on a commercial scale.
- Was found to be using the infringing services on a commercial scale; or
- Was found to be providing services on a commercial scale which are used in activities that infringe an intellectual property right

3. Any person who has been identified by a person specified in subparagraph (b) as being involved in –

- The production, manufacture or distribution of the infringing goods, or
- The provision of the infringing services.

This wording is essentially identical to the wording in the ED. Norwich Pharmacal relief is available to a claimant who can establish that the third party in question is likely to have relevant documents or information, that there is a good arguable case that there has been wrongdoing and that the third party has somehow been involved in the wrongdoing. In this regard it is very similar to the scenario envisaged above.

Types of information to be provided

Under Regulation 3(4)(a) of the IP Enforcement Regulations, if the court considers it just and proportionate having regard to the rights and privileges of the relevant person and others, it may order the disclosure of the names and addresses of:

- (a) Each producer, manufacturer, distributor or supplier of the infringing goods or services,
- (b) Any person who previously possessed the infringing goods, and
- (c) The intended wholesaler and retailer of the infringing goods or services.

Under Regulation 3(4)(b)(i) of the IP Enforcement Regulations, if the court considers it just and proportionate having regard to the rights and privileges of the relevant

⁴ Regulation 3 of the IP Enforcement Regulations deals with orders for disclosure of information. A claimant may apply to the court for an order directing that information regarding the origin and distribution networks of goods or services which infringe an intellectual property right shall be disclosed to the claimant by one or more of the relevant persons specified in the Regulations. This particular relief has not to date been sought before the Irish courts.

⁵ Article 8 ED (and the corresponding Regulation 3) is similar to the common law remedy of Norwich Pharmacal relief, which is a commonly sought relief before the Irish courts and often occurs in the social media context and in illegal file sharing cases. For example: *Muwema v Facebook Ireland Limited* [2016] IEHC 519; [2017] IEHC 69 and *EMI Records (Ireland) Ltd. v Eircom Ltd.* [2005] 4 IR 148.

person and others, it may order the disclosure of information relating to the quantities or amount of infringing goods or services provided, produced, manufactured, delivered, received or ordered. It may also order the disclosure of information relating to the price paid for the infringing goods or infringing services in question.

There is no other relevant legislation in this regard. However, relief granted under Regulation 3 is without prejudice to information that may be obtained through a Norwich Pharmacal order.

Competent authority

The High Court, in the first instance.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

An appeal to the Court of Appeal must be brought by lodging a “notice of appeal” with the Office of the Court of Appeal setting out:

particulars of the decision that it is sought to appeal;

- a) the grounds of the appeal;
- b) the orders sought from the Court of Appeal;
- c) a list of the documents intended to be relied on by the appellant in the appeal, and
- d) particulars of the appellant and of the defendant.

Where a written judgment has been given in the court below, the appellant must also lodge with the Registrar an attested copy of the written judgment approved by the court below when the notice of appeal is lodged or otherwise promptly after it becomes available.

If no written judgment has been given in the court below, the appellant must, at his own expense, lodge with the Registrar:

- a) a transcript of the oral judgment of the court below certified as accurate by the person responsible for preparing the transcript and authenticated by the judge of the court below, and

- b) where necessary for the proper determination of the appeal, a transcript of any relevant ruling or direction of the judge in the court below certified as accurate by the transcript writer and authenticated by the judge of the court below.

A copy of the notice of appeal must then be served on all parties directly affected by the appeal within seven days after the notice of appeal has been issued. The appellant must lodge an affidavit of service of the notice of appeal on each defendant served.

Once served with the notice of appeal, each defendant must, within 21 days after service on him of the notice of appeal, lodge a “defendant’s notice” which states:

- a) if that defendant opposes the appeal, in whole or in part and, if so, sets out concisely the grounds on which the appeal is opposed;
- b) if that defendant intends, on the hearing of the appeal, to contend that the judgment or order appealed from should be affirmed on grounds other than those set out in the judgment or order of the court below and if so, sets out a concise statement of the additional grounds on which it is alleged the judgment or order appealed from should be affirmed;
- c) if that defendant intends, on the hearing of the appeal, to contend that the judgment or order appealed from should be varied, and if so includes a separate section entitled “notice of cross-appeal”, which sets out a concise statement of the grounds on which it is alleged the judgment or order appealed from should be varied;
- d) sets out the orders sought from the Court of Appeal, and
- e) includes a list of any additional documents not identified in the notice of appeal on which that defendant intends to rely at the hearing of the appeal.

The notice of appeal shall be lodged for issue and an attested copy of the order of the court below shall be lodged not later than 28 days from the perfecting of the order appealed against.

An Notice of Expedited Appeal may be lodged when appealing the making or refusal of an interlocutory order or the refusal of an *ex parte* order.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Regulation 3 of The European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006 (SI No 360 of 2006)

Norwich Pharmacal Co. v Customs and Excise Commissioners [1974] AC 133

Megaleasing UK Ltd v Barrett (No 2) [1993] IRLM 497

Muwema v Facebook Ireland Limited [2016] IEHC 519; [2017] IEHC 69

EMI Records (Ireland) Ltd. v. Eircom Ltd. [2005] 4 IR 148

IV Provisional and precautionary measures

Titles of the orders

Interlocutory injunctions

Anton Piller orders

Mareva injunctions

Basic procedural framework

The High Court, is the competent judicial authority in the first instance. The orders may be issued in the main proceedings on the merits.

All of these orders are normally enforced by the claimant and/or its legal representative. If the defendant does not allow this to be done, it will be deemed to be in contempt of court.

Under Irish law, it is necessary to initiate proceedings on the merits before an application for a provisional measure such as an injunction can be applied for. Proceedings are issued at the same time that the notice of motion seeking the injunction is filed.

Factors considered by the court

Interlocutory injunction

The test for granting an interlocutory injunction is as follows:

1. There must be a serious issue to be tried

2. Damages must not be an adequate remedy for the applicant?
3. Damages must not be an adequate remedy for the defendant?
4. The balance of convenience must lie in favour of granting the injunction. In this regard, it is often said the court will consider which option holds the least risk of injustice.

See for example the judgment of Mr Justice Kelly in Smithkline Beecham plc & Ors v. Genthon BV & Anor [2003] IEHC 623 and the judgment of McGovern J in Gilead Sciences Inc. & anor -v- Teva BV & anor [2017] IEHC 666.

In July 2019, the Irish Supreme Court held that a preliminary injunction restraining the infringement of a Supplementary Protection Certificate (SPC) should have been granted by the High Court. Prior to this decision, there was a significant judicial trend towards the refusal of interlocutory injunctions in patent cases due to the transparency in pharmaceutical sales and the ease at which any sales, and resulting damages, could be calculated. This Supreme Court has now held that “the preferable approach is to consider the adequacy of damages as part of the balance of convenience” rather than being a standalone step before the considering the balance of convenience, as was previously carried out. This Supreme Court decision is likely to change the landscape of preliminary injunctions in patent cases, and particularly pharmaceutical cases, going forward.

Anton Piller order

The test for the granting of an Anton Piller order is as follows:

1. There is a strong *prima facie* case against the defendant;
2. The damage, potential or actual, must be very serious for the applicant; and
3. There must be clear evidence that the defendants have in their possession relevant documents or things and that there is a real possibility that they may remove or destroy such material before an *inter partes* application can be made;
4. The applicant must be able to satisfy the court that in inspecting or removing the items of evidence, it will not cause damage to the defendant or the defendant’s case

Mareva injunction

The test for the granting a Mareva injunction is as follows:

1. The applicant must demonstrate that he has a substantive cause of action;
2. The applicant must show that he has a good arguable case;
3. The applicant must show that the defendant has assets (these do not necessarily have to be monetary assets);
4. The applicant must show that the anticipated disposal of a defendant's assets is for the purpose of preventing a claimant from recovering damages and not merely for the purpose of carrying on a business in the normal course of discharging lawful debts; and

The balance of convenience must favour the granting of the injunction.

The behaviour of the defendant is also a relevant factor and will be considered by the court.

Recurring penalty payments

The system of recurring penalty payments does not exist in Ireland as in other EU member states.

However, if infringement continues after the granting of an order restraining such infringement, the party in breach of that order will be considered to be in contempt of court.

In such circumstances, the party in whose favour the order has been made can make an application to court for an order to have the defendant attached, committed or sequestered. The court also has an inherent jurisdiction to impose a fine on the defendant if it considers this appropriate. This has never happened in an intellectual property case.

Provisional and precautionary measures against intermediaries

It is possible to apply for an injunction against intermediaries where copyright is being breached, under Section 40(5A) of the Copyright and Related Rights Act 2000 (as amended). However this is a final relief as opposed to a provisional measure pending trial.

There is no precedent for an interlocutory injunction to be granted against an intermediary in a patent case.

Circumstances justifying an order for precautionary seizure

See Mareva injunctions in “Factors considered by the court” above.

Assessment of required evidence

A fundamental principle of the Irish legal system is that a person who makes a claim in a civil case must be able to prove that claim. Therefore, where a party argues for the existence of a particular fact, they will be required to show proof of the existence of that fact.

The constitutional constraints applicable in criminal proceedings do not apply in civil proceedings and the legislature, therefore, has much greater freedom, by use of presumptions and deeming provisions, to allocate the legal burden so as to place an onus on a defendant to establish or rebut certain matters.

For patent cases, normally an extract from the relevant register is sufficient to prove ownership.

In civil proceedings the burden of proof is taken to “on the balance of probabilities”. The court must be satisfied on the balance of probabilities that the complainant is the owner of the right in question. In the vast majority of cases, this is not in dispute.

Conditions justifying *ex parte* order

Interim, or *ex parte*, injunctions are sought in circumstances where there is an element of extreme urgency. For example where the matter is so urgent that it is necessary to prevent a defendant taking any steps prior to a notice of motion coming on for hearing. It is, in broad terms, designed to maintain the status quo, and will normally last for a very short period, normally until the day fixed by the court for the matter to be returned on an interlocutory basis.

As the application is being made on an *ex parte* basis, the applicant must make full and frank disclosure of all circumstances relevant to the case (whether these are helpful to the applicant's case or not).

The test applied to the granting of an *ex parte* injunction is the same as the test for the granting of an interlocutory injunction (see “Factors considered by the court” above).

Normally injunctions (whether *ex parte* or interlocutory) will only be granted where damages are not considered to be an

adequate remedy for the applicant. In *Curust Financial Services Ltd v Loewe-Lack-Wek* [1994] 1 IR 450 the Irish Supreme Court held that what is considered is not just the loss which would be established up to the date when damages would be assessed but also probably future loss. The court must be satisfied that it is impossible to quantify the damage the applicant would suffer, as opposed to it merely being difficult.

Protections available to the defendant

The party seeking the injunction must provide an undertaking as to damages, which is essentially a promise to compensate the defendant for any damage suffered if it turns out that the injunction was wrongly granted. A specific amount will not be determined as it is not possible to determine at the time of seeking an injunction what the damage to the defendant will be if it is wrongly granted. If the court is of the view that the applicant will not be in a position to compensate the defendant, it can take this into account when determining whether to grant the injunction.

If an injunction is wrongly granted or if the claimant's conduct is such that the order is varied and/or set aside, it may be the case that a hearing as to damages will be required to establish the damage suffered by the defendant. In such a scenario, the court will consider the submissions made by both parties and the evidence submitted by both parties as to the damage suffered and determine what the appropriate compensation should be.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

The European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006 (SI No 360 of 2006)
Curust Financial Services Ltd v Loewe-Lack-Wek [1994] 1 IR 450

Smithkline Beecham plc & Ors v. Genthon BV & Anor [2003] IEHC 623
Gilead Sciences Inc. & anor -v- Teva BV & anor [2017] IEHC 666

V Corrective measures

Titles of the orders

Recall, removal, destruction

Other available measures in Ireland

The claimant may also request "delivery up" of the infringing material (e.g. Section 47(b) Patents Act 1992).

Basic procedural framework

The High Court, is competent to issue such an order at first instance. The order will be issued in the main proceedings on the merits.

A claimant may apply to the court for a corrective measure where the court has found that there has been an infringement of intellectual property rights involving goods.

Regulation 4(2) of the IP Enforcement Regulations provides that the court may order the defendant to take appropriate measures, at the defendant's expense, in relation to the infringing goods or any material or implement principally used in their creation or manufacture.

Regulation 4(3) further provides that any order under paragraph (2) may be subject to any terms or conditions that the court considers appropriate.

The court may take into account any factors which it believes are relevant to the issue at hand. It has an inherent jurisdiction to grant any order which it considers appropriate. That said, it will often have regard to the feasibility of granting any order and also the cost of the measures in question. Where the cost of implementing the measures is too onerous for one party to bear, the court may decline to grant the relief sought.

The orders will be sought by the claimant in its plenary summons. If the court considers that the intellectual property right was infringed, it will order this relief, if sought, and if the court considers it appropriate in the circumstances.

The claimant may ask for the abovementioned measures in parallel. For example, often the claimant will seek recall of the products and then destruction/delivery up of the products.

The court may take into account additional factors which it believes are relevant to the question. An example would be where the cost of implementing the measures is too onerous for one party to bear.

Assessment of proportionality for ordering remedies

There is no fixed rule in how “proportionality” is to be assessed. The court will consider what order is appropriate having regard to all the circumstances of the case.

Evidence of destruction

Normally the claimant will seek proof of destruction, for example a certificate from the company that has destroyed the evidence or an affidavit from the defendant. If it is felt that such documents will not be forthcoming, another relief should be considered.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Regulation 4 of the The European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006 (SI No 360 of 2006)
Section 47(b) of Patents Act 1992

VI Injunctions

Title of the order

A perpetual injunction

Basic procedural framework

The High Court, is competent judicial authority for issuing an injunction in patent proceedings in the first instance. Such an order is normally enforced by the claimant and/or its legal representative. If the defendant does not allow this to be done, it will be deemed to be in contempt of court.

In IP matters Irish courts will generally award a perpetual injunction if infringement is established. However, there are exceptions where, for example, the judge considered that too much time has passed and further infringement is unlikely (*Aldi Stores v Dunnes Stores (No. 2)* [2015] IEHC 551) or that damages would be a more appropriate remedy than an injunction, for example, to finance an advertising campaign to inform consumers.

In *Falcon Travel Limited v Owners Abroad Group Plc* [1991] 1 IR 175, an injunction was refused on that basis that damages would be an adequate remedy. The claimants were a retail travel group who has been operating in Ireland for several years. The defendants were tour operators in the United Kingdom who has begun to trade in Ireland under the name Falcon Leisure Group. There was evidence of confusion in the minds of the public between the two businesses. Murphy J considered that damages should be assessed with regard to the cost to the claimants of an advertising campaign to explain the difference between the two businesses.

An injunction may be prohibitory, i.e. the effect of the order is to restrain a party or parties affected from doing a particular thing. Alternatively, it may be mandatory i.e. requiring a party to do a particular thing.

A perpetual or permanent injunction may be granted in order to stop the infringement. In this regard, such applications will only be successful where the claimant can prove that continuous and irreparable harm will result should the court decide not to grant the injunction, i.e. where further infringement is unlikely, a permanent injunction is less likely to be granted Typically, often where parties have been successful in an application for an interlocutory injunction, they will apply to the court to have the injunction made permanent at the conclusion of a trial.

Injunctions against intermediaries

Intermediaries may also be subject to enforcement proceedings and injunctive relief. For example, blocking injunctions are available remedies and have been granted on a number of occasions by the Irish courts. The Copyright and Related Rights Act 2000 was amended by European Union (Copyright and Related Rights) Regulations 2012 to include the following section 40(5A):

- (a) The owner of the copyright in a work may, in respect of that work, apply to the High Court for an injunction against an intermediary to whom paragraph 3 of Article 8 of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society applies.
- (b) In considering an application for an injunction under this subsection, the court shall have due regard to the rights of any person likely to be affected by virtue of the grant of any such injunction and the court shall give such directions (including, where appropriate, a direction requiring a person be notified of the application) as the court considers appropriate in all of the circumstances.

There have been no Irish cases in the patent context granting injunctions against an intermediary.

Compulsory licence as a defence

This is likely to be brought as a counterclaim, rather than a defence.

Court's discretion if finding of infringement

The court has a discretion, although a permanent injunction will often be granted in such circumstances.

There is no fixed rule on what factors should be taken into account. The court may take into account additional factors which it believes are relevant to the question.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

See Part III "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

The European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006 (SI No 360 of 2006)
Aldi Stores v Dunnes Stores (No. 2) [2015] IEHC 551
Falcon Travel Limited v Owners Abroad Group Plc [1991] 1 IR 175

VII Alternative measures

Art. 12 ED was not implemented into Irish law.

VIII Damages

Calculation methods available in Ireland

Generally, Irish courts have a wide discretion in relation to the award of damages.

Usually, the claimant seeks compensation for the amount by which the value of the IP right has been diminished, which is generally calculated by way of lost sales or a reasonable royalty basis. One of the leading Irish authorities on this point is *Retail Systems Technology Ltd. v. McGuire* [2007] IEHC 13.

In *Bayerische Motoren Werke Aktiengesellschaft v Ronayne (t/a BMWCare)*, Ryan J. set out the following guiding principles in respect of awarding damages in a trade mark context:

- a) Damages are compensatory of the claimant, not punitive of the defendant;
- b) The measure is the claimant's loss; the defendant's wrongful gain may represent the whole, or part of that, or may be additional;

- c) Precise calculation of loss may be impossible so an estimate may be employed; and
- d) The principle remains that it is compensation.

Aggravated damages are not expressly provided for in patent legislation but it is available as a matter of common law. In addition to aggravated damages, Irish courts may also award exemplary or punitive damages where although ordinary damages provide sufficient compensation for the claimant, the defendant is still left with a sizeable profit.

Such awards of aggravated or exemplary damages are rare in Ireland.

Basic procedural framework

They are part of the main infringement proceedings but often a separate hearing is held in relation to damages.

Methods of calculation

Under Irish law, a claimant may choose between a remedy in damages and an account of profit. The purpose of an account of profits is to deprive an infringer of the unjust enrichment he derived from the infringement. The right to elect an account of profits was recognised in the case of *House of Spring Gardens v Point Blank Limited* [1983] IR 88.

Account of profits is an equitable remedy which means that the court has discretion to grant or refuse the request. A court will only grant an account of profits in certain cases. It is therefore usual for a claimant to specify both remedies in their particulars of claim.

In the more recent Irish case of *Nutraceutical BV and by order Aymes International Limited v Nualtra Limited* [2017] IEHC 253, Twomey J. refused to award the account of profits sought by the claimant and instead awarded damages of €35,000. The court's reasoning was based on, *inter alia*, the fact that evidence had been produced to the court showing that the defendant had not made any profit through its use of the mark in question. Furthermore, the court stressed that an account of profits is an equitable remedy and the behaviour of the claimant meant the remedy was refused.

In *Aldi Stores (Ireland) Limited and Aldi GmbH & Co. KG v Dunnes Stores (No. 3)* [2016] IEHC 256, Cregan J. explained that "the rule of law in relation to election, is in effect, a rule

of law which requires an election between an account of profits or an inquiry into special damages (or loss of profits) suffered by the claimant. It does not mean an election between an account of profits and general damages.

Cregan J held that the rationale for requiring a claimant to choose between these remedies is that to allow a claimant to recover damages for his loss of profits and also obtain an award of the defendant's profits would provide the claimant with an unmerited windfall. In effect a claimant would be "over compensated" and a defendant "over-penalised". Therefore the rule should be applied in a manner appropriate to ensure that justice is done to the claimant for the infringement but the claimant is not over compensated so as to do injustice to the defendant.

Furthermore, Cregan J. also considered whether national law provisions in this regard were in compliance with the Enforcement Directive. He outlined that in accordance with Article 13 ED, the courts must consider all appropriate aspects and then consider all of these factors conjunctively, including "the lost profits" and "the unfair profits" made by the infringer. He concluded that the Enforcement Directive permits national courts to take into account the claimant's lost profits, and further any unfair profits made by the defendant, i.e. national law is in conformity with the Enforcement Directive. He emphasised the Enforcement Directive must be read in light of the underlying principle that a claimant cannot be overcompensated and a court may take all these factors into consideration in arriving at a fair figure of compensation for the claimant.

An exception to this option is where a claimant fails in their application for an injunction, on the discretionary basis that damages are an adequate remedy. In such circumstances a claimant cannot elect for an account of profits (*McCambridge Ltd v Joseph Brennan Bakeries* [2014] IEHC 269).

It is not possible to mix and match different calculation methods. The claimant must elect between an account of profits and/or damages (assuming both remedies are available).

In relation to Art. 13.1(b) ED, the court will consider the evidence of the parties and experts on issues such as loss and appropriate royalty rates in determining the proper calculations of damages.

Evidence of lack of knowledge

There is no fixed way of determining a lack of knowledge on the part of the infringer. This will be determined by the court on a case-by-case basis, bearing in mind the circumstances of each individual case.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Retail Systems Technology Ltd. v. McGuire [2007] IEHC 13
Bayerische Motoren Werke Aktiengesellschaft v Ronayne (t/a BMWCare)
House of Spring Gardens v Point Blank Limited [1983] IR 88
Aymes International Limited v Nualtra Limited [2017] IEHC 253
Aldi Stores (Ireland) Limited and Aldi GmbH & Co. KG v Dunnes Stores (No. 3) [2016] IEHC256
McCambridge Ltd v Joseph Brennan Bakeries [2014] IEHC 269

IX Legal costs

Overview of assessment of costs

The court generally has discretion in relation to awarding legal costs. The general rule is that the unsuccessful party is ordered to pay the successful party’s legal costs. Typically, a successful party will be awarded a significant portion of its legal costs against an infringer where infringement is established.

The court can take into account any open settlement offers made when exercising its discretion to award costs. This includes where a payment into court or a “without prejudice save as to costs” offer has been made. Settlement discussions which are entirely without prejudice cannot be considered by the court.

Where no agreement is reached by the parties in relation to costs in High Court proceedings, they are referred to the Taxing Master. The role of the Taxing Master is to provide an independent and impartial assessment of the legal costs incurred by the parties to the litigation. Costs are generally taxed at the conclusion of the case. The position of the Taxing Master was introduced by the Court Officers Act 1926.

Interest on costs is typically awarded and is calculated at a rate of 8% per annum from the effective date of the court order.

The costs to be awarded are at the discretion of the court. However, these are generally awarded on a “party and party” basis, that is to say “all costs as were necessary or proper for the attainment of justice or for enforcing or defending the rights of the other party”.

Only costs which were reasonably incurred will be recovered.

The court will make an order for costs in the same infringement action. However, the actual amount of costs to be paid will often be decided separately by the “taxing master” if the parties cannot agree a figure between themselves.

There is no flat-rate scheme. If the parties cannot reach agreement, the “taxing master” will review the file of the winning party and determine what appropriate level of compensation is.

Legal basis and case law

Order 99 Rules of the Superior Courts

X Publication of judicial decisions

Title of the order

Publicity order

Basic procedural framework

All civil hearings and judgments are generally held in public to comply with constitutional requirements. Judgments, once registered, are published in a number of sources including the Irish Courts Service website. The main printed series of reports in Ireland are the Irish Reports and Irish Law Reports Monthly, cited as ‘IR’ and ‘ILRM’ respectively. Many cases remain unreported but are kept in the libraries of the main Universities or professional bodies.

Such reporting takes place anyway and is not at the expense of the infringer. Regulation 5 of the IP Enforcement Regulations provides that *“If a court finds that an intellectual property right has been infringed, the court may, at the request of the claimant, order appropriate measures for the dissemination and publication of the judgment be taken at the defendant’s expense.”*

This form of “publicity order” has not been awarded by an Irish court to date. It is unlikely that the entire judgment will need to be reproduced. The court will make a direction as to the appropriate medium for publication.

The High Court, is the competent judicial authority to give the order for such measures in the first instance.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Regulation 5 of the IP Enforcement Regulations

XI Other appropriate sanctions

There are no other specific sanctions with regard to patent infringement.

XII Additional options

Other available options in Ireland

It is possible to apply to the High Court for a declaration that a patent is valid and has been infringed by the defendant under Section 47 of the Patents Act 1992 (as amended).

A patent holder can file an application for action with the Irish Revenue Commissioners, pursuant to which infringing goods will be detained for a period long enough to allow the right-holder to issue infringement proceedings. The Revenue Commissioners are the competent authority in such matter. An Application for Action must be submitted to the Revenue Commissioners by the rights-holder and renewed every year.

Non-compliance with an order

There are no criminal sanctions for patent infringement in Ireland.

Legal basis and case law

EU Regulation 608/2013

Iceland

I Evidence

Title of the order

Lög um meðferð einkamála nr. 91/199, X. kafli. Skjöl og önnur sýnileg sönnunargögn (Act on Civil Procedure No. 91/1991, Chapter X. Documents and other material evidence)

Basic procedural framework

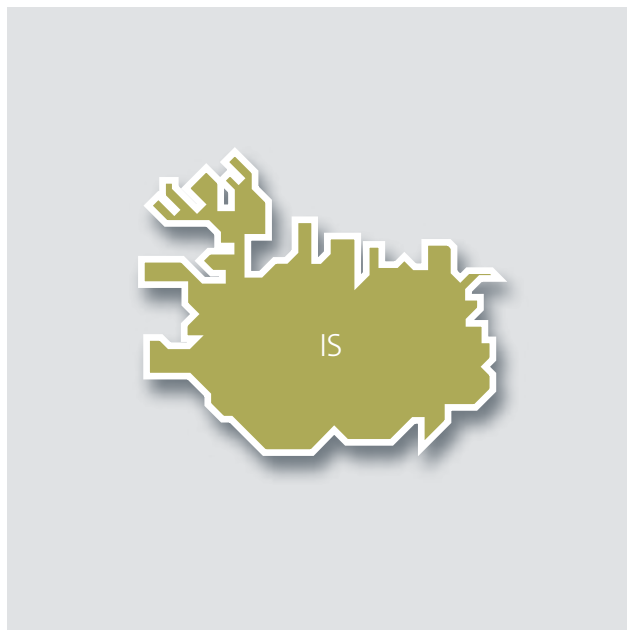
All patent enforcement cases in Iceland shall be brought before the District Court of Reykjavík according to Art. 64 of the Patents Act No 17/1991 (hereinafter “Patents Act”). All civil cases, including patent enforcement cases, brought before the District Court of Reykjavík fall under the Act on Civil Procedure No 91/1991 (hereinafter “Act on Civil Procedure”).

Chapter X of the Act on Civil Procedure provides for measures to obtain evidence that is not readily obtainable otherwise for a party, for example evidence that may be in the keeping of the opposing party. In such instances the applicant may, during proceedings on the merits, formally challenge the opposing party to submit the relevant evidence. The applicant must provide information on the details of the evidence requested and state the relevance of the evidence for the case at hand (Art. 67 (1) and (2) of the Act on Civil Procedure).

Provision of evidence by third parties

The judge may call a third party to appear before the court, at the request of a party to the case, to answer questions on whether particular evidence exists in his possession and if so, provide information on details of the relevant evidence. Furthermore the third party will be asked if he has any legitimate reasons for not providing that evidence to the court.

If it becomes evident that the evidence does exist and may be of value in the case at hand, but the third party refuses to submit it to the court, a party to the case may request in writing that the judge order the third party to submit the evidence.



Assessment of evidence in support of the application

The evidence requested must be submitted if the applicant in fact has a right to the evidence irrespective of the case at hand or if the document / evidence is of such nature that the opposing party would be obliged to provide a witness statement concerning the evidence where he is not a party to the case (Art. 67 (2) of the Act on Civil Procedure).

The party requesting the evidence has the burden of proof that the evidence exists and that it is in the possession of the named opposing party or third party. Furthermore the applicant must inform the court what the evidence will prove. (Art. 67 (4) of the Act on Civil Procedure).

Protection of confidential information

Measures for the protection of confidential information are somewhat limited in cases where e.g. evidence may be considered confidential (Art. 69 of the Act on Civil Procedure). A party will not be obliged to provide evidence of a confidential nature. In such a case the judge may decide that the evidence will only be presented to him and he will then prepare a written report of the relevant details for the case at hand, which will not be considered confidential.

IS

Non-compliance with an order

If the judge finds it credible that the relevant evidence exists but the opposing party does not submit it, the judge may state in the final decision, the assumption that the evidence exists and is of the nature detailed by the applicant (Art. 68 (1) of the Act on Civil Procedure).

If a third party does not comply with the judge's order to submit evidence, daily fines may be imposed. Furthermore such an obligation on a third party to submit evidence is enforceable with interim measures (seizure) (Art. 68 (2) of the Act on Civil Procedure).

Appeal/review

A decision of the District Court on provision of evidence may be sent for review to the Appeals Court (*Landsréttur*). A request for review must be filed with the District Court within two weeks of its decision. The District Court forwards the request to the Appeals Court.

Admissibility of evidence

Evidence from other national and foreign proceedings is generally admissible but the judge in the case will decide whether and to what extent the evidence will be accepted. There is a principle of first-hand production of evidence before the judge for each matter, i.e. a witness statement for example shall generally be given before the relevant judge although evidence from proceedings in other courts is generally admissible.

EU Regulation 1206/2001 is not applicable in Iceland (does not have EEA relevance). Iceland is however a member of the Hague Convention on Civil Procedures and the Hague Convention on Taking of Evidence Abroad in Civil or Commercial Matters.

Iceland is also member of a Nordic Agreement made on April 26, 1974 on mutual legal aid concerning all the Nordic countries.

Legal basis and case law

Act on Civil Procedure No. 91/1991

II Measures for preserving evidence

Title of the order

Beiðni um öflun sönnunargagna vegna ætlaðra brota á hugverkaréttindum (Act on Collection of Evidence relating to Alleged Violations of Intellectual Property Rights No 53/2006, hereinafter "Act on Collection of Evidence")

Further available measures

In Iceland there is a specific Act on Collection of Evidence applicable in cases relating to alleged infringements of intellectual property rights. This Act provides for special measures available to right holders to obtain evidence from alleged infringers with the assistance of the courts and the Sheriff before a lawsuit is filed.

Basic procedural framework

A party claiming to enjoy private rights, such as rights covered by a patent, may file a request to the relevant District Court of the defendant's premises for the collection of evidence. Evidence may be collected in any place in the defendant's control by an examination of any documents and equipment which offers a possibility of assessing whether and to what extent an infringement has taken place.

The request shall be made in writing and must state in a clear manner: (i) the details on both the claimant and the defendant, (ii) which rights have allegedly been infringed, (iii) what evidence should be collected and where, (iv) why the claimant believes this evidence may be found at the premises. In addition, any other information necessary for the proceedings must also be included.

Upon receiving such a request the District Court shall decide on a date and place of a court hearing notifying both parties. The judge may furthermore offer the defendant to submit his comments contesting the matter. If the claimant fails to appear at the hearing the request shall be revoked.

During the hearing the judge shall seek clarification of any matter that may be of significance for the assessment of whether to grant the request. If the request is challenged by the defendant, brief oral arguments will be held. The judge shall then render a decision in the case. This will be done even if the defendant does not appear in court provided that he has been served with suitable notice in a manner offering

proof. The judge shall in any case ensure the legal requirements for the collection of evidence are fulfilled, regardless of whether or not the request has been contested.

If the judge accepts the request, the claimant shall send the judge's decision to the Sheriff in the area of the premises where the evidence is to be collected. The Sheriff may require the lodging of a specific security payment from the claimant to cover possible costs for proceedings and potential damages to the defendant.

The evidence is then collected by the Sheriff by a search at the location identified by the claimant. A notice of the search shall be sent to the defendant.

Ex parte requests

Where there is a risk that evidence will be hidden, destroyed or altered or that delay due to notification to the other party may be detrimental to the claimant's rights, such notification may be dispensed with, upon request of the claimant. In such instances the only party present at the court session will be the claimant. It is important here that the judge shall of his own accord ensure whether the legal requirements for collection of evidence are fulfilled, especially in *ex parte* proceedings.

In *ex parte* proceedings the Sheriff will conduct the search and collection of evidence without any prior notice to the defendant.

Within two weeks from the time the defendant becomes aware of the court order in *ex parte* proceedings he may request the matter to be reopened. If such a claim is submitted, the Sheriff will delay handing over the evidence collected, to the claimant until after the matter has been reviewed by the District Court.

Protection available to the defendant

The District Court judge has the obligation to investigate whether the statutory conditions for the requested measures are satisfied even though the application for the measures has not been challenged. The claimant must establish a likelihood that the patent in question has been infringed. Furthermore, evidence shall not be collected if the alleged infringement is considered of a minor nature, the request relates to an individual and is not related to a business operation or if there is great discrepancy between the interests of the defendant in not having evidence

collected, and the interest of the claimant in having the evidence collected. The judge shall of his own accord ensure whether the legal requirements for collection of evidence are fulfilled, especially in *ex parte* proceedings.

In addition, the Sheriff handling the case may require the claimant to lodge a security to cover the cost of enforcing the measures before proceeding. This security will also cover possible damage the defendant may suffer as a result of the measures being enforced.

There are no fixed rules on how security is calculated; it is at the Sheriff's discretion to decide the amount. The law only states that the security shall aim to cover any possible damage to the other party. It is however possible for the Sheriff to change his mind in this regard as the case proceeds if he deems it necessary.

Period to initiate proceedings on the merits

Proceedings on the merits must be initiated within four weeks from the date the evidence collected becomes available to the claimant.

Witness identity protection

Procedures on the collection of evidence do not entail any witness statements before the District Court.

Non-compliance with an order

The Sheriff shall ensure that the collection of evidence is carried out. To the extent necessary the Sheriff may seize objects and documents and take photographs and copies of documents and data, including data in electronic form.

The Sheriff may use force to the extent necessary in order to conduct a search with the defendant. Police shall render the Sheriff assistance in this respect as required.

Appeal/review

The order of a District Court permitting the collection of evidence may be appealed to the Appeals Court.

Non-compliance with UPC-issued order

Not applicable as Iceland is not a party to the UPCA.

Legal basis and case law

Act on Collection of Evidence Relating to Alleged Violations of Intellectual Property Rights No. 53/2006

III Right of information

There is no provision in Icelandic legislation relating to the provision of information corresponding to Art. 8 ED.

IV Provisional and precautionary measures

Titles of the orders

Lögbann (injunction)

Kyrrsetning (precautionary seizure)

Basic procedural framework

A right holder may request an order for an injunction and a precautionary seizure at the Sheriff's office. The request must be in writing detailing arguments. Sheriffs and their assistants (Bailiffs) are responsible for granting preliminary injunctions and precautionary seizures. If the Sheriff considers the conditions for the request made to be fulfilled the Sheriff will order the defendant to appear at a hearing before the Sheriff along with the right holder. The defendant will also be invited to file a written defence to the request made.

The hearing will be rather short (usually a few hours at the most) and the Sheriff will issue the order very shortly after the hearing. In the case of a request for a precautionary seizure the hearing may take place outside the Sheriff's office, for example at the location of the property to be seized.

In the case of a request for an order for an injunction the right holder will need to lodge a security in case the defendant incurs damage as a result of the preliminary injunction.

In both instances the right holder must file an action to confirm the ordered precautionary measure before the District Court of Reykjavik within a week of the order issued by the Sheriff.

Factors considered by the court

The conditions for granting a preliminary injunction which the Sheriff will consider are set out in Art. 24 of the Act on Precautionary seizure, Injunction and more, No 31/1990:

- the alleged infringing act has already commenced or is imminent;
- the claimant is able to prove that the act infringes his patent or is likely to infringe;
- the claimant's rights will be harmed if compelled to wait for a decision on the merits in a court case.

For precautionary seizures, the Sheriff will consider whether the precautionary seizure relates to a monetary claim that is not yet enforceable and whether it is less likely that enforcement of the monetary claim will be successful or will be considerably more difficult if the seizure is not carried out.

Recurring penalty payments

See "Non-compliance with an order" below.

Provisional and precautionary measures against intermediaries

Provisional and precautionary measures may be ordered against intermediaries if the claimant demonstrates that the intermediaries are infringing or likely to infringe the claimant's rights.

Circumstances justifying an order for precautionary seizure

An exhaustive list of circumstances justifying such an order is not available. However, circumstances such as the likelihood of the defendant hiding assets, changes in the defendant's asset position or poor financial standing in general are all likely to justify an order for precautionary measures.

Assessment of required evidence

The claimant must demonstrate that (i) there exists legitimate private rights that (ii) are or will be infringed or there is a likelihood that those rights are or will be infringed.

To prove the existence of legitimate rights in the case of a patent the defendant must provide a certified copy of the granted patent. It is not necessary to prove that the relevant act is an infringement, only that it is likely that the relevant act constitutes infringement. What constitutes sufficient evidence to assess the likelihood of infringement is decided by the Sheriff and later the judge in the confirmation case.

Conditions justifying an *ex parte* order

In exceptional cases, it is possible to grant an order *ex parte*. This is possible in cases where:

- (i) it is considered likely that the defendant will defeat the purpose of the precautionary measure if informed prior to the hearing,
- (ii) if there is a likelihood that the claimant will be particularly harmed as a result of a delay resulting from the defendant being informed,
- (iii) if the defendant has previously been informed of the same claim for a precautionary measure and he has not attended to the same,
- (iii) if the defendant's whereabouts are unknown.

Ex parte proceedings shall only apply if the interests of the claimant are particularly urgent and under risk if any delay occurs.

The requirement of "particular harm" is an exception to the main rule and should be interpreted strictly. However, further guidance is not set out in the legislation.

Protections available to the defendant

Where a precautionary seizure is ordered, the Sheriff may also order that the claimant lodge security taking into account how the defendant will be affected by the seizure, whether it is likely that the seizure will affect the defendant's credit rating or business interests, and whether the defendant contests the legality of the claimant's claims and the seizure in general. Furthermore the defendant's costs in relation to the subsequent court case may also be taken into account.

Where a preliminary injunction is issued, the Sheriff shall consider both direct and indirect damages possible to the defendant as a result of the injunction, possible harm to his reputation, whether the defendant contested the legality of the claimant's claims and the injunction in general, and the

defendant's costs in relation to the subsequent court case when making a decision on the amount of the security payment to be made by the claimant.

The defendant, in both cases, will then have to prove the loss he has incurred as a result of the precautionary measure when setting filing a claim for possible damages as a result of such measures.

Non-compliance with an order

The Sheriff is responsible for the enforcement of an order if the claimant so requests. The Sheriff may also enforce the injunction with the assistance of the police, if requested by the claimant. Where the defendant does not intentionally or negligently comply with the order, the right holder may request the courts that the defendant is fined or imprisoned for up to two years. Furthermore the counterparty will be liable to pay damages to the right holder in the case of non-compliance.

Appeal/review

If an injunction is granted by the Sheriff that decision must be followed by the filing of a court case within one week to confirm or revoke the measure ordered. This action will generally deal with the merits as well. At this stage a counterclaim for invalidity of the relevant patent may be introduced. If a case has already been filed on the merits and is being dealt with by the Appeals Court, the confirmation case may be put on hold until the case on the merits has been resolved by the Appeals Court.

Where an injunction request is denied by the Sheriff, the claimant may appeal that decision to the District Court, also informing the Sheriff, within a week of the decision to deny the injunction.

The defendant's option to appeal decisions made by the Sheriff to the District Court are limited to procedural decisions made by the Sheriff before his final order. Furthermore the claimant may not oppose such appeal.

The defendant however may always set forth his claims before the District Court in relation to issues appealed by the claimant.

Within a week from the day the defendant was informed of the Sheriff's decision to reject his request to review the order, the defendant may appeal to the District Court.

Finally, if a third party is affected by the Sheriff's decision to order a precautionary measure, that third party may appeal the decision to the District Court under the same conditions as the defendant.

Non-compliance with UPC-issued order

Not applicable as Iceland is not a party to the UPCA.

Legal basis and case law

Lög um kyrrsetningu, lögban o.fl. No. 31/1990, Act on Precautionary seizure, Injunction and more, No. 31/1990

V Corrective measures

Titles of the orders

Ráðstafanir til að koma í veg fyrir misnotkun afurða eða annars sem skerðir einkaleyfisrétt (measures to prevent the abuse of products or other the use of which would involve patent infringement).

Eyðing (destruction)

Other available measures in Iceland

In the case of patent infringement, the court may, if requested and if it considers it reasonable, order measures to prevent the use of products manufactured in accordance with the patented invention or of any apparatus, tool or other equipment the use of which would amount to patent infringement. The possible measures specifically mentioned in the Patents Act, Art. 59 are: items are to be altered, destroyed or surrendered to the right holder.

Basic procedural framework

The District Court, the Appeals Court, or in exceptional cases the Supreme Court may, in the case of patent infringement, order corrective measures.

The claimant must set forth a demand that such measures be considered. The court will then consider whether the order for corrective measures is reasonable. Furthermore, these measures will not be used against any person who in

good faith has acquired the infringing item or has acquired rights in respect of the item and who has not himself committed patent infringement.

Where the court grants an order for destruction, it is for the defendant to have the items destroyed. The assistance of the Sheriff is possible to enforce such an order.

Under very special circumstances the court may, upon request, grant the owner¹ of the infringing products, apparatus, tools and other equipment, permission to dispose of these freely during the term of the patent or part of that term in return for reasonable compensation and on reasonable conditions in other respects.

The Patent Act does not specifically provide that corrective measures shall be at the expense of the defendant although that is the general rule.

Assessment of proportionality for ordering remedies

In Icelandic law the court shall consider proportionality when ordering remedies.

Evidence of destruction

The Patent Act does not specify what evidence must be presented to prove compliance with the order. This is at the court's discretion. The authority responsible for enforcement is the Sheriff.

Non-compliance with an order

The Sheriff is responsible for the enforcement of an order for these corrective measures if the rights holder so requests. It is possible to request the assistance of the Sheriff after 15 days have passed from the date of the court's (initial) order for corrective measures.

If enforcement is not successful for any reason, the claimant may request that the District Court judge decide on a monetary payment to be paid by the defendant.

¹ This may be either the defendant or a third party

Appeal/review

The order for corrective measures may be appealed together with the first instance decision within four weeks to the Appeals Court. In exceptional cases a further appeal is possible to the Supreme Court (*Hæstiréttur*).

Non-compliance with UPC-issued order

Not applicable as Iceland is not a party to the UPCA.

Legal basis and case law

Patents Act No. 17/1991, Art. 59

VI Injunctions

Title of the order

Staðfesting á lögbanni (Confirmation of an injunction)

Basic procedural framework

Preliminary injunctions, granted by Sheriffs in Iceland must be confirmed by the courts. Such cases are brought before the District Courts as first instance and appealed to the Court of Appeal, *Landsréttur*. In exceptional cases a further appeal may be brought before the Supreme Court (*Hæstiréttur*).

In the case of patents such cases will be brought before the Reykjavik District Court. A case concerning the confirmation of an injunction will be brought and dealt with as a part of the legal proceedings on the merits.

A case concerning the confirmation of an injunction must be filed within a week from the granting of a preliminary injunction. Art. 36 (1) of the Act on Precautionary seizure, Injunction and more, No. 31/1990. If a case is not filed within a week from the granting of a preliminary injunction, the injunction will be cancelled.

Injunctions against intermediaries

Injunctions against intermediaries are possible in Iceland if the intermediary's actions are infringing a patent.

Compulsory licence as a defence

The defendant may not use a request for a compulsory licence as a defence in infringement proceedings. There is a separate procedure and conditions for obtaining compulsory licences.

Court's discretion if finding of infringement

In the case where a judge finds that an infringement has taken place the judge will confirm the injunction accordingly. The scope of the injunction may be narrowed, although the injunction is confirmed, based on the outcome on the merits of the case (what actually constituted infringement).

Non-compliance with an order

The Sheriff's office (bailiff) is the competent authority for non-compliance.

The Sheriff shall, at the request of the claimant take the necessary steps to carry out the injunction. The Sheriff may request the assistance of police in this regard. Non-compliance to an order for injunction may result in the payment of damages or fines.

Appeal/review

A decision by the District Court of Reykjavik on the confirmation of an injunction may be appealed to the Appeals Court. An appeal must be filed within four weeks from the decision of the District Court in the matter. In exceptional cases a further appeal may be brought before the Supreme Court. This is only possible if the Supreme Court grants the appeal.

Non-compliance with UPC-issued order

Not applicable as Iceland is not a party to the UPCA.

Legal basis and case law

Lög um kyrrsetningu, lögbann o.fl. No. 31/1990, Act on Precautionary seizure, Injunction and more, No. 31/1990, Chapter VI

VII Alternative measures

Alternative measures such as pecuniary compensation provided for in Article 12 of Directive 2004/48 are not available in Iceland.

VIII Damages

Calculation methods available in Iceland

Pursuant to the Patents Act, Chapter IX, any person who intentionally or negligently infringes a patent shall be liable to pay a reasonable compensation for the exploitation of the invention as well as damages for any further injury which the infringement may have caused (Art. 58 (1) of the Patents Act).

If any person infringes a patent and such infringement is not intentional or negligent, he shall be liable to pay compensation and damages under the provisions of Art. 58 (1) to the extent that it is found reasonable (Art. 58 (2)).

The assessment of and order for damages will be part of the main proceedings.

Methods of calculation

The claimant may claim both a lump sum (“reasonable compensation”) as well as an amount for losses incurred. The court will assess damages at its discretion.

The reasonable compensation calculation method is more frequently used since proving the losses incurred can be difficult.

There is little precedent for the award of damages in Iceland. The goal of “reasonable compensation” is to secure a certain minimum sum for the claimant due to the fact that proving his losses may be difficult. What is considered “reasonable compensation” depends on the circumstances of each case. Bearing in mind appropriate licence fees within the relevant field or other possible licensing revenues is one option.

Evidence of lack of knowledge

If any person infringes a patent and such infringement is not intentional or negligent, that person shall be liable to pay compensation and damages under the provisions of

Art. 58 (2) to the extent that it is found reasonable as referred to under “Calculation methods available in Iceland” above.

Non-compliance with an order

See Part VII “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

Not applicable as Iceland is not a party to the UPCA.

Legal basis and case law

The Patents Act No. 17/1991

IX Legal costs

Overview of assessment of legal costs

Legal costs will generally be ordered as part of the court’s decision on the merits if these costs are requested by the claimant. The aim is to put the claimant in the position he would have been but for the legal proceedings.

Any costs associated with the judicial proceedings such as attorney fees, official costs, travel costs and any other costs stemming directly from the legal proceedings are considered as “legal costs”. The court decides costs on a case-by-case basis, based on the claim made and evidence of costs provided. In general, the decision on the amount of costs is not a detailed reasoned decision and generally only covers a part of the costs actually incurred.

Legal basis and case law

Act on Civil Procedure No. 91/1991, Chapter XXI

X Publication of judicial decisions

There are no particular rules on the publication of judicial decisions in patent cases. The only requirement for publication or dissemination of information concerning a judicial decision can be found in the Act on Civil Procedure which states that the judicial decision will be rendered in an open hearing, and that a copy of the decision may furthermore be obtained from the court thereafter (Art. 115 of the Act on Civil Procedure). Furthermore judicial decisions are published on the homepage of the relevant court on the Internet.

Legal basis and case law

Act on Civil Procedure No. 91/1991.

XI Other appropriate sanctions

Name and type of sanctions

Any intentional infringement of a patent may be considered a criminal offence and may result in fines and under aggravated circumstances, imprisonment for up to three months.

This is a very rarely used option and there are no instances in which fines or imprisonment have been decided by the courts. Furthermore, in Iceland there are no separate criminal courts; such cases are brought before the District Courts.

Non-compliance with an order

All fines are collected by a governmental collection office named IMST (*Innheimtumiðstöð sekta og sakarkostnaðar*) situated in Blönduós in northwest Iceland which is under and a part of the Sheriff's office for Northwest Iceland. Any court order for the payment of fines will be enforced by that office Regulation No. 208/2006 on the collection of fines and awarded legal costs).

Any legally available collection methods will be used and if not successful redemption of substitute punishment.

Appeal/review

See Part V "Appeal/review".

Legal basis and case law

Patents Act No. 17/1991 Chapter IX

XII Additional options

Other available options in Iceland

Border measures (seizure of infringing items at the border).

The competent authority is the Directorate of Customs, who may seize products at the border. Generally, right holders may not initiate such procedures but may inform the customs authorities if they suspect infringing items are being imported.

Non-compliance with an order

Border measures may result in the seizure of goods and their destruction.

Legal basis and case law

Patents Act No. 17/1991
Customs Act No. 88/2005

Italy

I Evidence

Title of the order

Ordine di esibizione

Basic procedural framework

In patent cases, the IP civil courts¹ (*Tribunali delle imprese*) are competent to issue such an order, in both preliminary and main proceedings, expressly regulated by the Art. 121 and 121bis of the Italian IP Code (IP Code), by means of questioning on information and/or documents to be exhibited (see also Part III Right of information).

The instructing judge is responsible for this specific order and he/she will evaluate any question of proper compliance with such an order.

Provision of evidence by third parties

The instructing judge may order also to a third party to present evidence in its control, in so far as it is essential to understand the case, in both preliminary and main proceedings.

Assessment of evidence in support of the application

Any evidence apt to demonstrate the likelihood of the existence of the infringement and/or the involvement of third parties and/or the likelihood of the existence of the damage to be compensated, constitutes “reasonably available evidence” as referred to Art. 6.1 ED.

Protection of confidential information

The judge may order the redaction from the documents of any confidential information that is not relevant for the proceedings or grant access to the documents only to the lawyers or parties’ experts bound by the professional duty of confidentiality.



Non-compliance with an order

Where the opposing party does not comply with the disclosure ordered, the judge does not have the power to enforce such a disclosure, but he/she may make inferences from such behaviour which will guide the final decision (Art.121bis par. 4 IP Code).

In addition, the judge may raise with the Criminal Public Prosecutor the violation of the Art. 127 IP Code which considers the refusal (total or partial) to provide the ordered information as perjury, sanctioned by Art. 372 of the Italian Criminal Code with up two years’ imprisonment.

The ordinary criminal court is competent to try such case of perjury as requested by the civil judge, following the usual criminal procedure. Such a procedure involves an investigation phase by the public prosecutor and, if convinced of the likelihood of the violation, he/she will order the opening of the full trial before the criminal court for the full *inter partes* proceeding in order to issue the sanction of the imprisonment.

Appeal/review

Such an order cannot be appealed or reviewed.

¹ In Italy, the 22 specialised IP courts for domestic cases are in: Ancona, Bari, Bologna, Bolzano, Brescia, Cagliari, Campobasso, Catania, Catanzaro, Florence, Genoa, L’Aquila, Milan, Naples, Palermo, Perugia, Potenza, Rome, Turin, Trento, Trieste, Venice. For foreign entities, there are 11 designated IP courts in: Bari, Bolzano, Cagliari, Catania, Genova, Milano, Naples, Rome, Turin, Trento, Venice.

Admissibility of evidence

Evidence obtained in other national proceedings (criminal, administrative, other civil) or foreign proceedings is admissible, but must be submitted by the party at the appropriate time during the proceedings. Its relevance and effectiveness will be evaluated by the court on a case-by-case basis.

As a member state of the EU, EU Regulation 1206/2001 applies. The evidence gathered by the court of another member state and requested by the Italian Court, will be deemed as equally effective as national evidence.

The Italian courts have also applied the Regulation to IP issues. In case C-175/06, *Tedesco c. RWO*, which was brought before the CJEU as a consequence of the UK court's refusal to execute an order for the taking of evidence. The Advocate General clearly stated that the Italian implementation of Arts. 6 and 7 ED complied with the EU Regulation 1206/01.

Legal basis and case law

Articles 115, 116, and 213 Italian Civil Procedure Code (Royal Decree n. 1443/1940)

Articles 2697 and 2729 Italian Civil Code (Royal Decree n. 262/1942)

Article 121 and 121bis Italian IP Code (Legislative Decree N°30 of 10 February 2005)

Opinion of Advocate-General Kokott delivered on 18 July 2007 in respect of C-175/06 *Tedesco c. RWO*

II Measures for preserving evidence

Titles of the orders

Descrizione (detailed description of infringing goods)

Sequestro probatorio (physical seizure of the infringing goods or materials).

Further available measures

There are no measures available other than the two mentioned above.

Basic procedural framework

The IP Courts are competent to issue such an order, both before or during the main proceedings (in the latter case in precautionary proceedings within the main proceedings on the merits).

The bailiff is responsible for enforcing the order.

Ex parte requests

An *ex parte* order may be granted but much depends on the nature and kind of the items or documents to be preserved and the reliability of the defendant.

In general, an *ex parte* description order is granted more often than an order for seizure. To obtain an *ex parte* seizure order the claimant must provide the court with clear evidence as to the validity of the patent and its infringement, i.e. the likelihood of the alleged infringement at the premises of the defendant.

The Italian Civil Procedure Code provides for the “uniform precautionary proceedings”, which arise in preliminary proceedings before the main proceedings. After the execution of the measure a hearing is held before the court, which may review (and therefore confirm, modify or revoke) the initial order in the light of the arguments of the parties.

Protection available to defendant

The IP Courts do not generally order the lodging of a security as referred to in Art. 7 ED. If the court so orders the security may be calculated on the basis of the amount of damages requested by the claimant.

A bank guarantee is regarded in Italy as an “equivalent assurance” as referred to in Art. 7 ED.

The IP Courts usually do not order the payment of “appropriate compensation” to the defendant as referred to in Art. 7.4 ED. However, in the implementation of the Trade Secrets Directive, an express provision was inserted in Art. 132.5-quarter IP Code, providing the same concept of “appropriate compensation” as referred to in Arts. 7.4 and 9.7 ED.

2 [Para] 113. “In the light of the foregoing analysis, I propose that the Court should answer the first question of the Tribunale Civile di Genova as follows: ‘Measures for the preservation and obtaining of evidence such as an order for the description of goods in accordance with Articles 128 and 130 of the Italian Codice della Proprietà Industriale constitute measures for the taking of evidence which, in accordance with Article 1 of Council Regulation (EC) No 1206/2001 of 28 May 2001 on cooperation between the courts of the Member States in the taking of evidence in civil or commercial matters, fall within the scope of application thereof and which at the request of the court of one Member State a court of another Member State must execute, unless grounds for refusal exist.’”

Period to initiate proceedings on the merits

As outlined in the ED, the period to initiate proceedings on the merits shall be not exceed 20 working days or 31 calendar days, whichever is the longer.

Witness identity protection

No measures to protect witnesses' identity are available in Italy for patent cases.

Non-compliance with an order

The bailiff may enforce access and the acquisition of evidence via the intervention of the Criminal Police in case of non-compliance. Non-compliance with an order is deemed a criminal offence (resistance to a public official), which can be raised with the court. The procedure begins with an immediate intervention request by the bailiff.

In case of physical or verbal opposition by the defendant towards the bailiff and/or claimant during the execution of the order, the specific criminal sanctions of Art. 337 of the Criminal Code (sanctioned by imprisonment from six months to five years) may be invoked by the bailiff.

The ordinary criminal court is competent to try such case of perjury as requested by the civil judge, following the usual criminal procedure. Such a procedure involves an investigation phase by the public prosecutor and, if convinced of the likelihood of the violation, he/she will order the opening of the full trial before the criminal court for the full *inter partes* proceedings in order to issue the sanction of the imprisonment.

Appeal/review

The order may be appealed ("*reclamo*") before a panel of three judges of the court that issued the provisional measure within 15 days from the issuance of the final order (or where the court confirms, modifies or revokes the *ex parte* order). The court will set a court hearing to re-discuss the case *de novo*, usually within 60 days after the lodging of the appeal. The decision is usually given on the hearing date and communicated to the parties within 30 days.

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Articles 129, 130 and 132 IP Code
Article 669-*bis* et seq. Italian Civil Procedure Code

III Right of information

Title of the order

Diritto d'informazione

Persons obliged to provide information

No persons other than those listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

Only information indicated in Art. 8.2 ED is to be provided.

Competent authority

The IP civil courts.

Non-compliance with an order

See the Part I "Non-compliance with an order"

Appeal/review

The order for the provision of information cannot be appealed or reviewed.

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Art. 121-*bis* IP Code
Art. 127.1-*bis* IP Code

IV Provisional and precautionary measures

Titles of the orders

Inibitoria (interlocutory injunction)
Sequestro conservativo (precautionary seizure)

Basic procedural framework

The IP Courts are competent to issue such orders, both in preliminary and main proceedings

Bailiffs and judicial custodians³ are responsible for enforcing an order for precautionary seizure.

An interlocutory injunction is not enforced, the communication of the injunction order to the defendant being sufficient.

The period to initiate proceedings on the merits is within 20 working days or 31 calendar days, whichever is the longer.

Factors considered by the court

The relevant factors are whether there is irreparable harm to the right holder and the risk of insolvency of the infringer.

Recurring penalty payments

Generally, an injunction order is subject to a penalty payment (*astreinte*) for non-compliance, in order to strengthen the effectiveness of the order.

The levels of penalty payments are determined according to the value of the product or service the subject of the injunction.

Provisional and precautionary measures against intermediaries

The right holder may apply for such measures against intermediaries.

Circumstances justifying an order for precautionary measures

Evidence of insolvency clearly demonstrated from financial reports is likely to justify an order for precautionary seizure.

Clear evidence of infringement is likely to justify an order for an interlocutory injunction.

Assessment of required evidence

“Reasonably available evidence” as referred to in Art. 9.3 ED is satisfied by a reliable financial report on the risk of insolvency of the infringer for a precautionary measure.

For an interlocutory injunction, evidence of infringement must be presented.

To establish a “sufficient degree of certainty” as referred to in Art. 9 ED, the risk of insolvency must be high in respect of the precautionary seizure. In case of interlocutory injunctions, the infringement must be clear to constitute a “sufficient degree of certainty”.

Conditions justifying *ex parte* order

An *ex parte* order for an interlocutory injunction may be justified where the presence on the market of the allegedly infringing product could cause irreparable harm to the right holder.

“Irreparable harm” is taken to exist where it will be impossible to calculate and/or recover the losses suffered by the right holder.

³ A judicial custodian is generally appointed by the bailiff and has the legal liability (civil and criminal) for the maintenance of the seized goods. It can be a third party or even a legal representative of the alleged infringing entity.

Protections available to the defendant

“Adequate security” to compensate a defendant (as referred to in Art. 9.6 ED) is determined on the basis of the value of the proceedings, i.e. the damages alleged by the claimant.

Italian legislation foresees “equivalent assurance” (as referred to in Art. 9.6 ED) to be a bank guarantee.

There is no significant jurisprudence on the security *per se* and on the calculation of “appropriate compensation” (as referred to in Art. 9.7 ED). In some cases the party claiming “appropriate compensation” sought an indemnity based on lost opportunity to sell products within a specific timeframe.

Non-compliance with an order

In case of non-compliance of the injunction with *astrainte* orders there are two possible remedies:

- a) liquidation and payment of the *astrainte*: this shall be decided and ordered by a civil judge (different from the IP Court judges) competent for execution issues;
- b) lodging a criminal complaint for the specific crime of “lack of respect of a judicial order” (Art. 388 Criminal Code), providing as a sanction the imprisonment up to three years and a fine up to EUR 1 032.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Article 131, 132, and 133 *bis* IP Code

Article 669-*bis* et seq. Italian Civil Procedure Code

Decision of preliminary Appeal (*Reclamo*) of Court of Milan – 9 July 2009 – RG. 43232/09⁴

V Corrective measures

Titles of the orders

- (a) *ordine di ritiro dal commercio* (recall from the channels of commerce)
- (b) *ordine di ritiro definitivo dal commercio* (definitive removal from the channels of commerce)
- (c) *distruzione* (destruction)

Other available measures in Italy

In Italy there may be an order for the assignment of ownership to the right holder of the items produced, imported or sold that are infringing the right and the specific means for producing the items or used to carry out the protected method or process.

Basic procedural framework

The IP Courts are competent to issue such orders:

- (a) *ordine di ritiro dal commercio* in preliminary proceedings
- (b) *ordine di ritiro definitivo dal commercio* in main proceedings (by the judgment)

The bailiff is responsible for enforcing the measures.

The following factors are taken into account by the court when exercising its discretion in ordering the corrective measures:

- a) the damage suffered by the right holder from the presence of the infringing product on the market.
- b) the risk of sale of the infringing product through different channels of commerce, where they have not been destroyed.

The applicant may ask for two measures in parallel: recall and destruction, or recall and assignment to the right holder.

“Particular reasons” (as referred to in Art. 10.2 ED) for not carrying out the measure at the expense of infringer may include the situation when the cost of recall and destruction is much higher than the damage suffered by the right holder (i.e. the court will balance competing interests).

⁴ [translation] “The abovementioned uncertainties with regard to the actual level of the inventiveness of the patent of [...] suggests that the Court will impose security, according to Art. 669 of the Civil Procedural Code, partially overturning the previous appealed decision. Considering the kind of the machinery and the values of it, on the basis of the presumable commercialisation opportunities, the value of EUR 350 000 is considered appropriate”.

Recall from the channels of commerce

At the request of the claimant the court may grant an order to withdraw the infringing items from the market, from any party who is either the owner or any other person who has the infringing items in its possession. Generally, the order is subject to a penalty for any delay in its execution.

Definitive removal from the channels of commerce

Where there is a finding of infringement, the court will grant the order to definitively remove the infringing products from the market, whether from the owner of the infringing products or a supplier. Generally the order is subject to a penalty for any delay in its execution.

Destruction of infringing goods, materials and implements

Where there is a finding of infringement, the court will order the destruction of the infringing items. Usually the order is subject to a penalty for any delay in carrying out the order of the Court.

Assignment of ownership

Where there is a finding of infringement, the court may order that the infringing items produced, imported or sold as well as the specific means that produce them or to carry out the protected method or process, be assigned ownership to the right holder, without prejudice to the right to damages.

Assessment of proportionality for ordering remedies

Proportionality as referred to in Art. 10.3 ED is assessed on a case-by-case basis.

Evidence of destruction

There is no specific procedure to provide evidence of destruction. Generally, the claimant may delegate a representative to witness the destruction of the infringing goods. In other cases, a certificate that the destruction has been carried out by company managing the waste disposal plant suffices.

Non-compliance with an order

See Part IV “Non-compliance with an order”.

Appeal/review

Both orders for the recall and for the definitive removal/destruction may be appealed, but always along with the appeal of the decision to order an injunction.

An appeal must be filed within six months from the issue of the first decision to the IP Court of Appeal. Where specific notification is served of the decision by one of the parties to the other one, then the appeal shall be filed with 30 days from that notification.

The appeal proceeding is usually composed of three hearings:

- a) First, where the Court of Appeal evaluates the need to re-open the instruction phase (usually the most critical part is the Court Expert Opinion). If it is deemed that there is no need to re-open the instruction phase, the court will set the hearing to finalise the claim (usually within 9 months);
- b) Second, the hearing to finalise the claim, where the parties provide the final claims to be decided by the Court of Appeal;
- c) Third, (optional, if one party requires it) where the parties discuss the issues before the Court of Appeal judges' panel (usually set within three to six months after the second (b) hearing).

The decision is published within two to four months from the (b) or the (c) hearing dates.

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Article 124 IP Code
Article 131 IP Code

VI Injunctions

Title of the order

Inibitoria

Basic procedural framework

The IP Courts are competent to issue such an order.

After the injunction is issued by the IP court, the right holder is responsible for enforcing it. An injunction is effective from the time of the communication of the order to the defendant.

Injunctions against intermediaries

An injunction may also be issued against any intermediary who is a party to the proceedings and whose services are used to infringe a patent.

Compulsory licence as a defence

There is no current jurisprudence on this issue from a civil law perspective. The Italian Competition Authority issued a decision in 2017 granting a compulsory licence based on FRAND rules in a copyright case showing its willingness to issue such a solution on the IP sector.

Court's discretion if finding of infringement

The court always has discretion, but according to case law, an injunction is generally granted where there is a finding of infringement. In a minority of cases the injunction was considered not needed (e.g. where the defendant signed an undertaking in front of the Court not to manufacture, distribute and sell the infringing items).

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review"

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Article 124 IP Code

Article 131 IP Code

Decision on preliminary measures of Court of Milan – 26 November 2012 – RG 63930/2012⁵, confirmed by Decision on the preliminary Appeal of Court of Milan – 10 January 2013.

VII Alternative measures

Art. 12 ED has not been implemented in Italy. Nevertheless, the IP Code provides as follows: "In applying the sanctions, the judicial authority must take into account the necessary proportion between the seriousness of the infringement and the sanctions, as well as the interests of third parties". The IP courts therefore could in theory order alternative measures based on this general legal basis.

VIII Damages

Calculation methods available in Italy

All methods as indicated in Art. 13(1)(a) and (b) ED are available in Italy.

Basic procedural framework

Main patent infringement proceedings are usually divided into two parts: the first to assess infringement, the second to assess damages where there is a finding of infringement. Formally the proceedings are the same.

Nevertheless, infringement and damages may be assessed by the same judicial authority deciding the claim for patent infringement.

⁵ [Translation] "Finally, the opposing party committed itself to "not execute any of the orders already received and accepted" and therefore to "not deliver the abovementioned products".

The successful party may request information as per Art. 8 ED in advance of proceedings, but usually the court grants the request for information and disclosure only in advance of the second part of the proceedings aimed at the assessment of damages.

Methods of calculation

The right holder may choose between different calculation methods, depending on the evidence provided about lost profits and reasonable royalties. The right holder may ask for recovery of the profits of the infringer.

Lost profits and profits of the infringer may be taken into account by the court in the determination of a lump sum.

Reasonable royalties and recovery of infringer's profits are generally applied by the courts, since lost profits are usually more difficult to determine. In calculating a lump sum, the average royalty earned in the specific sector of the infringing goods is taken into account and then doubled depending on the seriousness of the infringement.

Evidence of lack of knowledge

The provisions of Art. 13.2 ED relating to the need to establish knowledge of the infringement on the part of the defendant have not been implemented in Italy.

Non-compliance with an order

See Part IV "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Art. 125 IP Code

IX Legal costs

Overview of assessment of costs

The IP Courts follow the standard procedure provided for in the "legal tariff rates in civil litigation" (*tabelle compensi forseni civili*) to assess "reasonable and proportionate" costs. Therefore, the assessment is made on the value of the case and the type of activities carried out by the lawyers. Judges in the decisions are bound to follow the specific rules indicated. They have the possibility to exercise discretion between the maximum and the minimum rates set out in the tariff table.

"Legal costs and other expenses" includes costs for the lawyers and technical experts in particular. Costs are decided in the judgment and issued at the end of preliminary proceedings (where the application is rejected) or at the end of the main proceedings.

Legal basis and case law

Article 91 Civil Code

Article 92 Civil Code

Article 669-septies Civil Code

Article 669-octies Civil Code

X Publication of judicial decisions

Title of the order

Pubblicazione dell'ordinanza cautelare (publication of the preliminary order)

Pubblicazione della sentenza (publication of the final decision)

Basic procedural framework

The seriousness and extent (territorial and temporal) of the infringement are taken into account by the court when deciding on whether to issue such an order.

The publication of the judgment or preliminary order is required to implement the measure. It may be published in a newspaper, in a trade journal or on the website of the infringer. The terms of publication are at the judge's discretion.

Non-compliance with an order

See Part IV “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, an order issued by the UPC will be enforced in Italy in the same way as an Italian court order.

Legal basis and case law

Art. 126 IP Code

XI Other appropriate sanctions

None available.

XII Additional options

Other available options in Italy

Criminal measures

The main alternative option is to proceed with criminal enforcement, most frequently Arts. 517ter, 473 and 474 of the Criminal Code.

Concerning the criminal option, the competence is determined by the local public prosecutor office, who receives the complaint and executes the preliminary instruction activities. Usually such competence is determined by where the harmful event took place. In Italy there are no specialised IP Public Prosecutor offices nor IP criminal judges, so any criminal court can be seized for the criminal enforcement of patent rights. As a consequence, it is highly recommended to carefully consider the pro and cons of such an option.

The criminal procedure is usually started by a criminal complaint (*denuncia* or *querela*) filed by the interested party (the patent owner). Due to the fact that the Public Prosecutor is the one identifying the legal basis to be applied in the specific case (Art. 473 “*ex officio*” or 517 ter Criminal code “by complaint”) it is highly recommended to file the denunciation within the 90-day deadline from the

knowledge of the infringing act (in order to secure the “by complaint” procedure: any delay will generate the inadmissibility of the action). According to the denunciation and the evaluation made by the Public Prosecutor, a preliminary phase may start with an *ex parte* seizure of the evidence (*sequestro probatorio*) or a seizure of the allegedly infringing goods (*sequestro preventivo*).

The alleged infringer may appeal (*riesame*) these orders within 10 days and the Criminal Court of Appeal may revoke entirely or partially the order issued by the Public Prosecutor. After the possible preliminary phase, the Public Prosecutor may decide to archive the proceeding or to file the request for the court for opening the trial and start the ordinary proceeding. All the timing related to the criminal procedure is mainly under the control of the Public Prosecutor. The average timing of an ordinary proceeding is three to four years.

Border measures

Border measures are regulated by EU Regulation 608/2013. Such measures are not alternative tools to civil or criminal enforcement as they only have the effect of “suspending” the release of the goods for a limited time period, and act as a mechanism to allow the most effective adoption of civil and/or criminal measures. Therefore the competence of the border measure is related to the specific export/import location and the measures will be determined according to the principle of where the harmful event occurred.

Under EU Regulation 608/2013, patents, SPCs and utility models fall within the general definition of “Intellectual Property Rights” and goods violating such rights are defined as “goods suspected of infringing an intellectual property right”. The term “counterfeit” is only used in the context of trade marks and the term “pirated goods” is only used in the context of copyrights and designs.

In order to benefit the most from the Custom IP service provided by the EU Regulation, it is highly advisable to file the specific “application” for protection that can be validly filed for all patents covering EU member states. The application may be filed by the patent owner or by his exclusive licensee. Generally the application is swiftly examined and after 30 days the applicant will be informed of the decision granting or refusing the application. An appeal may be filed against a refusal. The maximum duration of custom protection is one year. This period may be renewed for the same time provided the patent is still in force. The application is free of charge. The competent customs office will identify the allegedly infringing goods, and they shall suspend the release of those goods, informing

the right holder and usually requesting the right holder to confirm the alleged infringement. Such confirmation, usually formalised in a separate declaration, can usually be provided after an inspection and analysis of samples.

This procedure takes approximately 10 days, with the possibility to ask for another 10-day extension. The confirmation of the infringement will automatically generate the formal retention of the goods. Such retention is under the condition that the right holder will notify the customs authorities about the initiation of civil or criminal proceedings in order to confirm the alleged infringement within 10 days of the suspension. From that moment enforcement will be executed using the civil or criminal procedures.

For patents an option for an early release of the goods is available provided that security is lodged and the civil or criminal authorities have not yet issued a precautionary measure. *De facto*, such a provision for early release, which already existed in the previous Regulation, is never applied.

Non-compliance with an order

The criminal sanctions for infringement of IP rights are:

- imprisonment of up to four years and up to EUR 35 000 fine (under Arts. 473 and 474 Criminal Code); or
- imprisonment of up to two years and up to EUR 20 000 fine (under Art. 517ter Criminal Code).

Legal basis and case law

Art. 473 Criminal Code

Art. 474 Criminal Code

Art. 517ter Criminal Code

For patent issues there is no specific leading case worthy of quoting. A controversial issue that is still unresolved relates to the criminal enforceability of a patent application (not yet granted).

Liechtenstein

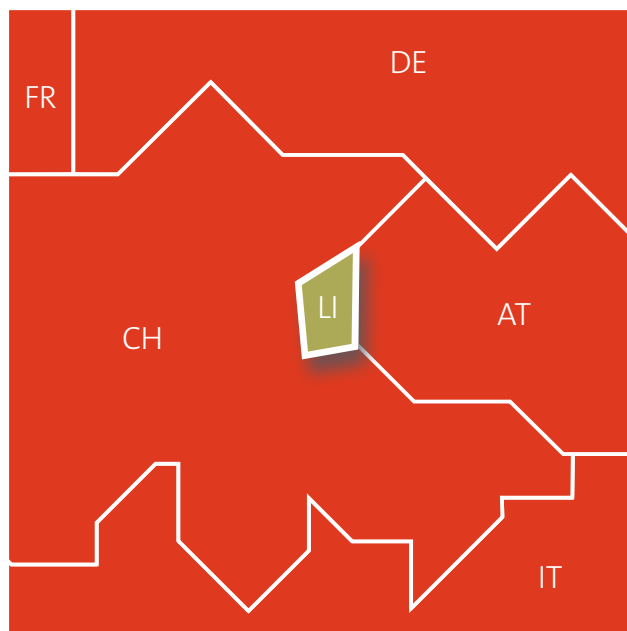
In Liechtenstein, the number of patent cases is low and most of the cases are settled or the decisions are not published. Furthermore, many measures have never been used in practice which is particularly relevant for preservation of evidence, provisional measures or claims regarding information or calculation of damages. Therefore, specific information on many of the points mentioned in the questionnaire cannot be provided.

Due to the Swiss-Liechtenstein Patent Cooperation Treaty of 1978 Swiss patent law and some corresponding provisions are directly applicable in the Principality of Liechtenstein. At the time the Swiss-Liechtenstein Patent Cooperation Treaty of 1978 was signed, Switzerland had no specialised patent court. Within each Canton the jurisdiction for patent cases was centralised by designating one court with exclusive competence and the local code of civil procedure was applied. Liechtenstein was seamlessly included into this system like a further canton with a designated single court and its own code of civil procedure.

However, due to the later established Swiss Federal Patent Court all patent issues are now under the competence of this court applying the new Swiss Federal provisions on civil procedure. This jurisdiction does not exclude the competence of the Superior Court of Liechtenstein which is designated as the national court of first instance in patent cases. Thereby the centralisation of competences in patent matters in Switzerland on one hand and the remaining jurisdiction in Liechtenstein on the other hand lead to some open questions, particularly when applying national Liechtenstein law in addition to the Swiss provisions which refer to the Federal Patent Court in some articles.

For general information on litigation in Liechtenstein, see Batliner Gasser, "Litigation and Arbitration in Liechtenstein", Second Edition, Manz Publishers, Vienna, 2013.

For specific information on patent enforcement measures and procedures in Switzerland, see the Switzerland country profile.



Lithuania

I Evidence

Titles of the orders

Įrodymų pateikimas (submission of evidence)

Įrodymų išreikalavimas (preservation of evidence)

The national procedure for Arts. 6 and 7 ED is the same.

Basic procedural framework

The Vilnius County Court which has exclusive competence to deal with patent cases in Lithuania, is competent to issue such an order (only at the commission of the court). Upon an application by one party the court may issue an order requesting the other party to provide the court with the evidence in the main proceedings on the merits.

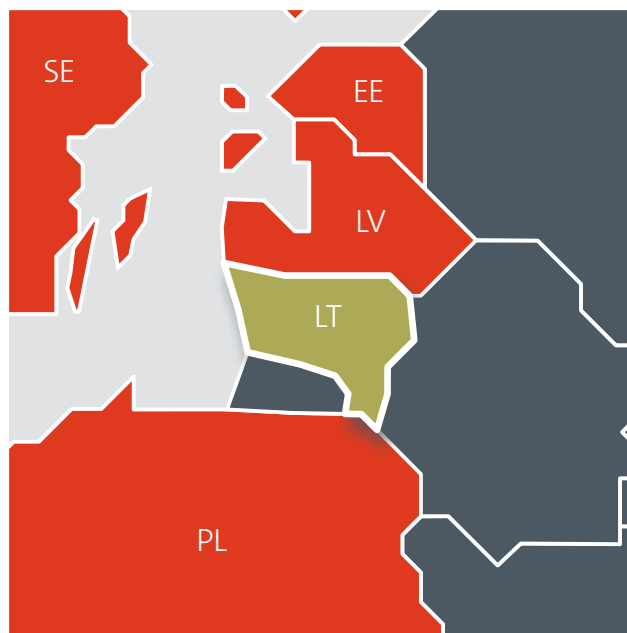
The bailiff is the official responsible for enforcing the order. Pursuant to Art. 635 Lithuanian Code of Civil Procedure of the Republic of Lithuania (hereinafter CCP), the bailiff shall record the evidence only as ordered by the court to ensure the protection of confidential information.

Provision of evidence by third parties

If the specified evidence lies in the control of a third party the court, may upon application by the party, order that third party to present such evidence, in the main proceedings on the merits (Arts. 199, 207 CCP).

Assessment of evidence in support of the application

Neither the Lithuanian Patent Law (hereinafter PL), nor the CCP specifies what constitutes “reasonably available evidence” (as referred to in Art. 6.1 ED). According to judicial practice, a reasonable sample of products shall be considered by the court to constitute reasonable evidence of an infringement. For instance, in one case the court granted an order on the request and the bailiff’s description of the relevant goods based on photographic and video materials taken in the defendant’s premises were provided as evidence of the infringement.



Protection of confidential information

Evidence related to confidential information that may be beneficial to the claimant in commercial terms should be separately sealed by a bailiff, and if this requires special knowledge, an independent expert should be engaged for this purpose. Further, in order to ensure the protection of confidential information, a temporary custody may be ordered in respect of any disputed items. An independent third party may be chosen as a custodian by mutual agreement of the parties to the dispute or, failing agreement, may be designated by the court from number of alternative persons proposed by the parties.

The protection of confidential information is also important during hearings. According to the rules of civil procedure, the parties are entitled to have full access to all evidence. Therefore, the question is how to protect, during the hearings, confidential information which should not be accessible to the claimant. The most effective solution in such cases is for the claimant to authorise his representative (e.g. lawyer) to be present at the court hearing that will examine the withheld evidence related to confidential information. The representative should assume an obligation not to disclose confidential information to his client.

LT

Non-compliance with an order

The court that issued an order to provide evidence may impose a fine on the relevant party for non-compliance in the main proceedings on the merits. The court may issue a fine of up to a maximum amount of EUR 300 (Art. 199 Sect. 6; Art. 207 CCP). Both the claimant and the bailiff may apply to the court for sanctions for non-compliance.

If the fine is not enforced, the bailiff may institute enforcement proceedings, seizure of the defendant's bank accounts and, if necessary, other assets.

A person who fails to comply with a bailiff's instructions or otherwise obstructs the bailiff's enforcement of the order may be fined up to EUR 300 for each day of non-enforcement or obstruction. If the bailiff faces any obstruction to enforce the orders, the bailiff may call on the assistance of the police to remove the obstruction. Police involvement is essential in this case (Art. 585 CCP).

Appeal/review

The order for the presentation of evidence cannot be appealed or reviewed.

Admissibility of evidence

Evidence obtained in criminal, administrative or other civil proceedings is admissible in civil proceedings.

There are no special provisions in the CCP relating to the admissibility of evidence obtained in foreign proceedings.

EU Regulation No. 1206/2001 is applicable. General rules apply, namely that in each case when the evidence is presented to the court, the judge decides whether it is admissible and should be included in the case.

Legal basis and case law

Arts. 199, 207 and 635 CCP

Judgment of the Court of Appeal of Lithuania, 28 May 2015, case No. 2A-335-407/2015

Judgment of the Supreme Court of Lithuania, 11 December 2015, case No. 3K-3-663-684/2015

II Measures for preserving evidence

Titles of the orders

Jrodymų užtikrinimo priemonės (measures for preserving evidence)

Detalus teises pažeidžiančių prekių aprašymas (su ar be pavyzdžių) (a detailed description of the infringing goods (with or without examples);

Teises pažeidžiančių prekių ar įrenginių areštas (seizure of infringing goods or equipment).

Further available measures

In principle, there are no measures available other than the two mentioned in Art. 7.1 ED.

Basic procedural framework

The court examining the case, i.e. Vilnius County Court or the Court of Appeal is competent to issue such an order.

The bailiff is the official responsible for enforcing the order.

According to Art. 55 Sect. 5 PL, the court may, on application by a person who has presented reasonably available evidence to support his claims that his patent has been infringed or is about to be infringed, may order measures for preserving evidence, namely:

- a) to describe in detail the alleged infringing goods and to seize them, or only to describe them;
- b) in appropriate cases, to seize the materials and implements used in the production and/or distribution of allegedly infringing products as well as the documents relating thereto;
- c) to apply other prompt and effective provisional measures provided for in the CCP.

The general rule provided in Art. 222 CCP is that applications for preserving evidence shall contain the following:

- (a) a description of the evidence to be preserved;
- (b) facts to be proved by the evidence;
- (c) reasons of needing to apply for preserving evidence.

The measures are available in preliminary proceedings or during the main proceedings on the merits (Art. 221 CCP).

Ex parte requests

Where measures to preserve evidence are applied for without the defendant having been notified and heard, the defendant must be given notice without delay, i.e. after the execution of such measures at the latest. At the request of the parties the measures may be reviewed at a hearing to decide, within a reasonable period after the notification of the execution of the measures, whether such measures must be modified, revoked or confirmed (Art. 55 Sect. 6 PL).

Protection available to defendant

Security is often required in the form of a bank guarantee. A claimant may be ordered to lodge security in an amount reflecting, for instance, the potential damage to the defendant or the insecure financial state of the claimant. There are no special provisions for an “equivalent assurance” (as referred to in Art. 7.2 ED).

Art. 55 Sect. 7 PL refers to any damage caused by execution of the measures for preserving evidence. The liability of the claimant for such damage is unlimited and includes lost profits and subsequent damages.

Period to initiate proceedings on the merits

In the order, the court may set a period not exceeding fourteen days for the claimant to commence main proceedings. In the event of failure to file the claim by the fixed time-limit, the court shall revoke the measures of preserving evidence (Art. 223 Sect. 2 CCP).

Witness identity protection

Protection (confidentiality) of the identity of witnesses. According to Art. 192 Sect. 9 CCP, persons whose confidentiality must be guaranteed in accordance with the procedure laid down by the Law on the Protection of Whistleblowers are generally not called to testify. Where the testimony of such a person is essential to a fair trial and there is no other possibility to establish the circumstances of the case without his presence, the court may, by reasoned order, decide to summon the person to whom confidentiality is sought as a witness.

The court may order the police to arrange for the witness to appear before the court in such a way as to ensure its identity. The court must take steps to ensure that the identity of the person is not disclosed to the parties in the proceedings or any other person. The personal details of this

witness are recorded in a separate annex to the pleadings, which is kept in an envelope and kept separate from the file of the case. A witness may be interviewed by means of remote transmission of audiovisual media with acoustic and visual barriers to conceal his identity and it shall be recorded in the interview report.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

A person requesting the preservation of evidence may appeal separately the court decision refusing such evidence preservation (Art. 224 CCP) to a Court of Appeal.

The period for filing an appeal is seven days from the day of the ruling that was given orally. If the court ruling was given in written proceedings, a separate appeal may be lodged within seven days of the day that the copy of the ruling was served (Art. 335 CCP).

The appeal shall be lodged with the court, whose ruling is being appealed.

Non-compliance with UPC-issued order

The same regulation of the CCP will be applicable *mutatis mutandis*.

Legal basis and case law

Arts. 207, 208, 221, 222 and 223 CCP

Art. 55 PL

Judgment of the Court of Appeal of Lithuania, 28 May 2015, case No. 2A-335-407/2015

Judgment of the Supreme Court of Lithuania, 11 December 2015, case No. 3K-3-663-684/2015

III Right of information

Title of the order

Teisė gauti informaciją (right to information)

Persons obliged to provide information

No persons other than those listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

The court may order the persons to immediately provide the following information:

- a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods infringing the rights, as well as the wholesalers and retailers for whom the indicated goods have been intended;
- b) information on the quantities of the produced, manufactured, delivered, received or ordered goods which infringe the rights, as well as the price which has been obtained or ought to have been obtained for those goods or services (Art. 53 Sect. 1 PL).

Competent authority

The court examining the case, i.e. Vilnius County Court or Court of Appeal (in the main procedure on the merits) is competent to issue this order.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

The order for the provision of information cannot be appealed or reviewed.

Non-compliance with UPC-issued order

The same regulation of the CCP will be applicable *mutatis mutandis*.

Legal basis and case law

Arts. 199 and 616 CCP
Art. 53 PL

Judgment of the Supreme Court of Lithuania, 11 December 2015, case No. 3K-3-663-684/2015

Judgment of the Supreme Court of Lithuania, 27 October 2016, case No. 3K-3-435-916/2016

IV Provisional and precautionary measures

Title of the order

Laikinosios apsaugos priemonės (provisional and precautionary measures).

Basic procedural framework

The court examining the case, i.e. first instance court or court of appeals is competent to issue such order.

The measures are available in preliminary proceedings or in the main proceedings on the merits (Art. 147 Sect. 3 CCP).

The bailiff is the official responsible for enforcing the measures.

After the measures are executed, the court sets a term of up to fourteen calendar days for the claimant to initiate proceedings on the merits.

Factors considered by the court

Case law demonstrates that when deciding on the application of provisional measures, the court will assess whether a number of conditions are fulfilled, namely:

- (a) whether there is an infringement or threat of infringement; and
- (b) whether the claimant has *locus standi*; and
- (c) whether the person in respect of which provisional measures are requested might have committed infringement or whether the actual actions are likely to pose a real threat of unlawful acts.

The following factors are also taken into account: potential difficulties with the enforcement or lack of enforceability of the final judgment; the need to terminate the infringement where there is a risk of continuing damage to the claimant; the risk of irreparable damage which cannot be compensated for other than by seizure and/or destruction of infringing goods.

Recurring penalty payments

Should the defendant not comply with the court order, or continue to perform the activities contrary to the order, a recurring penalty payment of up to EUR 300 per day may be imposed.

Provisional and precautionary measures against intermediaries

The claimant may apply for provisional and precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

For the grant of a precautionary seizure, the following circumstances will be taken into account:

- failure to acknowledge the infringement;
- continuation of the alleged infringing acts;
- level of fault (intent or negligence), the amount of possible damage to the claimant; and
- the extent of the infringement.

Assessment of required evidence

Evidence that provides sufficient grounds for ordering provisional measures may include documents, contracts and agreements, proven acts of the defendant infringing the claimant's rights, the defendant's refusal to acknowledge the unlawfulness of his actions, previous infringements, expert opinions, written evidence of the defendant's response to the notification of the infringement.

According to case law, the requirement for "sufficient degree of certainty" (as referred to in Art. 9.3 ED) means that the claimant has the obligation to prove he is the right holder and the fact that acts have been committed, are committed or threatened, that may amount to infringement. The claimant when applying for provisional measures is not required to prove, and the court is not obliged to decide whether such acts actually infringe. However, when considering provisional measures, the court must be satisfied that the claimant is the right holder and whether any relevant acts were actually committed or imminent. All other matters in relation to the satisfaction of the claim must be examined by the court in main proceedings.

Conditions justifying *ex parte* order

Provisional measures may be ordered without the defendant having been notified or heard, in particular where any delay would cause irreparable harm to the claimant or where there is a demonstrable risk of evidence being destroyed (Art. 55 Sect. 6 PL).

There are no specific provisions in Lithuanian legislation on what constitutes "irreparable harm" (as referred to in Art. 9.4 ED). However, the case law demonstrates the following factors are relevant:

- threat of destruction of evidence;
- increase in the damage suffered;
- certainty of the alleged infringement;
- intentional failure to acknowledge infringement.

Protections available to the defendant

See Part II "Protection available to the defendant".

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part II "Appeal/review".

Non-compliance with UPC-issued order

The same regulation of the Code of Civil Procedure will be applicable *mutatis mutandis*.

Legal basis and case law

Arts. 145, 147, 151 and 152 CCP

Judgment of the Court of Appeal of Lithuania, 14 December 2011, case 2-2582/2011

Judgment of the Court of Appeal of Lithuania, 18 July 2013, case 2-1719/2013

Judgment of the Court of Appeal of Lithuania, 17 February 2014, case 2-278/2014

Judgment of Court of Appeal of Lithuania, 30 November 2017, case No. e2-1500-407/2017

V Corrective measures

Titles of the orders

Atkuriamosios priemonės (corrective measures):

- a) *atšaukimas iš prekybos kanalų* (recall from the channels of commerce)
- b) *galutinis pašalinimas iš prekybos kanalų, arba* (removal from the channels of commerce) or
- c) *sunaikinimas* (destruction)

Other available measures in Lithuania

There are no other measures than the measures provided for in Art. 10 ED.

Basic procedural framework

It is possible to request to the court that the products be recalled or removed from the channels of commerce in such a manner so as to avoid any harm being caused to the claimant and to ensure the protection of the claimant's rights (e.g. to remake the infringing goods into other goods or to apply similar measures), or to request destruction of the products (goods), which the court has found as infringing and, in appropriate cases, the materials and implements principally used in the creation or manufacture of the specified objects.

The court examining the case is competent. The correctives measures are applied by the court when passing the judgment on the merits (in the main proceedings on the merits).

The bailiff is the official responsible for enforcing the measures.

The following factors are taken into account:

- proportionality in ordering a corrective measure,
- infringer's culpability (knowledge of the infringement),
- seriousness of the infringement,
- extent of the damage suffered by the defendant in the case an order destruction compared to losses caused by infringement to the claimant.

An order for recall will entail commercial customers to send the delivered goods back to the defendant. A recall is ordered for goods which are no longer in the defendant's possession but which have not reached the end-consumer. The order for recall should include the obligation for the defendant to recall all the products that he still controls, even if they are held by third parties (for example, goods under transport or in storage), and to request any contractual partners to return the infringing goods to the defendant at the defendant's expense.

An order for removal will result in the permanent removal from points of sale.

In addition to ordering destruction of the infringing products, the court may order the destruction of the manufacturing equipment, materials and devices principally used for the purposes of producing the infringing products.

The claimant may request two of the abovementioned measures in parallel.

Assessment of proportionality for ordering remedies

It is generally necessary that before an order for destruction is granted, a less intrusive measure, for example the possibility to repack the goods, is offered to the infringer. See also Part VII Alternative measures.

Evidence of destruction

In case of destruction, a report issued by the bailiff or a certificate issued by the institution that destroyed the goods must be presented.

Non-compliance with an order

See Part III "Non-compliance with an order".

Appeal/review

The judgment of the court may be appealed before the court of appellate instance by lodging of an appeal through the court that issued the judgment within 30 days from the day the judgment was rendered.

Non-compliance with UPC-issued order

The same national regulation will be applicable.

Legal basis and case law

Art. 56 PL

VI Injunctions

Titles of the orders

Draudimai (injunctions)

Draudimas atlikti neteisėtus veiksmus ir (ar) netiesėtų veiksmų nutraukimas (prohibition and/or termination of unlawful activities)

Basic procedural framework

The court examining the case is competent to issue an injunction. Injunctions are granted by the court when giving judgment on the merits.

The defendant (the infringer) is responsible for complying with the injunction. A bailiff will be involved where the injunction has not been complied with by the defendant.

Injunctions against intermediaries

The claimant shall be entitled to apply to the court for an injunction against intermediaries whose services are used by a defendant to infringe the patent.

Compulsory licence as a defence

There are no specific provisions in the Lithuanian Patent Law providing for the possibility of invoking compulsory licensing as a defence in infringement proceedings. However, it is not prohibited. There is no jurisprudence to date.

Court's discretion if finding of infringement

Where there is a finding of infringement, the court has discretion as to whether it should grant an injunction.

The following factors may be taken into account: infringer's culpability, seriousness of the infringement, extent of damage to the claimant, and extent of damage to the defendant should an injunction be granted.

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

The same rules will be applicable *mutatis mutandis*.

Legal basis and case law

Arts. 35 and 52 PL

Judgment of the Court of Appeal of Lithuania, 14 December 2011, case 2-2582/2011

Judgment of the Court of Appeal of Lithuania, 18 July 2013, case 2-1719/2013

Judgment of the Supreme Court of Lithuania, 27 October 2016, case No. 3K-3-435-916/2016

VII Alternative measures

Title of the order

Alternatyvios priemonės (alternative measures)

Basic procedural framework

The court in the main proceedings on the merits is competent to issue such measures. The alternatives measures as legal remedies applied by the court when giving the judgment on the merits.

Pursuant to Art. 52 Sect. 3 PL, where no intention to infringe or negligence has been established the court may, at the request of the infringer, order the infringer to pay pecuniary compensation to the claimant, if execution of the corrective measures would cause him disproportionate harm and if pecuniary compensation to the claimant appears reasonably satisfactory.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

The same rules will be applicable.

Legal basis and case law

Article 52 Section 3 PL

VIII Damages

Calculation methods available in Lithuania

Art. 57 PL provides the following calculation methods:

- (a) compensatory damages;
- (b) licence analogy;
- (c) recovery of profits derived by the infringement by the infringer.

Compensatory damages

By applying general rules of civil liability, compensatory damages shall be granted if it is proven that damage has actually been sustained. The amount of damages is calculated and determined according to general rules, i.e. including both compensatory damages (*damnum emergens*) and lost profits (*lucrum cessans*). The calculation of lost profits shall be assessed by taking into account the profits that would have been earned if the protected goods had been lawfully used.

The court will consider the following when calculating lost profits:

- the price which is generally paid for lawful use of such objects; or
- the price which is paid for lawful use of similar products; or
- the price most suitable for the modes of use of a patent-protected object.

The court will also take into account any specific circumstances which might have resulted in additional profits for the claimant.

Licence analogy

Art. 57 Sect. 4 PL provides that instead of requesting compensation for actual damages, claimants may claim royalties or fees which would have been due if the infringer had requested authorisation to use the protected object (i.e. had obtained a licence).

If the infringer acted intentionally or with gross negligence, an amount of up to double such royalties and fees will be applicable.

Recovery of profit derived by the infringer

If the infringer has derived any profit as a result of the patent infringement, such profit may be recovered for the benefit of the claimant on two alternative grounds, either according to the general rules for the recovery of damages or for unjust enrichment.

If the profit received by the infringer is claimed according to the rules of civil liability, the culpability of the defendant will have to be determined on the basis of the causal relationship between the decrease of the claimant’s assets and the increase of those of the defendant’s.

Where the defendant’s culpability cannot be established, the claimant may invoke Art. 57 Sect. 5 Patent Law, implementing Art. 13.2 ED. In such a case, the defendant’s profits shall be considered to be what the defendant has saved and/or received as a result of the infringement, and it shall be determined and recovered regardless of whether or not the claimant would have made similar profits.

Basic procedural framework

The determination of damages ordered for the successful party is part of the main patent infringement proceedings.

Methods of calculation

The claimant may choose between different calculation methods to determine damages.

It is not possible for the judicial authorities to mix and match different calculation methods to determine damages.

The method of compensatory damages is applied most often in Lithuania. The licence analogy method has been chosen less often by claimants.

Evidence of lack of knowledge

“Reasonable grounds” (as referred to in Art. 13.2 ED) is understood as meaning lack of negligence.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

The same rules will be applicable.

Legal basis and case law

Art. 57 PL

Judgment of the Supreme Court of Lithuania, 11 December 2015, case No. 3K-3-663-684/2015

Judgment of the Supreme Court of Lithuania, 27 October 2016, case No. 3K-3-435-916/2016

IX Legal costs

Overview of assessment of costs

In accordance with Arts. 88 and 98 CCP, legal costs and other expenses incurred by the successful party will be borne by the unsuccessful party provided that the costs meet three cumulative criteria, i.e. the costs were

- (a) actually incurred;
- (b) necessary for the proceedings; and
- (c) reasonable.

The substance of these criteria has been interpreted by the Supreme Court of Lithuania.

Legal costs and other expenses are deemed “actually incurred” where the successful party provides the court with the evidence of an actual payment (i.e. invoice and payment order) and the payment thereof is made prior to the court’s final decision.

The condition of “necessity” is met by proving that the successful party inevitably had to bear these costs due to the proceedings, it was impossible to settle without them and the expenses were not unreasonable. For example, such costs may constitute expenses incurred due to the receipt of documents (evidence) necessary for the case or expenses for travel to court hearings. In deciding whether attorney’s fees meet the criterion of necessity, the Supreme Court’s jurisprudence relates to the cases involving government agencies.

Attorney’s fees in such cases may be awarded where it was necessary to use an external attorney, taking into account the internal administrative capacity of the relevant public administration body and the nature of the case. Thus, account must be taken, *inter alia*, to the novelty of the legal issue raised in the case, the extent and complexity of the case, and whether the outcome of the case may have wider implications for related legal relations, including the public interest.

The costs incurred meet the criteria of “reasonableness” if they are not excessive and unjustified. For example, in deciding on a reasonable amount for attorney’s fees to be paid by an unsuccessful party, the court shall take into account:

- (i) the maximum amounts of legal costs payable to the successful party specified in the Recommendations issued by the Minister of Justice of the Republic of Lithuania No. 1R-85 of 02-04-2004 (Recommendations);
- (ii) the complexity of the case; and
- (iii) the actual work and time costs of the attorney in a given case.

In practice, the courts will deviate from the Recommendations in exceptional circumstances, i.e. only in complex and sophisticated cases. Recommended amounts, however, are lower than actual legal fees of most Lithuanian law firms. Thus, according to the Lithuanian judicial practice, in most cases not all, but only a part of actually incurred legal costs are awarded to the successful party.

Litigation expenses shall consist of the official fee and any expenses connected with hearing the case (Art. 79 CCP). According to Art. 88 CCP the following shall be ascribed to the expenses connected with hearing the case:

- (1) the amounts paid to witnesses, experts, expert institutions, and translators as well as expenses connected with the inspection of a location;
- (2) expenses for a defendant search;
- (3) expenses connected with delivering the court documents;
- (4) expenses connected with satisfying the court judgment;
- (5) expenses to pay for the assistance of a lawyer;
- (7) expenses connected with the appointment of public legal assistance;
- (8) other necessary and reasonable expenses.

Legal costs are decided in the main proceedings on the merits.

Legal basis and case law

Arts. 79, 88 and 98 CCP
Judgment of the Supreme Court of Lithuania, 12 December 2017, case No. 3K-3-443-969/2017

X Publication of judicial decisions

Title of the order

Teismo sprendimų paskelbimas (publication of judicial decisions)

Basic procedural framework

The court deciding on patent infringement may, at the request of the claimant order the defendant to disseminate at the defendants' expense information concerning the decision, including disseminating the decision in full or in part in the mass media or by any other means. A judicial decision or information relating thereto may be published after the decision has been given, unless otherwise ordered by the court. The manner and extent of dissemination of a judicial decision shall be laid down in the judgment. The

claimant may request that the defendant pay for the cost of publication in advance into a bank account nominated by the court. As a general rule, publication of the judgment must take place in the print media, such as daily newspapers, which may also be published in electronic form, in public broadcasts, or on the website of the defendant or third parties.

The court is competent to give the order for such measures in the main proceedings on the merits.

The following factors are relevant: culpability of the defendant, scope of the infringement and the seriousness of the infringement.

Non-compliance with an order

The court and the bailiff are competent judicial authorities.

Non-compliance with an order may result in penalty (max. EUR 300 per day).

If the fine is not enforced, the bailiff may institute enforcement proceedings, seizure of the defendant's bank accounts and, if necessary, other assets.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

The same national procedure will be applicable *mutatis mutandis*.

Legal basis and case law

Art. 58 PL
Judgment of the Court of Appeal of Lithuania, 28 May 2015, case No. 2A-335-407/2015

XI Other appropriate sanctions

There are no other sanctions available.

XII Additional options

Other available options in Lithuania

Art. 195 of the Lithuanian Criminal Code rules that a person who violates the exclusive rights of a patent owner shall be punished by a fine or by arrest or by a custodial sentence for a term of up to two years. A corporate entity may also be held liable.

Art. 125 Administrative Offences Code rules that person who stores or transfers goods which are manufactured using a third party patent may be fined from EUR 280 to EUR 850 with seizure of the goods as well as any manufacturing materials or equipment.

The EU Regulation 608/2013 concerning customs enforcement of intellectual property rights is also directly applicable. The customs measures are applied by the customs authorities.

Non-compliance with an order

A person who evades serving of a non-custodial sentence or complying with a penal sanction (with the exception of confiscation of property) shall be considered to have committed a misdemeanour and shall be punished by a fine or by arrest.

The employee of a legal entity who is responsible for compliance with a penalty imposed upon this legal entity and who fails to comply therewith shall be considered to have committed a misdemeanour and shall be punished by community service or by a fine or by arrest.

A person who fails to comply with a court's decision not associated with a penalty shall be considered to have committed a misdemeanour and shall be punished by community service or by a fine or by restriction of liberty or by arrest.

A person who conceals, destroys or damages a distrained or seized property which has been entrusted to him or a property which is subject to a temporary restriction of the right of ownership or who unlawfully conveys this property to another person shall be punished by community service or by a fine or by arrest or by a custodial sentence for a term of up to three years (Arts. 243-246 of the Lithuanian Criminal Code).

Legal basis and case law

Art. 195 Criminal Code. There have been no criminal patent cases to date pursuant to Art. 195 Lithuanian Criminal Code
Art. 125 of the Administrative Offences Code
EU Regulation 608/2013

Luxembourg

I Evidence

Titles of the orders

Demande en communication forcée de pièces (Arts. 284 to 288 New Code of Civil Procedure (hereinafter NCPC)) (interlocutory measure); and
Référé-probatoire (Art. 350 NCPC) (injunction measure).

Basic procedural framework

For the *demande en communication forcée de pièces* the District Court in charge of main proceedings on the merits (three judges) is the competent authority. The order may be issued in main proceedings on the merits. The order is obtained by a simple request of the right holder, without any particular form subject to providing the evidence set out below.

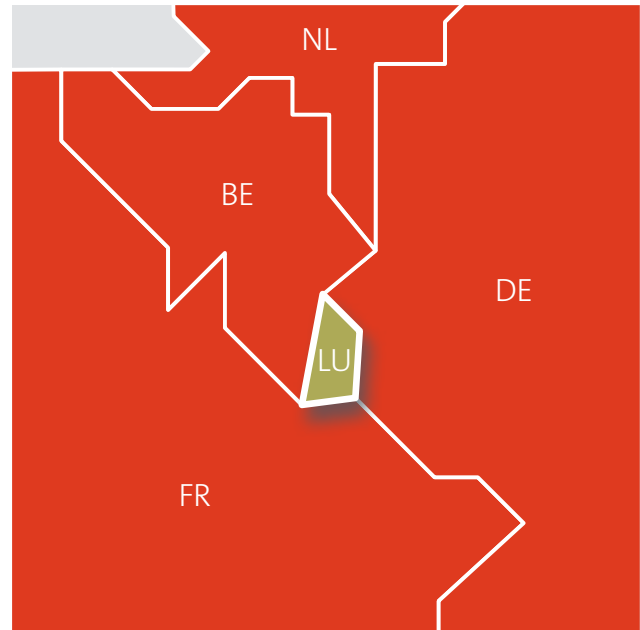
The President of the District Court (*Tribunal d'arrondissement; single judge*) may issue the order of *référé-probatoire*, in separate proceedings before the proceedings on the merits have been initiated.

The official responsible for enforcing the orders is a bailiff.

Provision of evidence by third parties

If the specified evidence lies in the control of a third party, the competent judicial authority (upon application by the claimant) may order that party to present such evidence in both proceedings. However, “fishing expeditions” are not permitted. In order to succeed the claimant will have to demonstrate:

- *demande en communication forcée de pièces*: which specific piece of evidence is concerned, that it is likely that the piece of evidence exists and is in possession of the third party, and that it is relevant for the outcome of the dispute, or
- *référé-probatoire*: the likelihood that the subject matter of the application will be in dispute, that the facts for which the claimant wishes to collect or preserve evidences are relevant for the outcome of the potential dispute, and that the applicant does not have any other means of obtaining the evidence.



Assessment of evidence in support of the application

The concept of “reasonably available evidence” (as referred to in Art. 6.1 ED) do not exist as such under Luxembourg law for these types of measures. However, the measure can only be ordered if the claimant making the allegation does not have already sufficient evidence to prove its allegation and the evidence set out above must be provided. Also, such measures shall not be ordered to compensate for a party’s negligence in assembling the evidence.

Protection of confidential information

The judge will limit the scope of the measure to documents or other evidence which are decisive for the resolution of the dispute. The order may also be subject to conditions and guarantees laid down by the judge (Art. 285 NCPC). For example allowing inspection of the documents only within the premises of the court or restricting the information to a limited number of persons, or restricting the use to the proceedings in question, or redacting the confidential information.

Additionally, Luxembourg law dated 26 June 2019, which specifically protects trade secrets against unlawful acquisition, use and disclosure, provides for various measures to ensure the confidentiality of trade secrets during judicial proceedings.

Non-compliance with an order

If the order is accompanied by a penalty payment, the successful party may directly enforce it in case of non-compliance through a bailiff. Otherwise, the party may request the same judge to order such penalty.

The court may also draw any evidentiary inference in favour of the claimant that it sees fit from such non-compliance.

Appeal/review

Demande en communication forcée de pièces:

An order for the presentation of evidence may be appealed by the defendant to the Luxembourg Court of Appeal. The defendant may appeal the order only together with the appeal against the main decision. The time limit for lodging an appeal is 40 days after the judgment of first instance has been served by the bailiff upon the defendant. This deadline may be extended where the defendant is established outside the Grand-Duchy of Luxembourg. A third party on whom an order has been served may request the same court to retract or modify its order (*procédure en rétractation ou en modification*) where the third party has difficulty in producing the requested evidence or can demonstrate a legitimate impediment to producing it. Such decision is subject to an immediate appeal by the third party. The time limit for lodging such an appeal is 15 days after the judgment.

Référé-probatoire:

The order for the presentation of evidence may be appealed by the defendant to the Luxembourg Court of Appeal. Such order is also subject to third party proceedings (*tierce opposition*), which may be initiated before the court that has issued the contested order.

The order may be appealed within 15 days after the judgment has been served by the bailiff upon the defendant. Third party oppositions are subject to a 30 years limitation period as from the day on which the third party became aware of the decision.

Admissibility of evidence

In principle any form of proof from other national proceedings (i.e. criminal, administrative or other civil proceedings) is admissible, but it must not have been obtained through illegal or unfair means. The evidence obtained in foreign proceedings is admissible in civil

proceedings. In patent matters, Belgian case law is considered as particularly relevant by the courts.

Legal basis and case law

Articles 284 to 288 of the New Code of Civil Procedure (NCPC)

Articles 350 and 351 of the NCPC

Articles 571, 573, 580, 612 and 939 of the NCPC

II Measures for preserving evidence

Titles of the orders

Saisie-description (detailed description of infringing goods) or *saisie-réelle* (physical seizure of the infringing goods or materials).

Further available measures

In Luxembourg, Art. 23(3) of the Enforcement Law aims to implement Art. 7.1 ED. If deemed necessary and reasonable, taking into account the particular circumstances of the case, the President of the District Court may also prohibit the holders of the allegedly infringing goods, or of the materials and implements used in the production and the distribution of those goods, from moving them or affecting their functioning. The President may order the goods to be placed under seal or under third party custody. The President of the District Court may also order the sequestration of the income and benefits stemming from the alleged infringement.

Basic procedural framework

The President of the District Court is competent to issue such orders.

The orders are issued in separate proceedings before proceedings on the merits have been initiated. A bailiff is responsible for enforcing the order and an expert will be appointed by the President to issue a description of the infringing goods, or of the materials and implements used in the production and the distribution of these goods.

Ex parte requests

If evidence must be obtained urgently, and any delay would cause irreparable harm to the right holder, the decision

regarding the above measures may be taken *ex parte*, without the presence of the defendant.

There are no standards for the level of evidence to be delivered to the court. It is at the discretion of the court to evaluate whether the submitted evidence is sufficient or not.

The adopted measures may be reviewed with the opposing party being heard by means of an appeal.

Protection available to defendant

The amount of security adequate to compensate the defendant for any harm (as referred to in Art. 7.2 ED) is in the court's discretion, and is set according to the scope of the order, the volume of the seizure, the likelihood that the judge on the merits will or not confirm the infringement and an assessment of the validity of the patent in question.

The amount of the security cannot be so high as to stall the action of the applicant. In practice security is rarely ordered.

"Equivalent assurance" (as also referred to in Art. 7.2 ED) is foreseen in the enforcement law (see "Legal basis" below) but they are set at the court's discretion. There is no published case law regarding this issue.

"Appropriate compensation" (as referred to in Art. 7.4 ED) is aimed at compensating the defendant for damage caused by the measure. The amount granted is at the court's discretion, and will mainly depend on the evidence provided by the defendant.

Period to initiate proceedings on the merits

The time period for filing a formal claim is set by the President in the order. If the President does not set a time period, the claim on the merits must be filed within one month of receipt of the expert's report.

Witness identity protection

Luxembourg law does not provide any measures to protect witnesses' identity. Article 7.5 ED has not been implemented in Luxembourg.

Non-compliance with an order

If a party refuses to grant access to its premises, the bailiff may request the assistance of the police.

If a party refuses to grant access to specific documents, the claimant may ask the court for the production of the document under a penalty payment. The court may also draw any evidential inference of the claimant that it sees fit from such non-compliance.

A penalty may be imposed for non-compliance for each day of delay (daily penalty). There is no maximum amount under Luxembourg law. The amount is at the discretion of the court and will be proportionate to the circumstances of the case.

Appeal/review

The order for a provisional measure to preserve evidence may be appealed by the party against whom such measure is ordered to the Luxembourg Court of Appeal. Such party may also request the court that has issued the order to retract or modify it (*procédure en rétractation ou en modification*) on the basis of *circonstances nouvelles*, i.e. facts or elements that would have changed or influenced the court's decision if they have been known by the court at the time it issued its decision.

The time limit for lodging an appeal is 15 days after the order has been served by bailiff upon the opposing party. There is no deadline for the *rétractation* proceeding.

Third parties (i.e. not the claimant and not the party against whom the order is directed) may file third party proceedings (*tierce opposition*) before the court that has issued the order within one month from the day on which the third party has been served with the order.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Therefore, if the order is accompanied by a penalty payment (Art. 82(4) UPCA), the successful party may directly enforce it, in case of non-compliance with the order, through a bailiff. If a party refuses to grant access to its premises, the bailiff may request the assistance of the police. The only difference would be that any recurring penalty payment ordered by the UPC would be directly payable to that court.

Legal basis and case law

Articles 23 to 26 of Luxembourg law of 22 May 2009 on the enforcement of intellectual property rights (the “Enforcement law”)

Articles 612 and 723 of the NCPC

Article 82 of the UPC Agreement

III Right of information

Title of the order

Droit d’information

Persons obliged to provide information

All persons listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

There is no information to be provided other than that listed in Art. 8.2 ED.

Competent authority

The District Court in charge of the proceedings on the merits.

Non-compliance with an order

If the order is accompanied by a penalty payment, the successful party may directly enforce it through a bailiff in case of non-compliance. Otherwise, the party may request the same judge to order such penalty.

The court may also draw any evidentiary inference from the claimant that it sees fit from such non-compliance.

Appeal/review

This measure is in practice ordered prior to the decision on the merits of the case, through a first judgment (interlocutory judgment). Such judgment may only be appealed together with the appeal against the decision on the merits of the case.

The judgment is also subject to third party proceedings (*tierce opposition*), which may be initiated before the court that has issued the contested order.

The time limit for lodging an appeal is 40 days after the judgment of first instance has been served by bailiff upon the defendant. This deadline may be extended where the defendant is established outside the Grand-Duchy of Luxembourg. Third party oppositions are subject to a 30-year limitation period as from the day on which the third party became aware of the decision.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Article 80quater of Luxembourg patent law dated 20 July 1992, as amended

Articles 571, 573, 580 and 612 of the NCPC

IV Provisional and precautionary measures

Titles of the orders

Mesures provisoires et conservatoires

Basic procedural framework

The President of the District Court is competent to issue the order. The order may be issued in separate proceedings before the proceedings on the merits have been initiated. A bailiff is responsible for enforcing the measure.

The time period for filing a formal claim is set by the President in the order. If the President does not set a time period, the claim on the merits has to be filed within one month after the order has been served by bailiff upon the opposing party.

Factors considered by the court

The abovementioned measures can be ordered only if the claimant has provided the court with evidence to satisfy the court with a sufficient degree of certainty that the patent alleged to be infringed exists, is being infringed and the

infringement cannot be reasonably disputed, or that such infringement is imminent. Because of the intrusiveness of such measures, these criteria are strictly applied by the courts.

In addition, seizure measures may only be ordered if, after taking into account all interests (including the public interest), facts and evidence provided by the claimant, the measure can be considered as reasonably justified. Given the evidential requirements such measures are granted only in exceptional cases (see “Assessment of required evidence” below).

Recurring penalty payments

The possibility of issuing an order with a recurring penalty payment in case of continuation of the infringement is not specifically mentioned in the Enforcement law. However, in practice, claimants often ask the court to impose a penalty payment in order to ensure compliance, on the basis of general civil law.

The amount of the penalty is decided by the court and will depend on the circumstances of the case.

Provisional and precautionary measures against intermediaries

The right holder may apply for provisional and precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

The Enforcement Law is silent as to what is a circumstance likely to endanger the recovery of damages (as referred to in Art. 9.2 ED). This is therefore left to the court’s discretion. There is no published case law in the field of patents.

Assessment of required evidence

The claimant will have to provide the court with sufficient evidence, presented as clearly as possible to satisfy the court of the factors referred to above. Evidence only from the claimant without corroboration may be rejected by the judge. Bailiff’s or experts’ reports are considered as strong evidence. A copy of the patent certificate, together with a proof of payment of the renewal fees, is also considered as

convincing evidence of the existence of the patent. The evidence of infringement must be sufficiently conclusive to leave no reasonable doubt in the judge’s mind.

Conditions justifying *ex parte* order

The Enforcement Law provides that where any delay would cause irreparable harm to the right holder, the order may be issued without the defendant having been heard. This could be the case where the applicant demonstrates that there is a risk that such communication leads the defendant to remove, destroy or distort objects or documents of importance relating to the alleged infringement.

Luxembourg law does not provide any detail on what constitutes “irreparable harm” for the right holder as referred to in Art. 9.4 ED. There is no published case law on this issue.

The time period for filing a formal claim is set by the President in the order. If the President does not set a time period, the claim on the merits has to be filed within one month after the order has been served by bailiff upon the defendant.

Protections available to the defendant

See Part II “Protection available to the defendant”.

Non-compliance with an order

See Part III “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Articles 27 to 30 of the Enforcement Law
Articles 2059 to 2066 of the Civil Code

V Corrective measures

Titles of the orders

Mesures correctives

The court may order, at the request of the claimant, the following measures (Article 80ter 2. of Luxembourg Patent Law dated 20 July 1992, as amended):

- recall (*rappel des circuits commerciaux*);
- definitive removal (*mise à l'écart définitive des circuits commerciaux*);
- destruction of the goods (*destruction*).

Other available measures in Luxembourg

The court may order two other measures as compensation for damage suffered:

- The delivery to the claimant of the infringing goods in possession of the infringer along with, in appropriate cases, the materials and implements principally used in the production or distribution of these goods (Art. 80.5(1) Luxembourg Patent Law dated 20 July 1992, as amended);
- If the infringer acted in bad faith, the delivery to the claimant of all or a part of the profit deriving from the infringement (Art. 80.5(2) Luxembourg Patent Law dated 20 July 1992, as amended), or else the confiscation of the infringing goods (Art. 81 Luxembourg Patent Law dated 20 July 1992, as amended).

Basic procedural framework

The District Court in charge of the proceedings on the merits is competent to issue such orders in the main proceedings on the merits. A bailiff is responsible for enforcing the measures.

The Enforcement Law provides that there needs to be proportionality between the seriousness of the infringement and the ordered remedies indicated in Art. 10.1 ED. In determining this, the court must also take into account third party interests.

Luxembourg law does not provide any specific procedure for the corrective measures indicated in Art. 10.1 ED or those indicated above. The court will set out the terms of the order, such as the time limit. In practice, the claimant always asks the judge to impose a penalty payment in order to ensure compliance.

It is not prohibited for the claimant to request two of the corrective measures indicated in Art. 10.1 ED in parallel.

Assessment of proportionality for ordering remedies

There is no published case law on this issue.

Evidence of destruction

Where destruction has been ordered a bailiff's report or a certificate from the company in charge of the destruction must be presented to prove implementation of the order.

Non-compliance with an order

See Part III "Non-compliance with an order".

Appeal/review

The order may be appealed to the Luxembourg Court of Appeal.

The order may be appealed within 40 days after the judgment has been served by bailiff upon the defendant. This deadline may be extended where the defendant is established outside the Grand-Duchy of Luxembourg.

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Articles 80, 80ter and 81 of Luxembourg Patent Law dated 20 July 1992, as amended
Articles 571 and 573 NCPC

VI Injunctions

Title of the order

Cessation

Basic procedural framework

The District Court in charge of the proceedings on the merits is competent for issuing a permanent injunction.

The procedure for enforcement of an injunction involves a bailiff.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries.

Compulsory licence as a defence

There is no published case law on this question.

Such defence is likely to be found admissible as long as the District Court in charge of the main proceedings is also competent to grant the compulsory licence, and provided that the conditions for granting a compulsory licence are met. However, the final decision is left to the discretion of the court.

Court's discretion in finding of infringement

The court has no discretion to refuse an injunction if there is a finding of infringement.

Non-compliance with an order

See Part III "Non-compliance with an order"

No additional sanctions are foreseen in case of non-compliance with the order. However, the successful party may request additional damages.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Article 80ter of Luxembourg Patent Law dated 20 July 1992, as amended
Articles 571 and 573 of the NCPC

VII Alternative measures

Article 12 ED has not been implemented in Luxembourg.

VIII Damages

Calculation methods available in Luxembourg

Both methods indicated in Art. 13.1 (a) and (b) ED are available, although this list is non-exhaustive, so the court may take into account any other elements it deems relevant in order to determine damages.

Basic procedural framework

The determination of damages is part of the main patent infringement proceedings.

Methods of calculation

The right holder may opt for one calculation method rather than the other one but the final choice lies with the court.

In theory it should be possible for the court to mix and match different calculation methods as it is not expressly prohibited by Luxembourg law.

The choice of method depends upon what the right holder has requested and is able to prove. Punitive damages are not allowed under Luxembourg law.

The courts often opt for awarding "lump sum" damages to the patent holder, based on the approximate lost profit (resulting from the evidence provided by both parties). This is usually applied in cases where it is not possible or very complicated to exactly determine the damage suffered by the right holder.

When assessing the damage suffered by the right holder, Luxembourg courts take into account the negative economic consequences in general, which may include the losses suffered by the right holder (including the royalties lost), the

profits made by the infringer, damage to his/her reputation, price decreases, moral prejudice, relationship between the right holder and the defendant (e.g. former licensee/licensor, business partners), etc.

Evidence of lack of knowledge

Article 13.2 ED has not been implemented in Luxembourg. Good faith does not automatically reduce damages awarded.

Non-compliance with an order

The successful party may directly enforce the decision, through the services of a bailiff. Non-compliance may result in seizure of property.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Article 80 of Luxembourg patent law dated 20 July 1992, as amended
Articles 571 and 573 of the NCPC

IX Legal costs

Overview of assessment of costs

Courts have discretion in granting the recovery of the legal expenses.

A distinction must be made between the “costs” (*dépens*), within the meaning of Article 238 NCPC, and other expenses, such as contractual attorneys’ fees.

The unsuccessful party is normally ordered to pay costs (*dépens*), although the court may decide by special and reasoned decision whether all or a proportion of the costs should be awarded against the successful party. The *dépens* include the costs of bailiffs, court-appointed experts, any expenses paid to witnesses, translations, etc., together with a small fee for attorneys (*émoluments*).

Where it would be inequitable to leave one party to bear expenses which it has incurred and which are not included as *dépens* (mainly contractual attorneys’ fees), the court may, at the request of the party, order the other party to make such payment as the court sees fit.

The allocation of legal expenses is decided in the infringement action.

A small part of the attorneys’ fees (i.e. *émoluments*), capped by law, is automatically attributed to the successful party, whereas the payment of the major part of the attorneys’ fees is at the court’s discretion. Such payment only covers, in practice, a small portion of the attorneys’ fees.

Legal basis and case law

Articles 238 and 240 of the NCPC

X Publication of judicial decisions

Title of the order

Affichage de la décision: where the court orders the judgment to be displayed on the outside and/or the inside of the infringer’s establishment; and/or

Publication de la décision: where the court orders the judgment to be published in newspapers or any other means.

Basic procedural framework

The District Court is competent to issue the order, in main proceedings on the merits.

It may order the publication of the judgment in whole or in part.

Generally, the court determines the type and number of media outlets where publication is required (i.e. national newspaper, online journal, etc.) and leaves it to the claimant the choice of the specific media within an allotted cost limit. Publication costs must be borne by the defendant.

The court will take into account the particular circumstances of the case, and notably the moral damage suffered by the claimant, whether the infringer acted in good or bad faith, the scale and gravity of the infringement.

Non-compliance with an order

See Part III “Non-compliance with an order”

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Article 80quater of Luxembourg Patent Law dated 20 July 1992, as amended
Articles 571 and 573 of the NCPC

XI Other appropriate sanctions

See Part XII “Additional options”.

XII Additional options

Other available options in Luxembourg

Existing patent legislation does not provide for criminal penalties for infringement.

A right holder may rely on EU Regulation 608/2013 concerning customs enforcement of intellectual property rights to enforce his/her patent rights. Under this regulation, Luxembourg customs may, under certain circumstances, seize counterfeit goods in transit, provide the right holder with samples, and destroy these goods.

In such cases the competent authority will be the Luxembourg customs (*Administration des douanes et accises*). In principle, customs must be in possession of a written request from the right holder requesting them to intervene. Applications shall be completed using the form referred to in the Commission Implementing Regulation (EU) No. 1352/2013.

Customs may also intervene in the absence of such a request if it is obvious that the goods presented to customs control are counterfeit goods.

Non-compliance with an order

Failure of the right holder to fulfil his obligations under EU Regulation 608/2013 may trigger the applicability of the penalties set out in this text.

Legal basis and case law

EU Regulation 608/2013

Commission Implementing Regulation (EU) No. 1352/2013 of 4 December 2013 establishing the forms provided for in EU Regulation 608/2013.

Latvia

I Evidence

Titles of the orders

*Lēmums par informācijas izprasīšanu*¹ (a decision on disclosure of information)

or

*Lēmums par pierādījumu izprasīšanu*² (a decision on provision of evidence).

Basic procedural framework

The court³ or the judge hearing the case decides on all procedural matters, including ordering the opposing party or any third party to disclose information or to provide evidence.

Such a decision may be made either in the main proceedings or in separate proceedings prior to the initiation of the proceedings on the merits (Art. 98(2) Latvian Civil Procedure Law, hereinafter CPL).

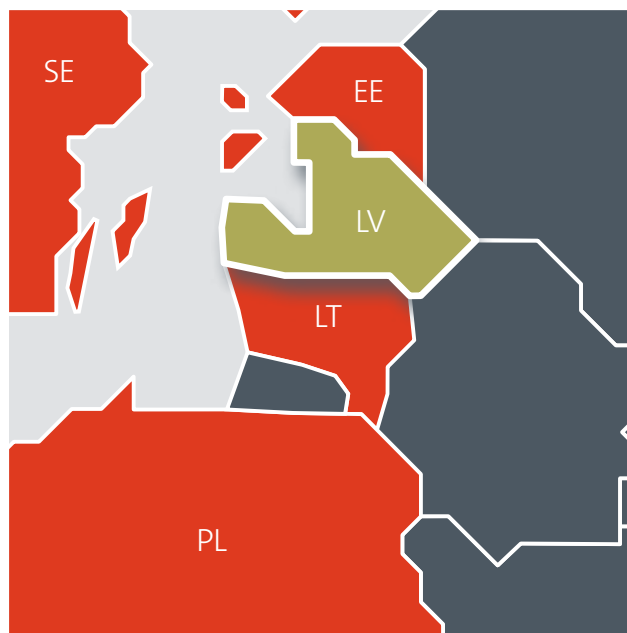
Court decisions and judgments, if not complied with voluntarily, are enforced by the bailiff.

Provision of evidence by third parties

A court may issue such an order with binding effect on third parties, including municipal and state authorities, as well as other legal and natural persons (Art. 112(1) CPL; Art. 116(3) CPL). The request is decided in the same procedure as requests to provide evidence from the defendant.

Assessment of evidence in support of the application

“Reasonably available evidence” (as referred to in Art. 6 ED) is not specified in the law. In any case, when an applicant requests the court to order production of written or physical evidence, the applicant has an obligation to justify its request and describe such evidence. Furthermore, the requesting party must substantiate why it considers the



requested evidence to be in the other party’s possession (Art. 112(2) CPL; Art. 116(2) CPL). Additionally, as regards the production of material evidence, the party requesting the court to order production of material evidence must state which important circumstances the evidence may confirm (Art. 116(1) CPL).

Protection of confidential information

The CPL contains certain provisions aimed at protecting confidential or classified information that may be of particular importance in intellectual property infringement cases (know-how, commercial or trade secrets, etc.). The general rules on disclosure of evidence apply and satisfy the requirements of both Art. 6.1 and 6.2 ED.

For example, Art. 11(3) CPL provides that a court hearing or any part of it may be ordered to be held *in camera* where, for instance, trade secrets are involved. This may be granted upon a substantiated request by a party or upon the court’s own motion.

Further, a party ordered by the court to produce written or material evidence pursuant to Arts. 112 or 116 CPL may file a reasoned statement to the contrary by stipulating that the production of such evidence will result in a disclosure of confidential or classified information that may give the

¹ Article 250¹⁶ CPL. Please note that superscripts are used to number certain articles in the CPL and other laws referenced in this chapter.

² Art. 112 CPL for the request to order production of written evidence and Art. 116 CPL for the request to order production of material evidence.

³ The Riga City Vidzeme District Court as a first instance court has exclusive jurisdiction over patent matters in the first instance (Art. 65 Patent Law, hereinafter PL). Unless otherwise indicated, “court” in this country overview will refer to the Riga City Vidzeme District Court.

requesting party a competitive advantage. The requesting party must substantiate and motivate the need for the particular evidence, failing which the court will determine that the request for such evidence is unwarranted. In such a way, a party is protected against disclosure of confidential or classified information.

When deciding a party's request for production of evidence that may contain confidential information, a court or a judge must consider all relevant factual circumstances, including reasonableness, relevance of the evidence, scale of infringement and other factors that may be important for ensuring the protection of confidential information.

Finally, if a party refuses to produce written evidence without denying that it is in its possession, the court may find the facts which the requesting party wanted to prove thereby, as proved.⁴

Non-compliance with an order

If a defaulting party (either an opposing party or any third person on whom the court has imposed a duty to produce evidence) has not informed the court that it is impossible to submit the requested evidence, or such evidence is not submitted due to reasons that a court has recognised as unjustified, the court may impose a monetary penalty of up to 40 EUR. This penalty does not however absolve the defaulting party from its obligation to submit the requested evidence (Art. 120 CPL).

The decision establishing non-compliance with the order is made by the court or judge during the hearing, simultaneously deciding on imposing a monetary penalty. Unless the monetary penalty is paid voluntarily, the court or judge forwards this decision to the bailiff, who enforces this decision by collecting this monetary penalty.

The decision to provide requested evidence can also be enforced according to the general procedure⁵ for the enforcement of judgments and decisions. If the order of the court to produce evidence is enforced through the bailiff and the defaulting party has failed to comply with the order of the bailiff, the bailiff prepares a written statement attesting to this fact and files it to the court to decide on liability of the defaulting party for failure to comply with the order of the bailiff. The court may fine the defaulting party by imposing a fine of up to EUR 360 if the defaulting party is natural person, or up to EUR 750 upon the management

board member(s), if the defaulting party is a corporate entity. Such a penalty can be imposed an unlimited number of times as long as the defaulting party fails to comply with the order of the bailiff.

Wilful non-compliance with a court order may also lead to criminal liability and would be punishable either by imprisonment, community service, or a fine⁶.

Appeal/review

The order for the provision of evidence cannot be appealed or reviewed.

Admissibility of evidence

Any lawfully obtained evidence obtained either in foreign or national proceedings is admissible in civil proceedings.

Legal basis and case law

Art. 11(3) CPL
Arts. 112-120; 441-449; 684-716 CPL
Art. 296(1) of the Criminal Law

II Measures for preserving evidence

Title of the order

Pierādijumu nodrošināšana (Arts. 98-103² CPL)

Further available measures

The CPL does not list any measures that may be ordered. Instead, an open formulation is provided, allowing the request of the preservation of evidence by any means that would fit the circumstances of the particular case. The CPL defines procedures for the questioning of witnesses, conducting site inspections and inviting expert testimony.

Basic procedural framework

If the request to preserve evidence is submitted simultaneously with or after the initiation of the

⁴ Art. 112(4) CPL

⁵ Part E, CPL

⁶ Art. 296(1) of the Criminal Law

proceedings, the competent court will be the first instance court which has jurisdiction to review the case on the merits, which will be the Riga City Vidzeme District Court.

However, if the request to preserve evidence is submitted before filing the claim on merits, the competent court will be the first instance court in the territory where the evidence is located. Later, when the case on the merits is initiated by the Riga City Vidzeme District Court, the territorial court will forward all case materials to it.

Requests for preservation of evidence may be submitted both before filing the claim on merits, simultaneously with it and later during the proceedings at any stage.

If the request for preserving evidence has been submitted before filing the claim on merits, it will be decided separately; whereas if it has been submitted together with the statement of claim on merits or at any stage later in the process, then it will be decided in main proceedings together with the claim on the merits.

***Ex parte* requests**

The level of evidence to show that a delay is likely to cause irreparable harm to the right holder or to show a demonstrable risk of evidence being destroyed is not regulated under the law. It is decided by a judge or a court on a case by case basis.

Rules on preservation of evidence prior to the commencement of proceedings require that, provided such requests are heard by a court (panel of three judges), the other party is given prior notice and a court hearing is held. It is thus possible for such party to raise objections in the court hearing (Art. 100(2) CPL).

In the event of *ex parte* requests for preservation of evidence, the concerned party is informed of the decision to preserve evidence no later than upon the enforcement of such a decision (Art. 100(4) CPL).

For the exact procedure to review and contest the adopted measures see “Appeal/review” below.

Protection available to defendant

Article 100(7) CPL provides that as a condition of granting the request for preserving evidence prior to the commencement of proceedings, the judge may request that the party requesting the preservation of evidence lodge a

deposit to secure possible losses that the other party may incur in relation to producing such evidence.

Latvian law is silent on how the sum of an adequate security should be determined. It is up to the judge to consider all relevant factual circumstances, including the nature of the request and the measures requested for preservation.

There is no published case law in relation to what constitutes “adequate security”.

Latvian law is silent on any alternative equivalent assurances as referred to in Art. 7.2 ED.

The CPL provides that a defendant has the right to claim compensation not only for any injury caused as a result of the request to preserve evidence, but also in other cases. These cases are provided for in Art. 103² CPL and include *inter alia* situations where the requesting party fails to lodge a statement of claim within the time stipulated (thus the decision to preserve evidence ceases to have effect) or the requesting party’s statement of claim is refused, the applicant’s statement of claim is left without further consideration pursuant to Art. 219 CPL, or the proceedings are discontinued due to the applicant’s lack of standing or if the applicant withdraws the claim.

Latvian law is silent upon exactly how “appropriate compensation” (as referred to in Art. 7.4 ED) should be calculated in such cases. In any case, the party claiming compensation will have to substantiate the amount claimed with evidence that the court will assess when determining the amount of compensation.

Period to initiate proceedings on the merits

If the request for preservation of evidence prior to the commencement of proceedings is ordered, the judge sets a period of not more than 30 days to submit the statement of claim and initiate proceedings on the merits (Art. 100(6) CPL).

Witness identity protection

Although Art. 7.5 ED provides that member states may take measures to protect witness identity, the Latvian legislator has not provided any special provisions on the protection of witness identity relating to intellectual property infringement cases. The general provisions on witnesses contained in the CPL (Arts. 105-109 CPL) apply accordingly. Anonymous witness statements are not available as a procedural mechanism and would not be considered an admissible form of evidence.

Non-compliance with an order

Considering the variety of possible measures that can be ordered by the court, the consequences of non-compliance with an order depend on what type of evidence must be preserved. The general procedure⁷ for the enforcement of decisions would apply. The enforcement procedure is outlined in Part I “Non-compliance with an order” above.

Appeal/review

Art. 100(9) CPL stipulates that an ancillary complaint⁸ may be filed following a decision to refuse a request for the preservation of evidence. It is also possible to file an ancillary complaint against a decision under Art. 100(3) CPL, i.e. an order for preservation of evidence adopted *ex parte*.

The procedure for an ancillary complaint is that it must be submitted within 10 days from the issuing of a decision; however, if the decision is adopted *ex parte*, the 10-day term is calculated from the date when the decision has been issued or notified to the party.

If an ancillary complaint is brought against a decision by the court of first instance, it is heard by the court of appeal⁹; if the complaint is brought against a decision by the court of appeal, the ancillary complaint is decided by the Latvian Supreme Court.

Non-compliance with UPC-issued order

Pursuant to Art. 82(3) UPCA, “[...] enforcement procedures are governed by the law of the Contracting Member State where the enforcement takes place. Any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.” Thus, an order to preserve evidence would be enforced in the same way as a similar order under Latvian national law.

Whether or not the specific measure or remedy exists under the CPL, an order of the UPC shall be fulfilled as provided in Part E of the CPL.

Legal basis and case law

Arts. 98-103² CPL
Arts. 441-449 CPL

III Right of information

Title of the order

Tiesības uz informāciju (Art. 250¹⁶ CPL).

Persons obliged to provide information

Only those persons listed in Article 8.1 ED have such an obligation (Art. 250¹⁶(1) CPL).

Types of information to be provided

Only information listed in Art. 8.2 ED must be provided (Art. 250¹⁶(2) CPL).

Competent authority

The court hearing the case may issue the order, only upon a substantiated motion of a party to the case taking into account *inter alia*, the protection of trade secrets. In practice, the requesting party must also substantiate that the requested information is not available from any other source and that it is relevant and essential to prove the particular claims raised.

Non-compliance with an order

See Part II “Non-compliance with an order”. In civil proceedings, the court may fine a party up to EUR 40 for failing to provide information requested.

Appeal/review

See Part II “Appeal/review”.

⁷ Part E, CPL

⁸ The ancillary complaint is a specific form of “appeal” from a discrete procedural decision of the court which is reviewed by a higher instance court.

⁹ The appellate court in industrial property matters including patents is the Riga Regional Court.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. 250¹⁶ CPL

Arts. 441-449 CPL

IV Provisional and precautionary measures

Titles of the orders

Pagaidu aizsardzības līdzekļi (Art. 250¹⁰ CPL)

Basic procedural framework

The court hearing the case may grant an order for these measures.

Requests for provisional or precautionary measures may be submitted both before the commencement of proceedings and after the commencement of proceedings at any time until the case is decided on the merits.

A bailiff is responsible for enforcing the measure (Art. 250¹⁴ CPL).

If an order for provisional measures is granted, the court states a deadline to file the statement of claim. Such a deadline shall not be longer than 30 days from the date of the court’s decision to grant the request for provisional measures (Art. 250¹¹(4) CPL).

Factors considered by the court

When requesting a preliminary injunction, the right holder must demonstrate to the court:

- a) that it has suffered or will suffer irreparable harm;
- b) that remedies available at law are inadequate to compensate for that harm;
- c) that considering the balance of hardships between the patentee and the infringer, a remedy in equity is warranted; and
- d) that the public interest would not be disserved by a preliminary injunction.

This four-step test was first elaborated by the Latvian Supreme Court in its 21 June 2012 decision in civil matter No. C01148412, *Pfizer Ireland Pharmaceuticals v ratiopharm GmbH*.

Recurring penalty payments

Besides the penalty that can be imposed by the court for failure to comply with a bailiff’s order, there are no other penalty payments available. Nevertheless, such a penalty may be imposed an unlimited number of times as long as the defaulting party fails to comply with the order of the bailiff.

Provisional and precautionary measures against intermediaries

It is generally possible for right holders to request the court to forbid an intermediary from providing services to a third party to infringe an intellectual property right. Thus, infringers and persons who contribute to an infringement (such as intermediaries) may be subject to an injunction.

Circumstances justifying an order for precautionary seizure

See above at “Factors considered by the court”. Art. 250¹⁰(1) CPL provides that the requesting party must submit a substantiated request, thus providing evidence that the recovery of damages may be endangered.

There is no preliminary measure analogous to the French “*saisie-contrefaçon*” to enter premises to secure evidence. However, Article 250¹⁰ CPL et seq. provides *inter alia* that preliminary measures may include the seizure of movable property that may infringe intellectual property rights.

As regards blocking of bank accounts and other assets, such measures are not listed among the preliminary measures specifically defined in the CPL in respect of intellectual property enforcement. The court may nevertheless exercise its discretion to order such measures.

Assessment of required evidence

As indicated above at “Factors considered by the court” the party requesting provisional measures must provide adequate evidence to substantiate its application. Art. 250¹⁰(1) CPL provides that a party must submit a substantiated request specifying the measure requested.

There are no particular criteria applicable to cases that involve imminent infringement. Thus, the court hearing the request has discretion to evaluate the submitted evidence and may decide whether there is imminent infringement and whether to decide on the request.

Whether or not a court or a judge hearing the request will satisfy themselves with a “sufficient degree of certainty” (as referred to in Art 9.3 ED) will depend on all the factual circumstances, including evidence substantiating the request.

Conditions justifying *ex parte* order

Art. 250¹²(2) CPL provides that in cases where the delay could cause irreparable harm to the holder of intellectual property rights, the court or the judge shall decide on the granting of precautionary measures not later than the day following receipt of the request, without notifying other parties.

According to court practice, if the claimant wishes to have precautionary measures granted *inaudita altera parte*, it is for the claimant to show urgency, i.e. that the precautionary measure must be granted faster than all parties can be summoned for a hearing or that plans of the claimant should not be notified to the respondent. For example, if it is necessary to seize the assets whereby intellectual property rights are infringed, and there is a risk that the respondent will hide or repeat infringing acts upon finding out the claimant’s plans.

Protections available to the defendant

Art. 250¹²(3) CPL provides that in satisfying the request for provisional measures prior to the commencement of proceedings, a court or a judge may order the requesting party to provide adequate security intended to ensure compensation for any prejudice suffered by both the defendant and also third parties that are infringing the claimant’s intellectual property rights.

Latvian law is silent upon how exactly the adequate security shall be determined. However, in any case, a court or a judge will take into account all relevant factual circumstances, including the nature of the request, provisional measures requested, and evidence substantiating the request.

There is no “equivalent assurance” (as referred to in Art. 9.6 ED) foreseen in Latvian law.

Art. 250¹⁵ CPL provides for a possibility for the opposing party to claim compensation for any injury caused by the requested provisional and precautionary measures. Such a right exists if the requested provisional or precautionary

measure is lifted according to Art. 250¹²(8) CPL or if the claim lodged by the claimant is refused, left without further consideration pursuant to Art. 219 CPL, or if the proceedings are discontinued altogether pursuant to Arts. 223(2) and 223(4) CPL.

Latvian law is silent upon exactly how “appropriate compensation” (as referred to in Art. 9.7 ED) should be calculated in such cases. The party claiming compensation will have to substantiate the amount claimed with evidence that the court will assess when determining the amount of compensation.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

The order for provisional or precautionary measures may be reviewed pursuant to the generally applicable ancillary complaint procedure (see Part II “Appeal/review”).

In particular, the following decisions of the court or the judge relating to provisional measures may be reviewed:

- a decision on the initial request for granting provisional measures;
- a decision refusing the lifting of provisional measures;
- a decision to modify the requested provisional measures; or
- a decision refusing a request to modify provisional measures.

The ordinary procedure for filing ancillary complaints applies accordingly, therefore, both parties may submit their explanations and the judge may also order a hearing.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Arts. 250¹⁰ – 250¹⁵ CPL

Arts. 441-449 CPL

Civil case No. C01148412, *Pfizer Ireland Pharmaceuticals v ratiopharm GmbH*, Latvian Supreme Court, 21 June 2012

Civil case No. C04228412, *SIA “Elizabete Hotel” v SIA*

“Elizabetes centrs”, Latvian Supreme Court, 27 August 2010

V Corrective measures

Titles of the orders

Art. 250¹⁷ CPL provides that, irrespective of the loss and harm caused, the judgment on the merits may contain one or several of the following corrective measures:

- a) recall or complete withdrawal of the infringing goods (infringing copies) from trade (*atsaukt vai pilnībā izņemt no tirdzniecības pārkāpuma preces (kontrafaktos eksemplārus)*);
- b) destruction of the infringing goods (infringing copies) (*iznīcināt pārkāpuma preces (kontrafaktos eksemplārus)*);
- c) recall or complete withdrawal from trade channels the facilities and materials used or intended to be used for making of the infringing goods (infringing copies) provided that the owner thereof knew or should have known from the circumstances that such facilities and materials have been used or intended for the performance of unlawful activities (*atsaukt vai pilnībā izņemt no tirdzniecības vai iznīcināt ierīces un materiālus, kas izmantoti vai paredzēti pārkāpuma preču (kontrafakto eksemplāru) izgatavošanai, ja to īpašnieks zināja vai viņam no lietas apstākļiem vajadzēja zināt, ka šīs ierīces un materiāli lietoti vai paredzēti prettiesisku darbību veikšanai*).

Basic procedural framework

The court hearing the case and issuing the judgment on the merits of the case is competent to issue such orders in the main proceedings on the merits. Following a positive court decision on the merits the claimant is allowed to request additional permanent injunctions (corrective measures), which otherwise would not be available.

Generally, court decisions and judgments are enforced by the bailiff if the parties do not timely comply with the decisions or judgments on a voluntary basis. The bailiff verifies whether the respondent or third party against which the judgment is issued has complied with the judgment. In case of failure to comply, the general procedure for the enforcement of judgments and decisions would apply. The enforcement procedure is outlined in Section 1 above, “Non-compliance with an order.”

The claimant decides which corrective measure to request, i.e. which corrective measure(s) it considers appropriate for the situation. Nevertheless, in reviewing the application for

the requested measure, the court must take into account the proportionality between the seriousness of the infringement and the measure applied for. The court must also consider the legitimate interests of third parties, fairness, freedom of speech aspects and other factors.

Recall from the channels of commerce

Recall is provided by the CPL as one of the corrective measures available for the claimant. The CPL includes both recall and removal from the channels of commerce in the same provision, thus stressing their similar nature. Notably, recall may be requested and ordered not only with regard to the infringing goods, but also with regard to any tools and materials that are used or intended for production of infringing goods. This is possible provided that the owner knew or, based on the circumstances, ought to have known that these tools and materials are used or are intended for unlawful actions (Art. 250¹⁷(2)(3) CPL).

Latvian legal doctrine does not draw any significant distinction between recalling and removal from the channels of commerce. In both cases, the aim is to remove the infringing goods and devices from the market and preclude the infringer from gaining any benefit from them.

At the same time, recall is described in Latvian legal doctrine as being narrower than removal from the channels of commerce. It is understood as for example, covering just a particular chain of retailers. Consequently, recall is usually requested together with removal from the channels of commerce thus diminishing any practical difference between the two.

Definitive removal from the channels of commerce

Removal from the channels of commerce the infringing goods is provided by the CPL as one of the corrective measures available for the claimant. Removal from the channels of commerce may be similarly ordered not only with regard to the infringing goods, but also with regard to any tools and materials that are used or intended for production of infringing goods. Again, in such a case it must be proven that the owner knew or, based on the circumstances, ought to have known that these tools and materials are used or are intended for unlawful acts (Art. 250¹⁷(2)(3) CPL).

Notably, both recall and removal from the channels of commerce may be enforced only against the infringer. Thus

there are no means to enforce such an injunction against third parties who have obtained the infringing goods in good faith.

Destruction of infringing goods, materials and implements

By means of an order for destruction it is ensured that the infringer cannot further use the infringing goods not only legally, but also in practice. Latvian court practice¹⁰ has established that destruction of infringing goods can also serve other ends – since destruction can be very expensive for the infringer it can thus serve as both a preventative measure and also provide moral satisfaction to the requesting party.

Similarly to recall and removal from the channels of commerce, destruction may be requested not only with regard to the infringing goods, but also with regard to any tools and materials that are used or intended for production of infringing goods, provided that the owner knew, or, based on the circumstances, ought to have known that these tools and materials are used or are intended for unlawful acts (Art. 250¹⁷(2)(3) CPL).

The destruction can be requested and ordered irrespective of the harm caused and whether or not the requesting party has applied for reimbursement of damages. Moreover, when ordering destruction of goods, the measure should clearly state that it is the duty of the party addressed, i.e. the infringer, to carry out the destruction within a stated deadline. Practice shows that the infringer usually is given a one month deadline for destruction, but in exceptional cases the court may order destruction in as few as 10 days.

The CPL is silent upon any exceptions to an order for destruction. However, since the CPL states that the court “may” require destruction, it is within the court’s discretion whether or not to order such a corrective measure.

Destruction is a very popular corrective measure in intellectual property infringement cases in Latvia. It has been applied in copyright cases, industrial design cases, patent cases and trade mark cases. Destruction of goods may also be ordered against intermediaries (for example, a carrier of goods).¹¹

The applicant may request for the measures to be granted in any combination.

There is no specific basis in Latvian law why the corrective measures should not be carried out at the expense of the infringer. However, if the infringer fails to carry out measures at his own expense, the claimant may be permitted in certain cases to carry out measures at the infringer’s expense, e.g. if the infringing goods are not at the infringer’s disposal, for example, if they have been arrested by Customs authorities.

Assessment of proportionality for ordering remedies

The principle of proportionality is one of the most basic principles provided in the CPL and is equally applicable in intellectual property cases. According to the case law, the court must decide the proper balance in each case when ordering remedies.

Evidence of destruction

The destruction of the goods is performed by a third party, a service provider contracted by the court bailiff in the course of enforcement proceedings. After the destruction of the goods, the service provider, together with the court bailiff prepares and signs a written memorandum attesting to the destruction of the goods. On the basis of this joint memorandum, the court bailiff issues an official statement on destruction of the goods.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. 250¹⁷ CPL

¹⁰ Court Practice Summary “On Case Law in Trade Mark Matters”. The Supreme Court of the Republic of Latvia, published in 2008, available at: http://at.gov.lv/files/uploads/files/6_Judikatura/Tiesu_prakses_apkopojumi/galigais%20precu%20zimes%2023%2004%2008.doc (in Latvian).

¹¹ For instance, see Civil case No. C04310408, *Wrangler Apparel Corporation v Jindi Tie Tong and TOO Hozu-Avto KZ and Font Media Group LLC (WRANGLER)*, Riga Regional Court, 31 January 2011.

VI Injunctions

Title of the order

Galīgais pienākumrikojums

Basic procedural framework

One of the permanent injunctions available to the claimant is a request to cease the infringement and prohibit further unlawful use of the intellectual property. Moreover, the claimant is also entitled to request an order for the cessation of (and a prohibition on) measures that are considered to be preparation for the unlawful use of intellectual property.

The court hearing the case is competent for issuing an injunction. The injunction must be complied with voluntarily, the failure to do so will result in the injunction being enforced by a bailiff.

Injunctions against intermediaries

Injunctions are generally addressed to parties who are:

- a) providing services that are used to infringe the intellectual property rights; or
- d) making such infringement possible.

For example, the Riga Regional Court¹² decided to impose an injunction on an intermediary, which was a transport company transporting counterfeit goods, although the court did not find that the intermediary itself had directly infringed the intellectual property rights.

Compulsory licence as a defence

The legal framework governing compulsory licences makes no mention of their relationship to infringement proceedings. No compulsory licences have been granted in Latvia so there is no relevant case law.

Court's discretion if finding of infringement

The court has discretion to decide whether to order a permanent injunction or whether another remedy is more suitable. The court takes into account all the relevant

circumstances of the case.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

See Part II "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with an order".

Legal basis and case law

Civil case No. C04217014, *AS "Jungent Group" v SIA "Ceļš Trīs"*, Latvian Supreme Court, 28 December 2017

Civil case No. C04153414, *SIA "VT East" v. Vaiņode municipality and others*, Riga Regional Court, 12 March 2015

Civil case No. C04310408, *Wrangler Apparel Corporation v Jindi Tie Tong and TOO Hozu-Avto KZ and Font Media Group LLC (WRANGLER)*, Riga Regional Court, 31 January 2011

VII Alternative measures

Title of the order

Morālais kaitējums (pecuniary compensation for non-monetary harm)

Basic procedural framework

Generally, unintentional actions and actions without negligence are not excuses that would exempt from general liability under Latvian law. These circumstances however, will be taken into account when assessing the amount of pecuniary compensation for non-monetary harm, if any, to be awarded. The court hearing the case is competent to determine pecuniary compensation.

The court will award pecuniary compensation for non-monetary harm only if the applicant has requested it and offered a mechanism or principle for calculating it to the court. Therefore, it is for the claimant to provide a sound

¹² Civil case No. C04310408, *Wrangler Apparel Corporation v Jindi Tie Tong and TOO Hozu-Avto KZ and Font Media Group LLC (WRANGLER)*, Riga Regional Court, 31 January 2011.

basis for calculation of possible pecuniary compensation and for the court, having taken into account all relevant circumstances, to decide whether or not the offered calculation is proportionate.

There are no other alternative measures specified in Latvian law.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

N/A

VIII Damages

Calculation methods available in Latvia

The general principle of Latvian law is that right holder is entitled to compensation for both monetary and non-monetary harm suffered as a result of infringement.

Article 64(2) PL (and Article 28¹(1) Trademark Law) provides for three methods, how the amount of monetary harm suffered can be compensated: (i) by awarding damages; (ii) by awarding a hypothetical licence fee, i.e. the amount which the owner of the patent would have received for granting a licence to use the patent (this directly resembles the principles as stipulated in Article 13.1(b) ED), and (iii) income gained, as a result of the infringement, by the person who illegally used the patent.

Article 69¹(2) and (3) of the Copyright Law provides that amount of monetary harm shall be assessed in accordance with the Latvian Civil Law, where *inter alia* also the profit

unfairly gained by the infringing party can be taken into account. Only if the damages cannot be assessed according to Latvian Civil Law would a hypothetical licence amount be used to form the basis of this calculation.

There are three preconditions for awarding damages under Latvian Civil Law: (1) unjustified action by the infringer; (2) actual harm suffered; and (3) causal link between unjustified action and harm suffered. The damages can be either as diminution of the present property or as lost profit.

In the case of lost profit, mere possibilities shall not be used as the basis for calculating lost profits, rather there must be no doubt, or it must at least be proven to a level that would be credible as legal evidence, that such detriment resulted, directly or indirectly, from the act or failure to act which caused the damage (Article 1787 of the Civil Law).

The amount of non-monetary harm shall be determined by a court at its own discretion. In ordering compensation for non-monetary harm, the relevant factors to be taken into account *inter alia* are the nature and duration of infringement, consequences thereof and the culpability of the defendant¹³.

Nevertheless, compensation for non-monetary harm (moral prejudice) are typically quite modest. For example, the court upheld a moral prejudice award of EUR 2 000 for obvious infringement of the IKEA trade mark by a defendant who was found by the court to have acted wilfully and in bad faith¹⁴.

Basic procedural framework

The determination of the compensation is part of the main infringement proceedings.

Methods of calculation

There is no well-established court practice on calculation methods. It is up to the right holder to prove its damages or to propose to the court appropriate method for calculations. It is possible to choose only one of the means for monetary harm suffered, for example, either to claim damages, or licence fee, or income gained by the infringer as a result of infringement, thus excluding the possibility to combine two or more calculation methods.

Damage is defined as any deprivation which can be assessed financially.

¹³ Decision in civil case No. C04366712, *Inter IKEA Systems B.V. v unnamed private individual*, Latvian Supreme Court, 21 April 2016

¹⁴ Decision in case No. C04528010, *Inter IKEA Systems B.V. v SIA "I-Home"*, Latvian Supreme Court, 6 May 2014

Evidence of lack of knowledge

Article 63(4) PL (and Article 28(4) of Trademark Law) provides that when determining the responsibility for infringement of a patent and the scope of liability, the fact of the receipt of a notice letter issued by the right holder to the infringing party may be taken into account. Issuance of a notice letter by a right holder precludes the infringer from arguing a lack of knowledge; however, Latvian law does not provide any further regulations on how the fact of knowledge or lack of knowledge of infringement influence the scope of liability of the infringer. Latvian law also does not provide for payment of any pre-established damages in such cases.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

The order to pay damages will be included in the executive part of the judgment, thus the generally applicable procedure for appealing either judgments of the courts of first instance or appellate courts will apply accordingly.

Appealing a judgment of the court of first instance must be brought within 20 days to the court of appeal from the date of the judgment. Appealing a judgment of the appellate court to the Supreme Court must be within 30 days.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Art. 69¹(1) and (2) Copyright Law
Art. 64(1) and (3) Patent Law
Art. 28¹ of the Trademark Law

Civil case No. C04366712, *Inter IKEA Systems B.V. v unnamed private individual*, Latvian Supreme Court, 21 April 2016
Civil case No. C04528010, *Inter IKEA Systems B.V. v SIA “I-Home”*, Latvian Supreme Court, 6 May 2014

IX Legal costs

Overview of assessment of costs

Costs are decided in the infringement action.

Pursuant to the provisions of the CPL the court awards costs related to conducting the case and reimbursement thereof incurred by the prevailing party against the unsuccessful party. Nevertheless, there is a statutory cap on attorney fees whereby reimbursement is limited to an amount that does not exceed EUR 2 850 for civil proceedings based on infringement of rights pursuant to CPL 44(1)(1)(d). Larger caps apply for claims based on monetary damages.

Moreover, the reimbursable expenses for paying for the assistance of an advocate shall not exceed 50% of the maximum amount of remuneration if a claim has only been examined before a court of first instance.

It is possible that the court may determine a smaller amount for reimbursable expenses in conformity with the principle of justice and proportionality. A small amount may be determined also by assessing objective case-related circumstances, in particular the volume and level of complexity of the case, the number of court hearings during examination of the case and the court instance in which the claim is examined. The court may also decide to increase the amount to EUR 4 275 in complex matters (CPL 44(1)(1)(e)).

Generally, reimbursable expenses include court expenses; costs related to conducting the case, such as counsel fees, travelling and accommodation costs in relation to a court hearing or production of evidence, costs pertaining to production of written evidence, and translation fees (directly related to production of evidence or a court hearing).

Recently, the CJEU decided¹⁵ that Art. 14 ED “[...] precludes national legislation providing flat-rates which, owing to the maximum amounts that it contains being too low, do not ensure that, at the very least, that a significant and appropriate part of the reasonable costs incurred by the successful party are borne by the unsuccessful party.”

The legislation in force in Latvia is similar to the Belgian legislation addressed in the *United Video Properties* case – it is a system of varying flat rates with an absolute limit for the reimbursement of lawyers’ fees. Considering the amounts of the limits, those provided in the CPL may be considered incompatible with the Enforcement Directive in IP cases (particularly complex matters).

¹⁵ *United Video Properties v. Telenet NV* case (28 July 2016, C-57/15)

There does not seem to be any Latvian court practice to date in which the national legislation has been questioned in the light of the *United Video Properties* case. One reason may be that attorney fees under the CPL may be claimed only by attorneys-at-law and not trade mark or patent attorneys, thus the scope of costs that may be claimed for fees is limited.

Legal basis and case law

Arts. 41 and 44 CPL

X Publication of judicial decisions

Title of the order

Publiskot pilnībā vai daļēji tiesas spriedumu laikrakstos un citos masu informācijas līdzekļos

Basic procedural framework

According to Art. 250¹⁷(2)(4) CPL, the claimant may request to fully or partially publicise the court judgment in newspapers and other mass media. Irrespective of the harm sustained by the claimant and the damages awarded, the court can order the infringer at its own expense to publish the judicial decision in full or partially in newspapers and other mass media. The exact manner and extent of the dissemination of the judicial decision will be laid down in the judicial decision in question. The court hearing the main infringement action is competent to issue the order for such measures.

It is for the claimant to suggest to what extent and in what manner, including where¹⁶ the publication should take place, it considers it would be appropriate to publish the judicial decision.

Generally, judicial authorities are not hesitant to issue an order for the dissemination of information. The publication of judicial decisions as a corrective measure is occasionally used by Latvian courts. The Latvian Supreme Court ordered such a measure in a 2014 judgment¹⁷, in which the publication was ordered in business newspapers but not on the defendant's website.

Non-compliance with an order

See Part II "Non-compliance with an order".

Appeal/review

See Part II "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Art. 250¹⁷(2) CPL

Civil case No. C04528110, *Soremartec S.A. v SIA "O.Lana"*, Latvian Supreme Court, 4 February 2014

XI Other appropriate sanctions

Name and type of sanctions

No remedies under criminal law are available for patent infringement. There are no other sanctions available.

XII Additional options

Other available options in Latvia

Any right holder may request the Customs authority to protect their intellectual property rights by submitting a request to the Customs authorities to take action to protect the intellectual property rights. In the event of approval of the application, the Customs authorities shall, within a period of one year, carry out enhanced customs controls to prevent infringement of the intellectual property rights applied for. At the end of that period, the applicant shall have the opportunity to apply for an extension and to obtain protection for intellectual property rights for another year.

If during the relevant year goods suspected of infringing an intellectual property rights are detected, Latvian Customs authorities have the right to suspend the release of these goods. The opinion on whether the goods infringe an

¹⁶ Art. 250¹⁷(2) CPL refers to "newspapers and other mass media".

¹⁷ Civil case No. C04528110, *Soremartec S.A. v SIA "O.Lana"*, Latvian Supreme Court, 4 February 2014.

intellectual property right shall be given by the right holder of the relevant intellectual property right.

If within ten working days or within three working days, if the goods are perishable, the Customs Authority has received the notice confirming that goods infringe intellectual property rights, the Customs Authority shall take the measures prescribed by laws and regulations, directed at the destruction of such goods.

Non-compliance with an order

Border measures are subject to administrative proceedings. Considering that detained goods are in the possession of the Customs authority, the Customs authority enforces its own decisions or invites the right holder to enforce them. If the right holder fails to comply with the order, the Customs authority may release the goods.

Any decision adopted by the Latvian Customs Authority may be appealed to the Head of the State Revenue Service, which in its turn can be appealed to the Administrative Court.

Legal basis and case law

EU Regulation 608/2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No. 1383/2003

Commission Implementing Regulation (EU) No. 1352/2013 of 4 December 2013 establishing the forms provided for in EU Regulation 608/2013

Cabinet Regulations No. 468 “Regulations on Customs Control Measures” of 8 August 2017 set out more detailed rules on how the Latvian Customs Authority shall implement border measures.

Monaco

I Evidence

Title of the order

Demande incidente de communication de pieces (incidental request to disclose supporting evidence)

Requête aux fins de compulsoire (*ex parte* request to obtain disclosure of evidence out of trial)

Assignment en référés (summons to appear before the emergency judge)

Basic procedural framework

Where relevant evidence is controlled by the opposing party, the claimant may request three types of orders having a similar purpose to Art. 6.1 ED depending on whether proceedings on the merits are already pending and whether the proceedings are before civil or criminal courts.

Art. 6.1 ED refers exclusively to the case where a civil proceeding is already pending (Procedure A). For information purposes, two other relevant procedures in Monaco are described below.

Situation A: Pending civil proceedings on the merits against a party in possession of relevant evidence

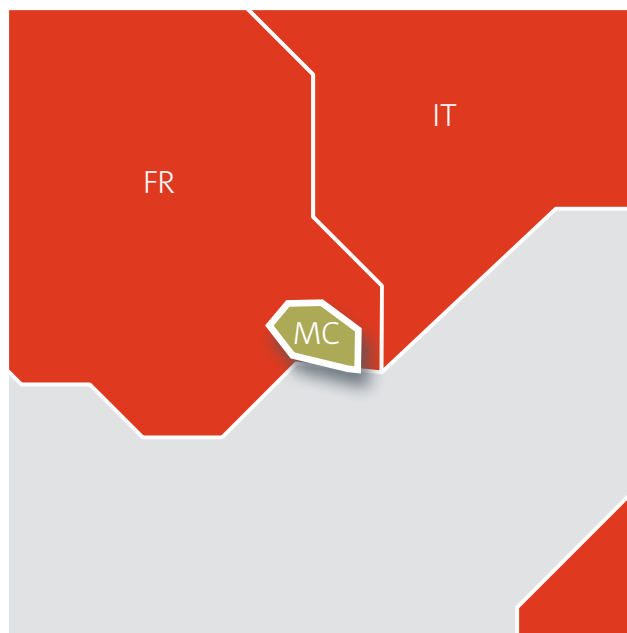
The Court of First Instance (*Tribunal de première instance*) and, as the case may be, the Court of Appeal (*Cour d'appel*) is the competent authority. A party may submit a request called *Demande incidente de communication de pièces* (Arts. 379, 380 and 381 Code of Civil Procedure, hereinafter “CCP”) and ask the judge, before any decision on the merits, to render a decision ordering disclosure of the evidence (this decision is called *Jugement avant dire droit*).

Disclosure relies on the goodwill of the alleged infringer. It is not an execution order. Where the alleged infringer does not comply with the Court’s decision, the claimant may lodge a request (*Requête*) with the President of the Court of First Instance to issue an order authorising the forced compliance of the decision (*Ordonnance sur requête*).

1 Articles 414-421 CCP
2 Art. 851 CCP

General note: No specific Monegasque legal and/or regulatory provision has been passed or taken with the specific aim of implementing the ED or legislating for identical standards. However, references to the relevant articles of the ED are made where appropriate.

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The measure may be ordered in any civil *inter partes* proceedings including proceedings on the merits and also *inter partes* emergency proceedings for interim relief (*Référés*¹).

The order may impose a financial penalty (*Astreinte*) set by the Court to compel the party in possession of relevant evidence to comply with the judgement.

Situation B: Absence of pending civil proceedings against the alleged infringer

The claimant may lodge a request (*Requête*²) with the President of the Court of First Instance to order the gathering of evidence under the control of the alleged infringer (*Ordonnance sur requête*).

Such *Requête* may be used either to obtain evidence as a preliminary measure before the claim on the merits or to enforce a court decision by requesting compliance with a measure, in the event that this was not requested and/or granted by the court in its decision.

Situation C: Pending criminal proceedings on the merits against an alleged infringer

Following a complaint accompanied by the lodging of an application for criminal indemnification (*Plainte avec constitution de partie civile*)³ during the pre-trial phase, the investigating judge (*Juge d'instruction*) may take any measure deemed necessary for the determination of the truth.

The claimant may file a reasoned request to the investigating judge to order the presentation of a piece of evidence by the alleged infringer or to take any other measure that would have an equivalent effect, such as to allow a search the premises of the alleged infringer.

Provision of evidence by third parties

The President of the Court of First Instance may pursuant to a request from a claimant (*Requête aux fins de compulsoire*) issue an order (*Ordonnance sur requête*) requesting a third party to disclose information and granting authorisation to a bailiff, appointed by the requesting party, to seize the evidence.⁴

Assessment of evidence in support of the application

The claim is justified where there is clear evidence that the information is held by the alleged infringer or by a third party and that this information is necessary either to:

- a) found jurisdiction for a case on the merits, or
- b) to allow the requesting party to gather evidence before a trial on the merits, either against the infringing party (*Requête*) or a third party (*Requête aux fins de compulsoire*).

Protection of confidential information

In Monaco, no specific measures are available to ensure the protection of confidential information.

The court will carry out a proportionality test in order to ascertain whether the order is justified and whether the right of the patent holder to be protected against

infringement has priority over the confidentiality of information of the other party.

Non-compliance with an order

Any difficulty with the execution of a judicial decision may be brought before the President of the Court of First Instance in an accelerated proceedings (*Référé*).

This includes non-compliance with the abovementioned procedures A to C.

A specific provision enables such accelerated proceedings (*Référé difficulté d'exécution*, Art. 415 CCP). The corresponding provision with regard to a decision of the Court of Appeal is provided for in Art. 434 CCP. The President of the Court of Appeal may be requested in the context of the urgent *Référé* procedure to take enforcement measures.

In civil proceedings, there is no possibility of taking coercive measures. Recurring penalties are the usual sanctions. In criminal proceedings, the police and the judicial authorities, during the pre-trial and trial stages, have wider powers to impose coercive measures (custody, pre-trial custody, issue warrants, etc.).

Appeal/review

Procedure A

Where civil proceedings on the merits are pending, the court may decide in a provisional judgment to grant an order to obtain evidence before any decision is rendered on the merits, or may render its decision on the merits including its decision to reject the request for the order.

In the first case, according to the established case law⁵ and Arts. 301 and 423 CCP, the judgment of the Court is to be considered as strictly limited to the provisional measure. Only the final decision of the Court of First Instance, including the decision to grant an order and the decision to grant or refuse an order (i.e. the second case), may be appealed before the Court of Appeal.

An appeal must be lodged within 30 days after the judgment on the merits is served by the bailiff on the unsuccessful party.

³ Pursuant to Arts. 47 and 48 of Law No. 606 on Patents and Arts. 74, 75, 82 et seq. Code of Criminal Procedure

⁴ Article 851 CCP

⁵ Court of Appeal, May 3rd, 1994 Société Général X Ray Company c/ Société Immobilière du Quai du Commerce

Procedure B

Where there are no pending civil proceedings on the merits against the alleged infringer and the claimant files a request before the President of the Court of First Instance⁶ there are two possible outcomes:

1. If the President of the Court of First Instance refuses to grant the requested order, the claimant may appeal the refusal to the Court of Appeal sitting “in Chamber”⁷. In this case, there is no provision stating a period for filing the appeal.
2. If the President of the Court of First Instance grants the requested order, the party against whom the order is made may appeal by requesting urgent interim relief (*Référé*) before the President of the Court of First Instance (i.e. if the President rendered the first decision he will delegate the hearing of the appeal to another judge):
 - (a) If a legal provision enables the appeal of the specific requested measure (i.e. this is not the case when the order required is to obtain the presentation of evidence by the presumed infringer). The period for filing the appeal is provided by the provision enabling the appeal of the requested order. The judicial authority to which the appeal shall be lodged will depend on the legal provision.

Or

- (b) If the order granted by the President of the Court of First Instance expressly allows an appeal,⁸ the period for filing the appeal will be mentioned in the order. The appeal will be lodged as urgent interim relief (*Référé*) before the President of the Court of First Instance.

Admissibility of evidence

Evidence obtained in criminal, administrative or other civil proceedings in Monaco is admissible in civil proceedings, as long as it has been legally obtained.

National courts may take into consideration any factual evidence offered, including evidence obtained in foreign proceedings. Such evidence will be admissible as fact only,

i.e. the national courts are not bound by the probative force given by the evidence by foreign law or foreign judicial authorities.

Monaco is part of the Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents (known as the Apostille Convention) enabling the recognition of the origin of public documents obtained in another contracting country.

Since Monaco is not part of the EU, enforcement of EU court decisions is subject to *Exequatur* proceedings whose outcome can be the full retrial of the case on the merits. However, Monaco has signed judicial cooperation and assistance agreements with other countries such as France and Italy facilitating recognition of the validity judgments, orders or investigating measures and, as is the case for agreements signed with France, providing assistance to enforce foreign decisions in Monaco and vice-versa.

- Convention on mutual judicial assistance signed on 21 September 1949 between France and the Principality of Monaco implemented by ordinance No. 106 of 2 December 1949;
- Convention on mutual judicial assistance in criminal matters signed on 8 November 2005 implemented by Ordinance n° 1.828 of 18 September 2008;
- Convention on mutual judicial assistance signed on 20 July 1871 between Italy and the Principality of Monaco implemented by Ordinance of 24 January 1872.

Legal basis and case law

Arts. 301, 379- 381, 414 – 421, 423, 434, 851 and 852 CCP
Arts. 47 and 48 Law No. 606 on patents of 20 June 1955 (hereinafter “Law No. 606”)

Arts. 74, 75, and 82 et seq. Code of Criminal Procedure

Court of Appeal, November the 6th 1990, *Société Générale c/ L., Mes R., A. et C.*

Court of Appeal, May the 3rd 1994 *Société Général X Ray Company c/ Société Immobilière du Quai du Commerce*

⁶ “Requête” – Art. 851 CCP

⁷ “Cour d’appel statuant en Chambre du conseil” – Court of Appeal, November 6th 1990, *Société Générale c/ L., Mes R., A. et C.*

⁸ Art. 852 CCP

II Measures for preserving evidence

Title of the order

Saisie-contrefaçon

Further available measures

None available.

Basic procedural framework

The President of the Court of First Instance is competent to issue an order in separate *ex parte* proceedings before the proceedings on the merits have been initiated.

The procedure for requesting the measure (*Requête aux fins de saisie-contrefaçon*) is similar to the abovementioned “*Requête*” procedure to obtain an order from the President of the Court of first instance (See Part I, “Basic Procedural Framework, Procedure B”).

Once the President of the Court of First Instance grants the order (*Ordonnance aux fins de saisie-contrefaçon*), the requesting party must appoint a bailiff to enforce it.

The decision may include the nomination of an expert to assist the bailiff in describing the goods.

Ex parte requests

Without judging on the merits, a *Saisie-contrefaçon* will be ordered if:

- a) There is clear evidence as to the claimant’s entitlement as the patent owner;
- b) The goods of the alleged infringer raise a clear likelihood of infringement. In practice, the required standard of proof is higher when the requested measure is a physical seizure of the goods; and
- c) Depending on the degree of the requested measure (description or physical seizure), the alleged infringing goods may cause irreparable harm to the right holder.

The risk of destruction of evidence is not considered in this context.

When the claim on the merits is filed, the defendant has the opportunity to challenge the measure.

Protection available to defendant

In cases where the order issued by the President of the Court of First Instance is for physical seizure, the lodging of a security deposit may be required. A copy of the deed recording the lodge of security must be given to the defendant.

The amount of security is decided at the discretion of the President of the Court of First Instance.

Period to initiate proceedings on the merits

The claimant is required to lodge a claim on the merits, within eight days from the day the measure was enforced, either before the civil or criminal courts. If the claimant fails to do so, the order is automatically considered null and void.

Witness identity protection

During civil proceedings on the merits, the identity of witnesses is disclosed only to the parties. They are heard separately and the public is not allowed to attend the hearing.

The Court of First Instance may exceptionally request a party to leave the hearing room provided such party shall have access to the witnesses’ statements right after their deposition.

Any intervention from the parties is forbidden whilst the court conducts the hearing. Questions are formulated by the members of the court, including the public prosecutor if he is part of the procedure.

In patent infringement proceedings before the criminal court there is further protection for witness identities.

The judge in charge of investigating the case before it is referred to the court for decision, has the possibility to conceal the identity of a witness when:

- a) the hearing could imperil the life or the physical security of the witness, his family or close relatives; or
- b) the witness is a police agent or officer.

Anonymity is authorised by an order of the First President of the Court of Appeal, which order cannot be appealed.

Non-compliance with an order

Non-compliance with an order may arise in two different situations:

1. The bailiff was not able to obtain access to the infringing goods:

This may be the case when e.g. the allegedly infringing goods were moved beforehand, the premises are closed, etc. The order granting access to the allegedly infringing goods to make a description or to seize them may also provide that the bailiff may execute the order with the assistance of police.

Any difficulty with the execution of the order may be brought before the President of the Court of First Instance in accelerated proceedings (*Référé* under Arts. 414-421 CCP). The President of the Court of First Instance is seized by the claimant filing a summons requesting the urgent execution of the order.

See also Part I, “Non-compliance with an order”.

2. The order granting access to the alleged infringing goods is implemented, but the alleged infringer misappropriates or destroys the goods or attempts to do so.

Misappropriation or destruction of goods subject to an order for seizure, or an attempt to do so, constitute criminal offences. The claimant may file a reasoned request to the investigating judge, to proceed with the execution of the order with the assistance of the police.

The claimant may also request a public prosecutor to bring a criminal claim against the alleged infringer. This claim would be separate from the claim for infringement. In such a case a civil judge must stay the proceedings pending a decision in the criminal proceedings.

The criminal sanctions are either:

- a) Imprisonment from six months to a maximum of five years and a fine amounting from EUR 9 000 to EUR 18 000 if the alleged infringer has custody of the infringing goods;

- b) Imprisonment between one and five years and penalty amounting from EUR 18 000 to EUR 90 000. This is decided at the discretion of the judge on a case-by-case basis.

Appeal/review

Law No. 606 on patents does not provide a procedure under which the order may be appealed or reviewed and the available public case-law does not cover this question. However, the following procedures may be available:

If the President of the Court of First Instance refuses to grant the requested order, the claimant may appeal the refusal to the Court of Appeal sitting “in Chamber”⁹, a restricted composition of the Court of Appeal having specific competence, the hearings of which are not public.

If the President of the Court of First Instance grants the requested order, the defendant may attack the validity of the order before the Court judging on the merits since the claimant is obliged to bring a claim on the merits within eight days from the day the order was executed.

Consequently, only the final decision of the Court of First Instance, including the decision to grant an order and the decision on the merits, may be appealed before the Court of Appeal.

These procedures are in line with those described above at “Part I Evidence, Appeal/review, Procedure A”.

There is no specific provision on the period for filing a request for an appeal of the order, in case of refusal to grant the requested measure. Either the order specifies the period or the 30-day legal period applies.

Appeal of the decision granting the measure is to be filed within 30 days from the day the decision on the merits is served.

Non-compliance with UPC-issued order

Not applicable as Monaco is not a signatory of the Agreement on the Unified Patent Court.

9 “Cour d’appel statuant en Chambre du conseil” – Court of Appeal, November 6th 1990, Société Générale c/ L., Mes R., A. et C.

Legal basis and case law

Saisie-contrefaçon: Art. 50 et seq. Law No. 606
Protection of witnesses: Art. 327 et seq. CCP
Art. 147-1 et seq. Code of Criminal Procedure
Référé difficulté d'exécution: Art. 415 CCP
Misappropriation or destruction of goods under seizure:
Art. 324 Criminal Code
Pre-trial investigation measures: Arts. 74, 75, and 82 et seq.
Code of Criminal Procedure

III Right of information

Title of the order

There is no specific procedure in Monegasque law foreseen for the provision of information by the alleged infringer and/or other involved parties. Ordinary civil or criminal procedures will apply.

Basic procedural framework

Civil courts may take investigative measures (Articles 300 et seq. CCP) and perform all verifications deemed necessary (Article 309 et seq. CCP). They may call on the assistance of the public prosecutor to carry out these measures. However, civil courts have less investigative powers than criminal courts.

Criminal proceedings may include a pre-trial phase during which an investigating judge ("*Juge d'instruction*") is specifically appointed to take any measure deemed necessary to establish the facts, usually with the assistance of the police (Arts. 74, 75, and 82 et seq. Code of Criminal Procedure). The measures may be decided by the investigating judge or requested by the public prosecutor or the claimant.

Legal basis and case law

Investigating measures and verifications before civil courts:
Art. 300 et seq. CCP
Art. 309 et seq. CCP
Investigating measures during the criminal pre-trial phase:
Arts. 74, 75, and 82 et seq. Code of Criminal Procedure

IV Provisional and precautionary measures

Title of the order

There is no specific national patent law provision on interlocutory injunctions. The Monegasque *Référé* procedure (Art. 414 et seq. CCP) may meet the objective of the interlocutory injunction as defined by Article 9.1 ED.

Art. 50 et seq. Law No. 606 provides for precautionary seizures in a patent context (see also Part II "Measures for preserving evidence", *Saisie contrefaçon* above).

Basic procedural framework

The President of the Court of First Instance is competent to issue such orders.

Interlocutory injunctions may be issued in the framework of the *Référé* procedure which is an *inter partes* procedure. The orders may be issued in separate proceedings before the proceedings on the merits have been initiated. The claimant may appoint a bailiff who will enforce the measures.

In the case of precautionary seizures (*Saisie-contrefaçon*), a claim on the merits must be filed within eight days from execution of the order (see Part II "Measures on preserving evidence", *Saisie contrefaçon*).

Factors considered by the court

In interlocutory injunction (*Référé*) proceedings, two main conditions that the judge is legally required to take into account are:

- (a) urgency of the situation;
- (b) that the order the judge may issue as *référé* shall be of a provisional nature and shall not have irremediable effects on the merits.

For precautionary seizures, see Part II "*Ex parte* requests".

Recurring penalty payments

In interlocutory injunction (*Référé*) proceedings, an order for penalty payments may only be issued if the judge is able to assess the likelihood of a finding of infringement during subsequent proceedings on merits, including during urgent matters proceedings such as the *Référé* procedure.

There is no separate procedure to request an order for recurring penalty payments if infringement continues following the grant of the interlocutory injunction and penalty payments were not requested in the original writ.

Recurring penalty payments would only apply in cases of non-compliance with an order for precautionary seizure, since such order is requested in preliminary proceedings where infringement is not yet established.

In determining the amount of the penalty payments, there is no provision specifying a method to determine the amount, but two key factors are considered:

- a) damage allegedly suffered by the claimant;
- b) the amount deemed sufficient to deter the defendant from continuing the patent infringement.

Provisional and precautionary measures against intermediaries

With regard to evidence under the control of a third party, where there is no pending civil procedure on the merits, the President of the Court of First Instance may pursuant to a request from a party (*Requête aux fins de compulsoire*) issue an order (*Ordonnance sur requête*) requesting a third party to disclose information and granting authorisation to ask a bailiff, appointed by the requesting party, to seize the evidence¹⁰ (see also Part I Evidence, “Provision of evidence by third parties”).

Circumstances justifying an order for precautionary seizure

See above Part II, “*Ex parte* requests”.

Assessment of required evidence

There is no provision in the law providing guidance for assessing the evidence required for the granting of these orders. Case-law is also scarce. There are no practical examples illustrating what constitutes, “reasonably available evidence” capable of satisfying the competent authority with a “sufficient degree of certainty” both as referred to in Art. 9.3 ED in the context of patent infringement.

Conditions justifying *ex parte* order

See Part II “*Ex parte* requests”.

Protections available to the defendant

Protections for the defendant ordered by the court will depend on the damage that the defendant could suffer from the order.

Where the measure involves a physical seizure of goods, the amount of security lodged will generally be calculated on the basis of the total value of the seized goods.

Where the order authorises the bailiff to deliver a report describing the goods, the judge will in practice, not request the lodging of a security if no damage may be suffered by the defendant.

In both cases (seizure and description) the calculation is based upon the actual damage likely to be suffered. For instance, the damage suffered from the revenue shortfall may be calculated on the basis of the net loss of income or the loss of gross profits, if the defendant is able to substantiate the loss he is likely to incur.

Pursuant to Art. 51 Law No. 606, if the order is considered null and void because the claimant did not file an action on the merits within eight days from the day the order was executed, compensation is not “automatically” granted to the defendant. The defendant will have to file a claim before the Court of First Instance.

Non-compliance with an order

See Part I “Non-compliance with an order”. For non-compliance of precautionary seizures (*Saisie contrefaçon*), see Part II “Non-compliance with an order”.

Appeal/review

The order taken by the *Juge des référés* for an interlocutory injunction may be appealed before the Court of Appeal within 15 days after either the judgment or the notification of the judgment to the defendant was delivered.

¹⁰ Art. 851 CCP

Neither the legislation (Law No. 606) nor case law provides any provision or guidance as to whether an order for precautionary seizure may be appealed or reviewed. See Part II “Appeal/review” for appeal procedures that are arguably available.

Non-compliance with UPC-issued order

Not applicable as Monaco is not a signatory of the Agreement on the Unified Patent Court.

Legal basis and case law

Saisie-contrefaçon: Art. 50 et seq. Law No. 606

Référé: Art. 414 et seq. CCP

Référé difficulté d'exécution: Art. 415 CCP

Misappropriation or destruction of goods under seizure: Art. 324 Criminal Code

Indisponibilité temporaire: Arts. 487, 488 and 489 CCP

V Corrective measures

Title of the order

Confiscation (definitive removal).

Other available measures in Monaco

None.

Basic procedural framework

Art. 52 Law No. 606 provides for this measure which has equivalent effect to the definitive removal from the channels of commerce (as referred to in Art. 10.1 ED). Where the court has decided in favour of the claimant and, in a criminal case, even if the defendant is acquitted but the infringement is established, the infringing goods are confiscated from the defendant, and third parties such as distributors. This shall be done at the expense of the defendant. The “*confiscation*” measure is not an option but an automatic measure once infringement is established.

During first instance proceedings the competent authorities would be the Court of First Instance or the Criminal Court (*Tribunal correctionnel*) in a criminal complaint and would involve the public prosecutor. The Court of Appeal would be the competent second instance in both civil and criminal proceedings.

The order is issued in the main proceedings on the merits. A bailiff appointed by the claimant will enforce the order and draw up a certified report of its execution.

Assessment of proportionality for ordering remedies

The law does not provide guidance as to the factors that the court must consider when issuing the order. However in practice, it must strike a balance between the benefit of such measure for the claimant and the detriment to the defendant, and the interests of third parties involved. In such case, objective evidence must be considered such as the number of infringing goods on the market.

Another factor is the existence of precautionary measures such as earlier physical seizure of infringing goods and the number of goods remaining after the seizure.

Evidence of destruction

Destruction is not provided for in Monaco in patent cases.

Non-compliance with an order

In case of non-compliance with an order for *confiscation*, the claimant may:

- (a) seize the President of the Court of First Instance in an accelerated proceedings (*Référé*, Arts. 414-421 CCP); and/or
- (b) file a criminal complaint.

For more detail, see Part II “Non-compliance with an order”.

Appeal/review

The entire decision on the merits rendered by the Court of First Instance, rather than only an individual measure, must be appealed before the Court of Appeal by serving a writ on the other party to appear before the Court of Appeal. The writ must contain:

- a) a summons to appear before the Court of Appeal on the date set out in the writ;
- b) the statement of objections; and
- c) the appointment of a lawyer.

The appeal must be submitted to the clerk of the Court of Appeal within 30 days from the day the decision of the Court of First Instance was served.

Non-compliance with UPC-issued order

Not applicable as Monaco is not a signatory of the Agreement on the Unified Patent Court.

Legal basis and case law

Art. 52 Law No. 606

VI Injunctions

Title of the order

Astreinte (permanent injunction)

Basic procedural framework

An injunction order may be issued as part of the decision on the merits.

As an exception to the above, when seized because of a difficulty in enforcing a decision on the merits, the President of the Court of Appeal may not issue an *astreinte* order¹¹.

Once a court grants an *astreinte*, the requesting party must appoint a bailiff to enforce it.

Injunctions against intermediaries

An *astreinte* order may only be issued against intermediaries when intermediaries are part of the proceedings as defendants.

Compulsory licence as a defence

It is possible to bring forward arguments justifying the grant of a compulsory licence as a defence in infringement proceedings.

Court's discretion if finding of infringement

Upon establishing infringement, the court has a discretion whether or not to grant an injunction. Any relevant factors or matters highlighting the risk of future infringement and the necessity to force the defendant to comply with the judgment are taken into account by the court.

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

Not applicable as Monaco is not a signatory of the Agreement on the Unified Patent Court.

Legal basis and case law

Juge des référés: Article 421 CCP
Court of Review, November, 28th, 2013, SAM SAMEGI c/ L'Etat de Monaco

VII Alternative measures

There is no provision in the national law enabling a judicial authority to choose alternative measures as referred to in Art. 12 ED.

VIII Damages

Calculation methods available in Monaco

See below.

Basic procedural framework

The determination of the amount of damages is part of the main patent infringement proceedings on the merits.

¹¹ Court of Review, November 28th, 2013, SAM SAMEGI c/ L'Etat de Monaco

Methods of calculation

There is no legal or regulatory provision specifying different calculation methods or authorising the simultaneous use of the methods referred to in Art. 13 ED.

The claimant shall provide evidence of all the damage suffered. All aspects of the damage may be taken into account, such as loss of profits, undue profits of the defendant, costs resulting from the infringement (e.g. disruption to the claimant's business, the need to find new partners, etc.).

Depending on the level of detail of the alleged damage, the court will either respond specifically to each head of claim or, as happens most frequently, set a lump sum based on the aforementioned aspects.

Evidence of lack of knowledge

There is no provision in Monegasque legislation which would allow the court a discretion to not order damages where the defendant did not knowingly engage in the infringing activity.

Non-compliance with an order

Where there is non-compliance with the order for damages, the claimant may submit a written request (*Requête*) to the President of the Court of First Instance in order to obtain an execution order authorising the right holder to collect the damages awarded on the merits by implementing execution measures such as seizing the defendant's assets.

Recurring penalty payments may be ordered.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

Not applicable as Monaco is not a signatory of the Agreement on the Unified Patent Court.

Legal basis and case law

Appeal: Arts. 422 et seq. and 156 CCP
Damages: Art. 50 et seq. Law No. 606

IX Legal costs

Overview of assessment of costs

There is no provision of national law providing guidance to the meaning of "reasonable and proportionate" as referred to in Art. 14 ED.

In Monaco, recoverable costs and expenses are set out in Art. 231 et seq. CCP and are called *dépens*. *Dépens* are assessed according to rules taking into account a minimal amount for each type of costs multiplied by a ratio. For claims amounting to less than EUR 7 600, a fixed rate will apply. If the claim amounts to more than EUR 7 600, various proportional rates may apply, the highest being 0.4% of the amount of the claim, where said claim exceeds EUR 23 000.

The *dépens* include:

- (a) stamp and registration fees;
- (b) cost of procedural acts;
- (c) cost of serving a decision;
- (d) costs of experts;
- (e) travel costs (under certain conditions).

There are national rules governing minimum costs of assistance of attorneys.

Costs are decided in the main infringement action.

Legal basis and case law

Art. 231 et seq. CCP

X Publication of judicial decisions

Title of the order

Publication des décisions de justice

Basic procedural framework

The Court may alternatively or cumulatively order the following measures:

- (a) Public display of the decision in a place decided by the Court;

- (b) Publication of a decision in the Monaco Official Gazette; (*Plainte avec constitution de partie civile* – Arts. 47 and 48 Law No. 606, Arts. 74, 75, and 82 et seq. of the Code of criminal procedure).
- (c) Publication of a decision in other newspapers.

The full judgment or extracts, depending on the media in which it is published may be required. The judicial authority that rendered the decision on the merits is competent to issue the order.

There is no case law available that explains the factors to be taken into consideration when issuing such order.

Non-compliance with an order

The measure is not to be executed by the media designated by the successful party, and the expense of publication must be borne by the unsuccessful party.

Non-compliance would mean with the obligation to pay the expenses of publication is procedurally considered the same as non-payment of damages (see Part VIII “Non-compliance with an order”).

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

Not applicable as Monaco is not a signatory of the Agreement on the Unified Patent Court.

Legal basis and case law

Art. 52 Law No. 606

XI Other appropriate sanctions

Name and type of sanctions

Criminal proceedings are available. Along with civil proceedings, the claimant may file a separate criminal complaint with an application to join the proceedings as a civil party claiming damages before the public prosecutor

Since patent infringement is also a criminal offence, the following criminal sentences may be ordered by the Criminal Court following a criminal proceeding:

- (a) for a single criminal offence: a penalty from 24 000 francs¹² up to 180 000 francs;
- (b) where there is recurring infringement: the same penalty plus an imprisonment between one and six months.

Non-compliance with an order

The competent judicial authority is the Court of First Instance judging on civil matters. The claimant may seize the Court of First Instance by lodging a request (*Requête*) to authorise the forced execution of the court decision.

Imprisonment (*Contrainte par corps*) may be ordered to ensure the implementation of a decision. Imprisonment may be up to 18 months where the party was ordered to pay more than EUR 18 000 in damages.

Appeal/review

See Part VI “Appeal/review”.

Where the convicted party is imprisoned, the party may request a review of the measure before the President of the Court of First Instance in the context of an urgent *Référé* procedure (Arts. 414-421 CCP).

Legal basis and case law

Art. 44 et seq. Law No. 606
 Art. 600 et seq. Code of Criminal Procedure
 Art. 47 and 48 Law No. 606
 Arts. 74, 75, and 82 et seq. Code of Criminal Procedure

¹² Art. 44 Law No. 606 sets out the amounts for penalty payments in “francs” and have not been converted into Euros. There is no publicly available case law on which we can rely to amend and insert the corresponding amounts in Euros. If any judicial authority was to apply these provisions, the penalty would be converted in euros taking into consideration the value of the currency at the time of the changeover.

XII Additional options

Other available options in Monaco

In addition to the possibility to lodge a civil action and/or to prosecute an alleged infringer by initiating a criminal action before competent Monaco authorities (Court of First Instance or General Prosecutor), infringements to Monegasque laws may be established and pursued by the French customs authorities, by virtue of Article 11 of the Mutual Customs Agreement between France and Monaco dated 18 May 1963, establishing a customs union between France and Monaco and their territorial waters.

Republic of North Macedonia

I Evidence

Title of the order

Наредба за доставување докази (order to produce evidence)

Basic procedural framework

Basic Courts with extended jurisdiction¹ are competent to issue such orders.

The orders may be issued in the main proceedings on the merits prior to the initiation of the main hearing, during the preliminary proceedings or in the procedure for injunctions (interim measures).

The court will issue the order and if not it is voluntarily complied with by the party, it may be subject to enforcement by an enforcement agent.

Provision of evidence by third parties

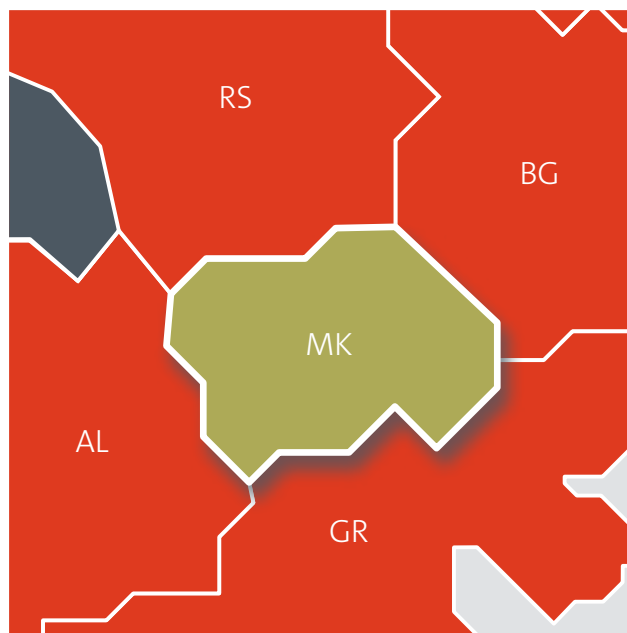
If the specified evidence lies in the control of a third party, the competent judicial authority may, upon application by a party, order that third party to present such evidence in civil proceedings similar to proceedings for injunctions.

Assessment of evidence in support of the application

The court will consider public documents and notarised private documents which verify that infringement has occurred, the infringing goods, the materials used for the infringement and the description of other activities that constitute the infringement.

Protection of confidential information

All documents presented as part of the court procedure are confidential and shared only between the parties to the



dispute. Once the case is closed the judgment may be published but the parties may request that certain evidence remain confidential and is not published.

Non-compliance with an order

After a Basic Court grants an order or issues a decision, the opposing party must comply with the order immediately after it has been made enforceable and the opposing party has not made an appeal. Both criteria need to be fulfilled, with the difference being that the decision is enforceable after it has been received by both parties and no appeal has been submitted.

If the opposing party does not comply with an enforceable decision, the applicant party may enforce the decision by submitting a request to an enforcement agent.

The Basic Criminal Courts are competent in case of non-compliance. The criminal procedure begins with filing a criminal charge before the public prosecutor and if it is deemed to have merit, it will be heard by the Basic Criminal Court.

The following sanctions may be imposed: penalty payments or imprisonment up to three years.

¹ Basic Courts are the courts of first instance in North Macedonia. They deal with both civil and criminal proceedings. Basic Courts will have either "basic jurisdiction" meaning that they have competence for specific areas, or "extended jurisdiction" (also having the "basic" competence) i.e. competent *inter alia* to rule on disputes concerning industrial property rights.

Appeal/review

The order for the presentation of evidence may be appealed before the relevant Appellate Court, within three days of the issuance of the order.

Admissibility of evidence

Evidence obtained in criminal, administrative or other civil proceedings is admissible in civil proceedings.

Whether the evidence obtained in proceedings before a court of another country is admissible in civil proceedings depends on the interpretation of the court. However, usually official documents (evidence) are accepted.

Legal basis and case law

Law on civil procedure², Articles 205 to Article 256

Law on securing the claims³, Article 9

Law on industrial property⁴, Articles 314 and 315

II Measures for preserving evidence

Titles of the orders

There is no difference in Macedonian law between the orders provided for in Arts. 6 and 7 ED.

Further available measures

No measures other than those referred to in Art. 7.1 ED are available.

Basic procedural framework

See Part I “Basic procedural framework”.

Ex parte requests

The claimant must show the likelihood of infringement with reasonable certainty, present material evidence (e.g. sales, market research, description of the alleged infringing goods etc.) which will support his claims.

Protection available to defendant

“Adequate security” (as referred to in Art. 7.2 ED) will constitute a court deposit which may be requested of the defendant. The amount will be determined by the court.

The following “equivalent assurances” (as referred to in Art. 7.2 ED) are foreseen in the legislation:

- a) monetary assets;
- b) movable assets;
- c) immovable assets;
- d) rights, shares etc.

“Appropriate compensation” (as referred to in Art. 7.4 ED) for the defendant is calculated by a court-appointed expert in the field of IP law and finance.

Period to initiate proceedings on the merits

After an order is issued, the claimant must initiate proceedings on the merits within 20 days.

Witness identity protection

Measures to protect the identity of witnesses may only be adopted in a criminal procedure.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

² Official Gazette of the Republic of Macedonia No. 79/2005, 110/2008, 83/2009, 116/2010 and 124/2015.

³ Official Gazette of the Republic of Macedonia No. 87/2007 and 31/2016

⁴ Official Gazette of the Republic of Macedonia No. 21/2009, 24/2011, 12/2014, 41/2014, 152/2015, 53/2016 и 83/2018.

Legal basis and case law

Law on civil procedure, Articles 257 to 261
Law on securing the claims, Articles 30 to 64
Law on industrial property, Article 314

III Right of information

Title of the order

Задолжение за доставување докази (order for information)

Persons obliged to provide information

There are no other persons obliged to provide information than those mentioned in Art. 8.1 ED.

Types of information to be provided

No other information is to be provided than that listed in Art. 8.2 ED.

Competent authority

Basic Courts with extended jurisdiction.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Law on civil procedure, Article 7
Law on industrial property, Article 315

IV Provisional and precautionary measures

Title of the order

Мерки на претпазливост и привремени мерки (provisional and interim measures)

Basic procedural framework

See Part I “Basic procedural framework”. The period to initiate proceedings on the merits cannot exceed 20 days.

Factors considered by the court

When deciding on whether to issue provisional measures, the level of infringement, the likelihood of irreparable harm and the public interest will be factors that the court takes into account.

Recurring penalty payments

For the court to order recurring penalty payments, two conditions must be fulfilled:

- the claimant has substantiated his claim; and
- there is a high chance that the defendant will frustrate this claim.

The levels of penalty payments are determined by an expert’s opinion, or where there is no expert available, at the discretion of the court. The experts are suggested/appointed by each of the parties. If the two experts’ opinions are not in agreement, the court will appoint an independent expert to draw a conclusion.

Provisional and precautionary measures against intermediaries

The claimant may apply for provisional and precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

To justify an order for precautionary seizure, the claimant must demonstrate with reasonable certainty that if the defendant is aware of the measure he will easily remove infringing products and the claimant will not be able to recover potential damages.

Assessment of required evidence

The claimant must submit evidence to demonstrate:

- entitlement to file the claim (i.e. the claimant must be the applicant, proprietor or exclusive licensee of the patent);
- evidence of the threatened infringing act (e.g. expertise by expert evidence or other supporting evidence).
- The claimant will also need to rebut the defendant's assertions that the patent is plainly invalid and/or not infringed.

Both parties will need to submit evidence that the balance of convenience lies in their favour, e.g. the patentee would need to prove that damages would not be an adequate remedy and that he will suffer potentially irreparable harm if an injunction is not granted.

There is no legal definition of "sufficient degree of certainty" (as referred to in Art. 9.3 ED). The court must decide on case-by-case basis. Generally the level of evidence required for the court to decide to grant an injunction is described above in "Circumstances justifying an order for precautionary seizure".

Conditions justifying *ex parte* order

There is no legal definition or standard as to what constitutes "appropriate cases" (as referred to Art. 9.4 ED). However the claimant must demonstrate with reasonable certainty that if the defendant is aware of the injunction he will potentially cause damage to the claimant by removing the infringing products.

Equally, there is no legal definition of irreparable harm. The court has to decide on case-by-case basis. See also "Circumstances justifying an order for precautionary seizure" above.

Protections available to the defendant

See Part II "Protection available to the defendant".

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Law on civil procedure, Article 407

Law on securing the claims, Articles 30 to 42

Law on industrial property, Article 313

V Corrective measures

Title of the order

Повлекување од дистрибуциски канали (recall from the channels of commerce)

Конечно отстранување од дистрибуциски канали (definitive removal from the channels of commerce)

Уништување (destruction)

There is no specific provision called "Corrective Measures". However the content of these measures are identical to those provided for in the ED.

Other available measures in North Macedonia

There are no other measures available.

Basic procedural framework

Basic Courts with extended jurisdiction are competent to issue such orders.

The order may be issued in the main proceedings on the merits. The court will issue the order and if it is not complied with by the defendant, it may be subject to enforcement by an enforcement agent.

The court will take the following factors into account when exercising its discretion in ordering the abovementioned measures:

- a) level of infringement;
- b) the infringing products;
- c) if the defendant has already been found to infringe these or other products on the market;

- d) the public interest;
- e) if the defendant has offered and advertised the products and received considerable revenue therefrom.

Civil and criminal procedures are applicable for corrective measures.

The claimant may ask for two of the abovementioned measures in parallel.

There is no legal definition of “particular reasons” not to carry out the measures at the expense of the infringer. The court must decide on a case-by-case basis.

Assessment of proportionality for ordering remedies

See “Basic procedural framework” above

Evidence of destruction

A report documenting the destruction should be signed in order to prove that the goods were destroyed. The destruction may be performed by various legal entities authorised to do so.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Criminal Code⁵, Article 96-a
Law on criminal procedure⁶, Articles 118, 120, 194, 195, 196, 202, 517 and 535

Law on civil procedure, Article 407
Law on industrial property, Article 313
Law on securing the claims, Article 22

VI Injunctions

Title of the order

Судски мерки (permanent injunctions)

Basic procedural framework

Basic Courts with extended jurisdiction are competent to issue an injunction order.

The procedure involves a court-appointed enforcement agent responsible for enforcing the injunction.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries.

Compulsory licence as a defence

Aspects justifying the grant of a compulsory licence cannot be brought forward as a defence in infringement proceedings.

Court’s discretion if finding of infringement

If it is not requested, the court will not issue a permanent injunction.

If it is requested, and there is a finding of infringement, the court will issue an injunction at its own discretion taking into account the following factors: level of infringement, the possibility of occurrence of irreparable harm, the public interest.

Non-compliance with an order

See Part I “Non-compliance with an order”.

⁵ Official Gazette of the Republic of Macedonia no. 6p. 37/1996, 80/1999, 4/2002, 43/2003, 19/2004, 81/2005, 60/2006, 73/2006, 7/2008, 139/2008, 114/2009, 51/2011, 135/2011, 185/2011, 142/2012, 166/2012, 55/2013, 82/2013, 14/2014, 27/2014, 28/2014, 41/2014, 115/2014, 132/2014, 160/2014, 199/2014, 196/2015, 226/2015, 97/2017, 248/2018

⁶ Official Gazette of the Republic of Macedonia no. 150/2010, 100/2012, 142/2016, 198/2018

Appeal/review

The order for the presentation of evidence may be appealed before the relevant Appellate Court, within 8 or 15 days of the issuance of the order. If the dispute is between two legal entities or if the claim does not exceed MKD 600 000, the deadline to file an appeal is eight days. If one of these conditions is not fulfilled, the deadline to file an appeal is 15 days.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Law on civil procedure, Article 407
Law on securing of claims, Article 22
Law on industrial property, Article 313

VII Alternative measures

Title of the order

Надомест на материјална штета (“payment of monetary value”)

Basic procedural framework

Basic Courts with extended jurisdiction are competent to issue such order.

The alternative measures as laid out in Art. 12 ED are rarely applied by the judicial authorities in Macedonia.

The calculation for the pecuniary compensation is based on the opinion of an expert in the field of IP law and finance.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Law on civil procedure, Article 407
Law on industrial property, Article 313

VIII Damages

Calculation methods available in North Macedonia

The same calculation methods as indicated in the Article 13.1(a) and (b) ED are available in Macedonia.

Basic procedural framework

The determination of the amount of damages ordered for the successful party may be subject to a separate procedure or as part of the main patent infringement proceedings.

If the determination of the amount of damages is subject to separate proceedings, the same authority is competent to decide, namely the Basic Courts with extended jurisdiction.

In case of separate proceedings, the successful party may request in advance information as per Art. 8 ED.

Methods of calculation

The claimant must obtain an expert opinion for the calculation. The method will be chosen by the expert. The expert will take into account several factors such as market share, location where the product is sold, whether it is sold in multiple stores, the stakeholders and the extent of the infringement.

The amount of royalties are approximately equivalent to the amount that the claimant would have gained had he sold the products instead.

Evidence of lack of knowledge

If the defendant is a legal entity a higher standard of proof for the reasonableness of his knowledge must be satisfied. It is easier to prove and it may then be assumed that the defendant knowingly engaged in the infringing activity.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Law on civil procedure, Article 209
Law on obligations⁷, Articles 174 to 177, and 187-a
Law on industrial property, Article 299

IX Legal costs

Overview of assessment of costs

Legal costs are determined on the basis of the tariff rates in force from the Bar Association.

“Legal costs and other expenses” include:

- a) costs for preparing and filling submissions (including remedies);
- b) costs for representation at court hearings;
- c) costs for experts;
- d) costs for court fees;
- e) translation and notary fees.

Costs are decided in the infringement action.

Legal costs are awarded on a flat-rate scheme, in accordance with the Lawyers’ Tariff provided by the Macedonian Bar Association, which is dependent on the value of the case.

Legal basis and case law

Law on civil procedure, Articles 145 and 148

X Publication of judicial decisions

Title of the order

Објавување на судски пресуди (publication of judicial decisions)

Basic procedural framework

The competent authority to issue the order is the same court that conducted the proceedings, namely a Basic Court with extended jurisdiction. The judge will decide if the judgment will be published and if so, whether in full or in part.

The court will take the following factors into account:

- a) seriousness of the infringement,
- b) the public interest.

Publication must take place in the media that the claimant requested (e.g. newspaper, journal, tv, radio, social media, online media etc.)

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

The Republic of North Macedonia is not party to the UPC Agreement.

Legal basis and case law

Law on civil procedure, Article 324
Law on industrial property, Article 304

⁷ Official Gazette of the Republic of Macedonia no. 18/2001, 4/2002, 5/2003, 84/2008, 81/2009, 161/2009, 123/2013

XI Other appropriate sanctions

None available.

XII Additional options

Other available options in North Macedonia

Other options in North Macedonia are criminal proceedings and border measures.

Criminal proceedings

Criminal proceedings may be initiated against any party that unjustifiably infringes a patent. The competent judicial authority is the Public Prosecutor and the Basic Criminal Court.

Border measures

A right holder may submit a request for customs protection for his patent. Consequently, if another party tries to import/export the patent that is under customs protection, the customs authority (upon inspection) will seize the goods and immediately inform the right holder. The right holder then may either file an action before the Basic (Civil Court) (if the allegedly infringing party contests the allegation of infringement) or notify the customs authority that the goods in question do not constitute infringement of the patent.

The competent authority is the customs office, acting in accordance with the Administrative Procedure.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Penalty payments and imprisonment up to three years may be imposed in case of non-compliance, applicable to both criminal and border proceedings. If infringement is committed by a legal entity, only a monetary penalty may be issued.

Legal basis and case law

Criminal Code, Article 286

Law on criminal procedure, Article 135

Law on industrial property, Articles 318 and 320

Law on customs measures for protection of intellectual property rights, Article 5

Malta

I Evidence

Title of the order

There is no particular name for such order. It is a court order in form of a decree.

Basic procedural framework

The Patents Tribunal¹ and/or (according to circumstances) the First Hall of the Civil Court, are competent to issue such an order during proceedings on the merits. A court marshal is responsible for enforcing any such order.

Provision of evidence by third parties

During the main proceedings, upon application by the claimant, a third party may be ordered to present specified evidence. In terms of provisions contained in the Code of Organisation and Civil Procedure (Cap. 12 Laws of Malta art 156(4), when a case is filed, the claimant indicates a list of witnesses intended for production of evidence. As long as a witness is on the list, the claimant is entitled to ask the Adjudicating Authority² to call up the witness and to produce such evidence as the claimant would have indicated, provided the Adjudicating Authority considers such evidence as relevant.

Assessment of evidence in support of the application

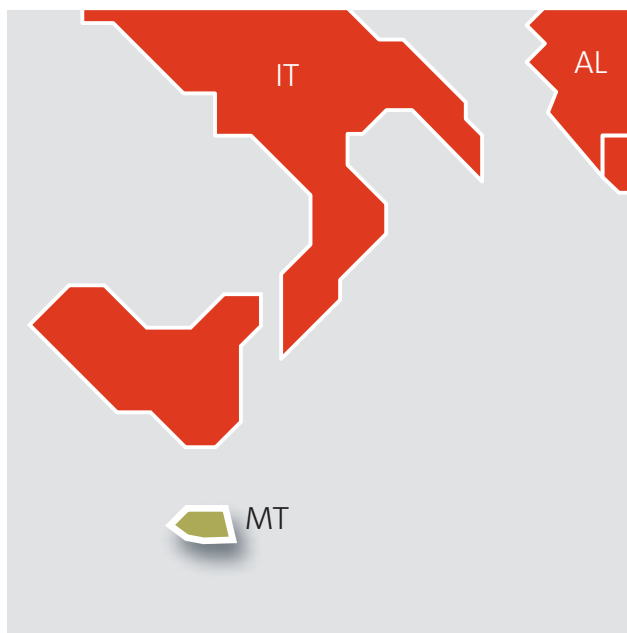
According to Art. 5(1) Cap. 488 “a reasonable sample of a substantial number of copies of a work or any other protected object shall be considered to constitute reasonable evidence”.

Protection of confidential information

The Patents Tribunal may decide that evidence filed in this regard be unavailable to the public.

1 Art. 58A(1) Cap. 417: [...] *Patents Tribunal, which shall have jurisdiction to hear and determine claims for the revocation of a patent, civil claims for infringement, applications for declarations of non-infringement and precautionary actions related to the above, provided that claims for damages arising from any infringement shall continue to be determined by the Civil Court, First Hall.*

2 Throughout this country profile, the term “Adjudicating Authority” refers to either the Patents Tribunal or the First Hall of the Civil Court, which may issue the order, as the case may be.



Non-compliance with an order

The Adjudicating Authority is competent in case of non-compliance.

The procedure begins with an application filed by the claimant before the Adjudicating Authority.

Possible sanctions include administrative penalties as established by the relevant Adjudicating Authority as well as / or imprisonment. In this regard, Art. 70 of the Code of Organization and Civil Procedure, Cap. 12 Laws of Malta, states as follows:

“(...) if any person knowingly avoids, obstructs ... any ... court order ..., he shall be guilty of contempt of court and shall be liable, on conviction, to the punishments mentioned in article 990.”

Accordingly, Art. 990 includes:

- a) reprimand;
- b) arrest;
- c) fines in terms of the Criminal Code (depending on the perceived gravity of the case).

Appeal/review

The order may be appealed upon an application filed within six days from the Adjudicating Authority's decree to the Court of Appeal.

Admissibility of evidence

Evidence obtained in other national proceedings (criminal, administrative or other civil) as well as in foreign proceedings is in principle admissible, however it may need to be specifically filed rather than merely referred to.

Legal basis and case law

Art. 5 Cap. 488³ Laws of Malta

II Measures for preserving evidence

Title of the order

Measures preserving evidence

Further available measures

There are no further available measures.

Basic procedural framework

The Adjudicating Authority is competent to issue such an order. The order may be issued either prior to commencement of proceedings on the merits, or during the proceedings on the merits. A court's marshal is responsible for enforcing the order.

Ex parte requests

Art. 6(2) Cap. 488 stipulates that the Adjudicating Authority may also, if it considers it necessary, on the balance of probabilities, order that such measures be taken without the other party having been heard, in particular where any delay is likely to cause irreparable harm to the right holders or where the court considers that there is an evident risk of the evidence being destroyed.

Ex parte requests are based on the balance of probabilities, and are filed in the records of the application for measures preserving evidence.

Protection available to defendant

Art. 6(3) and (5) Cap. 488 provide for a security or assurance intended to ensure compensation for any prejudice suffered by the other party. The calculation of adequate security (as referred to in Art. 7.2 ED) and appropriate compensation (as referred to in Art. 7.4 ED) lies at the discretion of the competent court.

Period to initiate proceedings on the merits

According to Art. 5(4) Cap. 488 measures to preserve evidence shall be revoked by the Adjudicating Authority if the claimant fails to institute proceedings on the merits within 31 days from the issuing of such measures.

Witness identity protection

The Adjudicating Authority may take such measures as it considers appropriate for the purpose of protecting the identity of witnesses, subject to respect for the right to a fair trial (Art. 6(6) and (7) Cap. 488).

Non-compliance with an order

The Adjudicating Authority is competent in case of non-compliance.

The procedure is initiated upon an application filed before the Adjudicating Authority.

The possible sanctions include administrative penalties as established by the Adjudicating Authority as well as / or imprisonment.

Appeal/review

The order may be appealed upon an application filed within six days from the Adjudicating Authority's decree to the Court of Appeal.

³ Cap. 488 of the Laws of Malta is the national legislation by means of which EU Directive 2004/48 was implemented into national law.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 6 Cap. 488 Laws of Malta

III Right of information

Title of the order

Right of information

Persons obliged to provide information

Only persons listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

Only information listed in Art. 8.2 ED shall be provided.

Competent authority

The Patents Tribunal and/or (according to circumstances) the First Hall of the Civil Court is the competent authority to order that information is produced, provided the court deems the claimant's request to be justified and proportionate⁴.

Non-compliance with an order

The Patents Tribunal and/or (according to circumstances) the First Hall of the Civil Court is competent in case of non-compliance.

The procedure begins upon an application filed before the relevant court.

The possible sanctions include administrative penalties as established by the relevant court as well as / or imprisonment.

Appeal/review

The order may be appealed upon an application filed in six days from the Adjudicating Authority's decree to the Court of Appeal.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 7 Cap. 488 Laws of Malta

IV Provisional and precautionary measures

Titles of the orders

Provisional and precautionary measures

Basic procedural framework

The Patents Tribunal is competent to issue such an order.

The order may be issued either prior to commencement of proceedings on the merits, or during proceedings on the merits. A court marshal is responsible for enforcing the order.

The period to initiate proceedings on the merits is 31 calendar days from the date of issue of the order prior to commencement of proceedings on the merits, after which the Court shall upon request of the defendant proceed to revoke the provisional measures (Art. 8(5) Cap. 488).

See also Part XI "Other appropriate sanctions" for interlocutory injunctions.

⁴ Art. 7(1) Cap. 488 Laws of Malta

Factors considered by the court

Proportionality (as referred to in Art. 3.2 ED), including potential delays, are factors considered by the court. In other words, it is examined whether the measures requested would be proportionate to the infringement in the circumstances; also, it would be examined whether proceedings of this kind are filed in a timely fashion with regard to the date of commencement thereof.

Recurring penalty payments

The decision on issuing an order for a recurring penalty payment and determination of levels thereof lies in the relevant Adjudicating Authority's discretion.

Provisional and precautionary measures against intermediaries

The right holder may apply for provisional and precautionary measures against intermediaries under the same conditions as against the alleged infringer.

Circumstances justifying an order for precautionary seizure

Where an infringement has been committed on what the court deems to be on a commercial scale, it may order a precautionary seizure subject to the claimant demonstrating the existence of circumstances likely to endanger the recover of damages (Art. 8(2) Cap. 488).

The decision on whether a circumstance is considered likely to endanger the recovery of damages and therefore able to trigger an order for precautionary measures lies at the court's discretion.

Assessment of required evidence

According to Art. 8(3) Cap. 488, the court may require the claimant to provide any reasonable evidence so as to be reasonably satisfied the the claimant is the right holder and that his right is either being infringed or is in imminent danger of being infringed. The assessment of the "reasonably available evidence" and "sufficient degree of certainty" as referred to in Art. 9.3 ED lies in the discretion of the court.

Conditions justifying *ex parte* order

The decision on issuance of an *ex parte* order is based on the court determining that any delay would cause irreparable harm to the right holder (Art. 8(4) Cap. 488). The same article goes on to state that the defendant shall have the right to request the court by application to review the measures, within a reasonable time after notification of the measures, whether such measures should be modified, revoked or confirmed.

Protections available to the defendant

The determination of adequate security or "appropriate compensation" as referred to in Art. 9.6 ED lies at the relevant Adjudicating Authority's discretion.

Art. 8(6) Cap. 488 provides for "equivalent assurances", however this is set at the Adjudicating Authority's discretion.

Non-compliance with an order

The Patents Tribunal and/or (according to circumstances) the First Hall of the Civil Court is competent in case of non-compliance.

The procedure begins upon an application filed before the relevant court.

The possible sanctions include administrative penalties as established by the relevant court and/or imprisonment.

Appeal/review

The order may be appealed upon an application filed in six days from the Adjudicating Authority's decree, to the Court of Appeal.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 8 Cap. 488 Laws of Malta

V Corrective measures

Title of the order

Corrective measures

Other available measures in Malta

There are no further measures other than those provided for in Art. 10.1(a)–(c) ED.

Basic procedural framework

The Patents Tribunal is competent to issue such an order in its Decision on the main proceedings on the merits. A court marshal or the local customs authority, depending on the circumstances, is responsible for enforcing the order.

In order to seek the remedies indicated in Art. 10.1 ED an application must be duly filed for that purpose. The applicant may ask for two remedies in parallel.

Assessment of proportionality for ordering remedies

The following factors are taken into account by the court when considering the request: proportionality between the seriousness of the infringement and the remedies ordered whilst taking into account the interests of third parties (Art. 9(3) Cap. 488). The court shall order that such measures are carried out at the expense of the infringer unless particular reasons are invoked for not doing so (Art. 9(2) Cap. 488).

Evidence of destruction

Since enforcement of the order is executed by the court marshal or local customs authority, no further proof need be provided.

Non-compliance with an order

The Patents Tribunal is competent in case of non-compliance.

The procedure begins upon an application.

The possible sanctions include administrative penalties as established by the Patents Tribunal as well as / or imprisonment.

Appeal/review

An order for corrective measures may only be appealed with an application filed before the Court of Appeal within 20 days from the decision of the Patents Tribunal. The law is actually silent on the possibility of appeal however it is presumable that this is indeed possible.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 9 Cap. 488 Laws of Malta
Art. 8(1) Cap. 414 Laws of Malta
Arts. 47, 48 and 58 Cap. 417 Laws of Malta

VI Injunctions

Title of the order

Injunctions

Basic procedural framework

The Patents Tribunal is competent for issuing an injunction.

The enforcement procedure is carried out by a court marshal.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries (Art. 10(2) Cap. 488).

Compulsory licence as a defence

The law does not forbid bringing forward aspects justifying the grant of a compulsory licence as a defence in infringement proceedings.

Court's discretion if finding of infringement

An injunction is generally requested in the action when commencing patent infringement proceedings. If not already done, and if there is a finding of infringement, the Patents Tribunal may issue an injunction, if it considers it justifiable, in terms of Art. 10(1) of Cap. 488.

Non-compliance with an order

The Patents Tribunal is competent in case of non-compliance. The procedure begins upon an application.

Possible sanctions include administrative penalties as established by the relevant Adjudicating Authority as well as / or imprisonment. In this regard, Art. 70 of the Code of Organization and Civil Procedure, Cap. 12 Laws of Malta, states as follows:

"(..) if any person knowingly avoids, obstructs ... any ... court order ..., he shall be guilty of contempt of court and shall be liable, on conviction, to the punishments mentioned in article 990."

Accordingly, Art. 990 includes:

- d) reprimand;
- e) arrest;
- f) fines in terms of the Criminal Code (depending on the perceived gravity of the case).

Appeal/review

An injunction order may only be appealed on points of law, upon application filed before the Court of Appeal within 20 days from the Patent Tribunal's Decision. The law is actually silent on this point however it is presumed that this is indeed the case.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 10 Cap. 488 Laws of Malta
Arts. 47, 48 and 58 Cap. 417 Laws of Malta

VII Alternative measures

Title of the order

Alternative measures

Basic procedural framework

The Patents Tribunal is competent to issue alternative measures, and has discretion to determine the amount for pecuniary compensation instead of applying corrective measures or ordering an injunction.

Art. 11 Cap. 488 lays down the conditions which may justify the application of alternative measures:

- a) if the court is of the opinion that the infringer involved has acted unintentionally and without negligence,
- b) if execution of the measures in question would cause the infringer disproportionate harm and
- c) if pecuniary compensation to the injured party appears reasonably satisfactory.

Non-compliance with an order

The Patents Tribunal is competent in case of non-compliance.

The procedure begins upon an application.

The possible sanctions include: administrative penalties as established by the relevant court as well as / or imprisonment, *mutatis mutandis* as with the cases of other instances of contempt of court indicated herein.

Appeal/review

The decision may be appealed upon an application filed before the Court of Appeal, in each case within 20 days from the date of the decision/judgement. The law is actually silent on this point however it is presumed that this is indeed the case.

Non-compliance with UPC-issued order

According to Art. 83(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 11 Cap. 488 Laws of Malta
Arts. 47, 48 and 58 Cap. 417 Laws of Malta

VIII Damages

Calculation methods available in Malta

The subject of damages for malicious or tortious actions is primarily regulated in the Civil Code. The measures indicated in Cap. 488 Laws of Malta are aimed at aiding the court with regard to the quantification of damages as well as setting certain alternative sanctions according to circumstances.

Basic procedural framework

The legislation appears to allow a claim for damages to be brought in infringement proceedings filed before the Patents Tribunal⁵. Furthermore, according to Art. 58A Cap. 417, the First Hall, Civil Court is also competent to hear actions for damages arising from any infringement.

Therefore the claimant may file a “non-damages” infringement action before the Patents Tribunal and a separate “damages” infringement action before the First Hall of the Civil Court, if there is a finding of infringement.

The right holder may request information according to Art. 7(3) Cap. 488 during proceedings to calculate damages.

Methods of calculation

Both calculation methods referred to in Art. 13.1 ED are available in Malta. Article 12(2) Cap. 488 essentially implements this article which is very flexible as to how damages are calculated.

The right holder cannot choose between different calculation methods. Generally the right holder files a damages claim however the right holder can then submit evidence leading to the calculation of one form of damages award in lieu of another.

Evidence of lack of knowledge

The law provides that where the Court is of the opinion that the infringer did not knowingly engage in an infringing activity, it may order the recovery of profits or the payment of damages, as may be pre-established in regulations made under the relevant legislation. To date however, no such regulations have been issued.

Non-compliance with an order

The relevant Adjudicating Authority is competent in case of non-compliance. The procedure begins upon an application. Possible sanctions include: administrative penalties as established by the relevant court as well as / or imprisonment.

Appeal/review

The order for payment of damages can be appealed upon an application filed before the Court of Appeal:

- a) within 30 days from the relative Decision Date in the case of the Patents Tribunal
- b) within 20 days from the relative judgement date in the case of the First Hall of the Civil Court.

⁵ Art. 47(2), Cap. 417

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 12 Cap. 488 Laws of Malta
Arts. 47, 48, 58 and 58A Cap. 417 Laws of Malta
Arts. 1029-1051 Cap. 16 Laws of Malta

IX Legal costs

Overview of assessment of costs

Costs are decided in the infringement action. According to Art. 13 Cap. 488 “judicial costs and other expenses incurred by the successful party are borne by the unsuccessful party unless the Patents Tribunal considers that equity otherwise requires”.

“Legal costs and other expenses” as referred to in Art. 14 ED appear to cover so-called “judicial expenses” (i.e. lawyer fees, court fees, other ancillary costs directly associated with the litigation and calculated by the registry of the relevant court) as well as “extra-judicial expenses” (“out of court” lawyer fees and other ancillary costs in relation to the litigation).

Judicial expenses are calculated by the registry of the court in accordance with a tariff fixed by law.

Extra-judicial expenses are calculated by the attorney for each of the parties in line with guiding principles contained in a tariff fixed by law.

Legal basis and case law

Art. 13 Cap. 488 Laws of Malta
Art. 58A Cap. 417 Laws of Malta

X Publication of judicial decisions

Title of the order

Publication of judicial decisions

Basic procedural framework

According to Art. 14 Cap. 488 the Adjudicating Authority may, at the request of the claimant and at the expense of the infringer, order appropriate measures for the dissemination of the information concerning its decision, including displaying the decision and publishing it in full or in part.

The court may also issue an order for additional publicity measures it deems appropriate.

Non-compliance with an order

The Patents Tribunal and/or (according to circumstances) the First Hall of the Civil Court are/is competent in case of non-compliance.

The procedure begins upon an application.

The possible sanctions include: administrative penalties as established by the relevant Adjudication Authority as well as / or imprisonment.

Appeal/review

The order for publication of the decision can be appealed upon an application filed before the Court of Appeal. The law is actually silent on this point however it is presumed that this is indeed the case.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. Thus, *mutatis mutandis*, the rules of enforcement applicable to non-compliance with an order issued by the Adjudicating Authority would apply to non-compliance with a UPC-issued order.

Legal basis and case law

Art. 14 Cap. 488 Laws of Malta

XI Other appropriate sanctions

Name and type of sanctions

Article 3 Cap. 488 states that the entire content of Cap. 488 operates “in addition to all other means provided by law for the enforcement of their intellectual property rights”.

In this regard, the Patents and Designs Act (Cap. 417 Laws of Malta) refers to the classic, general form of interlocutory injunction (usually used for pre-trial relief) known as the “warrant of prohibitory injunction” (Art. 47(2) Cap. 417), regulated by the Code of Organisation and Civil Procedure, Cap. 12 of the Laws of Malta.

Non-compliance with an order

The Adjudicating Authority is competent in case of non-compliance.

The procedure begins upon an application.

The possible sanctions include: administrative penalties as established by the relevant Adjudicating Authority as well as / or imprisonment *mutatis mutandis* as with the cases of other instances of contempt of court indicated herein.

Appeal/review

In the case of a pre-trial warrant of prohibitory injunction, this must be followed by civil judicial proceedings within 20 days from the relative Order. The aggrieved party may ask for revocation/review of the Order, and should typically do this before the Patents Tribunal as soon as possible thereafter (no fixed time at law).

Legal basis and case law

Art. 3 Cap. 488 Laws of Malta

XII Additional options

Other available options in Malta

- a) General provisions of law contained in the Criminal Code, Cap. 9 Laws of Malta, Arts. 298(1)(e) and 298B;
- b) Specific (criminal) provisions of law contained in the Patents and Designs Act, Cap. 417 Laws of Malta, Arts. 50-57; and

- c) Specific (criminal) provisions of law contained in the Enforcement of Intellectual Property Rights (Cross Border Measures) Act, Cap. 414 Laws of Malta, Art. 11.

Criminal proceedings

The criminal courts are the competent judicial authority depending on the circumstances i.e. the Court of Magistrates (Malta), the Court of Magistrates (Gozo) and the Criminal Court as courts of first instance, and the Court of Criminal Appeal as an appellate court.

Border measures

Moreover, in terms of Art. 4 Cap. 414 Laws of Malta (which is separate from EU Regulation 608/2013 although similar in principle), “The entry into Malta, export or re-export, release for free circulation, temporary importation, placing in a free zone or free warehouse of goods found to be goods infringing an intellectual property right shall be prohibited”.

In this regard, “goods infringing an intellectual property right” are defined as “goods infringing a patent under Maltese law” (Art. 2(1)(c), with reference to Cap. 417 Laws of Malta).

Non-compliance with an order

For criminal proceedings, the sanctions for a guilty verdict includes: administrative penalties as established by court order.

For proceedings relating to border regulations, sanctions will be applied *mutatis mutandis* as with the cases of other instances of contempt of court indicated herein.

Legal basis and case law

Arts. 298(1)(e) and 298B Cap. 9 Laws of Malta
Arts. 50-57 Cap. 417 Laws of Malta
Art. 11 Cap. 414 Laws of Malta

The Netherlands

I Evidence

Title of the order

Inzagevordering (request for access/disclosure)

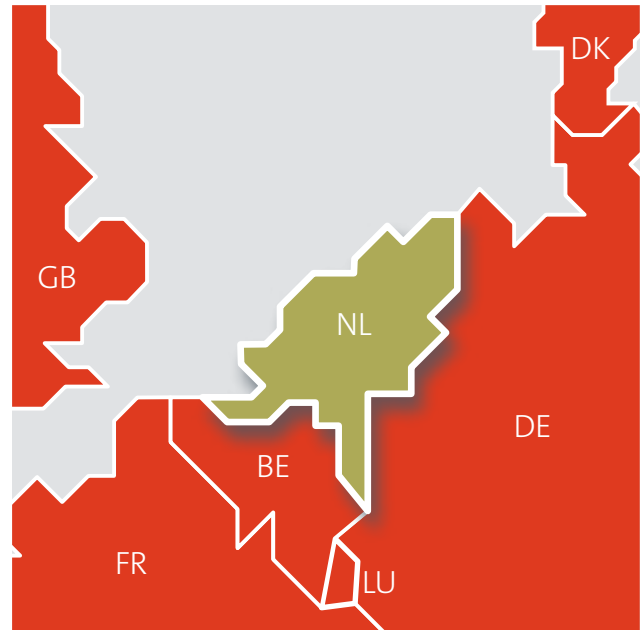
Basic procedural framework

In the Netherlands, the requesting party generally uses a two-stage mechanism: first one secures the relevant evidence on an *ex parte* basis by means of a so-called *bewijsbeslag* (evidentiary seizure of a preservative nature; see also Part II), and subsequently one files the *inzagevordering* in *inter partes* proceedings.

The competent authority to grant the access/disclosure order would be either:

- the court at the seat of the defendant
- the court where the evidence is available
- if filed in infringement proceedings, the Hague District Court¹.

The preliminary measures judge of the court in the jurisdiction where the evidentiary seizure is to be executed is competent with regard to the *ex parte bewijsbeslag*. *Bewijsbeslag* is generally requested in *ex parte* proceedings and is enforced by a bailiff. The requesting party and its counsel cannot be present, due to the fact that no decision has been rendered yet on access to the seized (potentially confidential) material. Material seized in this way is normally kept by a custodian² until the seizure is lifted or access is granted. A separate court order is required for the *inzagevordering* (access/disclosure claim), which can be obtained in summary *inter partes* proceedings, but which can also be obtained in separate merits proceedings or as part of infringement proceedings on the merits. Once access/disclosure has been ordered in *inter partes* proceedings the requesting party will be provided with the seized material (or a part thereof). The courts sometimes award access/disclosure only through independent experts who select the relevant evidence from the seized material (according to a case specific protocol given by the court).



Provision of evidence by third parties

Both the *bewijsbeslag* and access/disclosure proceedings may also be used to obtain evidence in control of third parties in the same way as described above.

Assessment of evidence in support of the application

The claimant will have to be as specific as possible with regard to the evidence that is to be seized, so as to avoid fishing expeditions. Access/disclosure orders can also only be requested with regard to more or less specified documents (*bepaalde bescheiden*). How specific the documents should be specified is often a point of debate in legal proceedings. In any case it should be specific enough to avoid a fishing expedition (where the requesting party just guesses in the hope that perhaps relevant documents exist) while it is not necessary to be so specific as to be able to pinpoint exactly every document of interest (i.e. it is not necessary to specify names of the documents etc.).

There is no generally applicable standard as to what constitutes reasonably available evidence to support the claimant's claim (as referred to in Art. 6.1 ED), but for instance if the evidence sought only relates to a certain feature of the claim(s) of the allegedly infringing patent, the

¹ The Hague District Court is the competent court in the Netherlands for patent cases. Throughout the profile it will be referred to as the "patent court".

² The custodian is appointed by the court, upon a proposal by the requesting party. In principle the custodian could be anyone, but will generally be someone with the facilities and the necessary knowledge to provide for safe keeping of the seized evidence (e.g. an IT specialist).

court might require that evidence of the presence of the other features is presented before allowing access to / disclosure of the additional evidence.

Protection of confidential information

Confidential information may be seized through the *bewijsbeslag*. However, the confidentiality of the seized information plays an important role in the subsequent *inter partes* proceedings on the request for access to the seized material. When granting access to such confidential information, the courts may impose measures limiting the circle of people/entities to gain access and/or a purpose restriction (such as only for use in infringement proceedings) all subject to a penalty sum for non-compliance.

In addition, the court may grant access only through independent third party experts, who are tasked with filtering the seized material so that no, or as little as possible, confidential information reaches the claimant.

Non-compliance with an order

Bewijsbeslag can be effected by the bailiff with police assistance if necessary, and/or the claimant could ask the preliminary measures judge who granted leave for the *bewijsbeslag* to attach (even higher) penalty payments for non-compliance.

The same applies to an access/disclosure order, which are also subject to penalty payments for non-compliance.

In addition, the bailiff may give notice of the forfeiture of penalty payments (if attached to the seizure order).

The system of penalty payments works such that a penalty payment is attached to non-compliance with the court order by the seized party, for instance a penalty sum of a certain amount per day or hour of non-compliance. If the seized party subsequently fails to comply the penalty sum is triggered. The claimant can then have the bailiff give notice of the forfeiture of the penalty payments and, if the seized party does not willingly pay, have assets seized and auctioned off. The penalty payments are made to the benefit of the claimant.

Appeal/review

After a *bewijsbeslag* (evidentiary seizure), the defendant may apply to have the seizure lifted in summary proceedings before the preliminary measures judge of the jurisdiction in

which the seizure was ordered. The legal test is whether the defendant can show that there are no reasonable grounds to suspect infringement, e.g. because the IP title is *prima facie* invalid or because there is clearly no infringement.

The decision on the request to lift the seizure can be appealed according to the normal appeal rules of Dutch civil law, i.e. a *de novo* appeal before the Court of Appeal. The Court of Appeal decision may be appealed to the Supreme Court on points of law only.

The decision to allow access/disclosure (be it in preliminary proceedings or in merits proceedings) is also subject to the normal appeal rules. Appealing a decision suspends it, unless it was rendered enforceable notwithstanding the appeal (which is often the case).

The defendant may apply to lift the seizure order as long as the seizure is intact. Appealing a decision to grant access must be done within the normal appeal terms, i.e. three months as of the rendering of the decision in merits proceedings and four weeks in preliminary proceedings.

Admissibility of evidence

In principle any evidence may be submitted and will be admissible in Dutch civil proceedings, even unlawfully obtained evidence. Whether to allow evidence and what weight to accord it is at the discretion of the judge(s).

Similarly, evidence obtained in proceedings both before other EU member state courts as well as courts from outside the EU is in principle admissible.

Legal basis and case law

Dutch civil code of procedure (DCCP), book 1, title 2, section 9 (evidence)

DCCP book 3, title 4 (conservatory measures)

DCCP book 3, title 7, section 1 (copies and access to deeds and evidence)

DCCP book 3, title 15 (legal procedure regarding intellectual property)

Dutch Supreme Court, 9 December 2016, *Synthon v Astellas*
 Dutch Supreme Court, 18 November 2016, *Synthon v Astellas*
 Dutch Supreme Court, 13 November 2015, *AIB v Novisem*
 Dutch Supreme Court, 13 September 2013, *Molenbeek*
 Dutch Supreme Court, 8 June 2012, *ADIB v Fortis*

II Measures for preserving evidence

Titles of the orders

Bewijsbeslag (evidentiary seizure) and *gedetailleerde beschrijving* (detailed description)

Further available measures

The taking of a sample (*monsterneming*) is also possible.

Basic procedural framework

The competent authority is the preliminary measures judge of the District Court in the jurisdiction the measure is to be carried out.

These measures are requested in separate summary proceedings, possibly *ex parte*, and are enforced by a bailiff. The requesting party and its counsel cannot be present, due to the fact that no decision has been rendered yet on access to the seized, sampled and/or described (potentially confidential) material. Material obtained in this way is kept by a custodian pending access/disclosure order proceedings. See also Part I above.

Ex parte requests

The threshold does not seem to be very high for preservative measures, as these will always be followed by *inter partes* proceedings before access is granted/obtained.

The party against whom the measures have been adopted may request the same preliminary measures judge to review them. This is done in *inter partes* summary proceedings.

Protection available to defendant

If the court considers ordering a security to be lodged by the claimant, the claimant will have the opportunity to comment on this as well as what would constitute adequate security.

The value of the security which has to be deposited may be based on the value of the seized object(s).

General principles of Dutch compensation apply, which aims to put the defendant back in the situation he would have been in without the measure.

Period to initiate proceedings on the merits

This is determined by the preliminary measures judge who orders the measure (usually about three months).

Witness identity protection

Art. 7.5 ED has not been implemented in the Netherlands as Dutch civil law is considered not to have such witness (identity) protection.

Non-compliance with an order

The order(s) are to be executed by the bailiff with assistance of the police if necessary. The claimant may also request the judge who granted the order(s) to impose an additional penalty payment for non-compliance.

In addition, the bailiff may give notice of the forfeiture of the penalty payments, if initially imposed with the original order.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

Legal basis and case law

DCCP book 3, title 4 (conservatory measures)

DCCP book 3, title 7, section 1 (copies and access to deeds and evidence)

DCCP book 3, title 15 (legal procedure regarding intellectual property)

Dutch Supreme Court, 9 December 2016, *Synthon v Astellas*
 Dutch Supreme Court, 18 November 2016, *Synthon v Astellas*
 Dutch Supreme Court, 13 November 2015, *AIB v Novisem*
 Dutch Supreme Court, 13 September 2013, *Molenbeek*
 Dutch Supreme Court, 8 June 2012, *ADIB v Fortis*

III Right of information

Title of the order

Recht op inlichtingen (right to information)

Persons obliged to provide information

No persons other than those listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

In addition to the measures outlined in Art. 8.2 ED, the claimant may request the court to order the defendant to render accounts showing profit as a result of the infringement.

Competent authority

During proceedings on the merits the patent court is the competent authority to issue this order.

If a sufficiently urgent interest is shown, such an information order could also be given in summary proceedings. This will depend on whether the information is needed to prevent any (further) infringement or merely to assess damages.

Non-compliance with an order

The order will generally be issued against a penalty payment. In case of non-compliance, the claimant may give notice of forfeiture of the penalty payment and if necessary seize assets of the defendant and auction them off. If this results in too little incentive for the defendant to comply, the claimant could request a higher penalty payment in summary proceedings before the patent court.

Appeal/review

The decision can be appealed within the normal appeal terms i.e. within three months of the decision in merits proceedings and four weeks in preliminary proceedings. The appeal will be heard *de novo* by the Court of Appeal. The Court of Appeal decision may be appealed to the Supreme Court on points of law only.

Appealing the measure will suspend it unless it was ordered to be enforceable notwithstanding appeal.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

Legal basis and case law

DCCP book 3, title 15 (legal procedure regarding intellectual property)

Dutch Patent Act chapter 4 (enforcement of patents)

IV Provisional and precautionary measures

Titles of the orders

Voorlopig verbod (interlocutory injunction)

Conservatoir beslag (precautionary seizure)

Basic procedural framework

The competent authority is the preliminary measures judge at the patent court.

In principle, the orders are issued in separate summary proceedings (either before or in parallel to merits proceedings). It is also possible to request such orders within merits proceedings (for instance a provisional injunction pending the duration of the merits proceedings).

The period to initiate proceedings on the merits is determined by the preliminary measures judge who grants the interlocutory injunction or precautionary seizure.

Both a granted interlocutory injunction and a precautionary seizure are enforced by the bailiff who is tasked with executing the decisions of the courts.

Factors considered by the court

Dutch preliminary injunction (PI) proceedings are essentially a “mini-trial on the merits”, i.e. both infringement and validity are considered in the decision. The court (one judge in PI proceedings) will grant preliminary relief if it is sufficiently satisfied that the patent is valid and infringed. The court must be convinced that there is not a serious possibility of revocation of the patent(s) in proceedings on the merits or in EPO opposition proceedings, and a real possibility that a

Dutch court will find infringement in proceedings on the merits. The law also requires the existence of an urgent interest in the grant of a preliminary injunction.

Supreme Court case law provides that urgency exists as long as it can be substantiated that there is a continuing infringement or threat thereof. Recent developments in Dutch lower court case law indicate however that an urgent interest also requires that the patent owner acts swiftly against alleged infringements, and does not wait for a period of several months without proper justification.

The PI judge is not required to assess the balance of convenience. There is no bias, for instance, against claimants who do not manufacture or sell the patented products in the Netherlands (non-practising entities).

For a precautionary seizure, the claimant will have to persuade the judge that there is a risk of not being able to recover damages from the defendant, i.e. if the defendant has no immovable assets in the Netherlands or if there are other circumstances that point in this direction.

Recurring penalty payments

A recurring penalty payment is generally imposed, although subject to a maximum amount which is determined by the court based on the facts and circumstances of the case.

The claimant will request the court to impose certain penalty payments, the amounts of which the defendant may dispute. The court then decides on a level (i.e. amount and maximum).

Provisional and precautionary measures against intermediaries

The Dutch Patent Act (hereinafter DPA) provides that provisional and precautionary measures may be ordered against intermediaries (Art. 70(9) DPA).

Circumstances justifying an order for precautionary seizure

See “Factors considered by the court” above.

Assessment of required evidence

The rules of evidence are flexible in preliminary measures proceedings, so as to allow the PI judge to consider whether

the assertions of the parties are plausible based on their statements and submitted evidence.

For evidence of infringement, the same flexible principle applies. It is at the judge’s discretion whether the evidence is deemed to be sufficiently convincing. Assertions of one party that remain undisputed by the other party are accepted as true.

Conditions justifying *ex parte* order

Ex parte orders are mostly determined on the basis of urgency, i.e. for an *ex parte* injunction a higher urgency threshold applies than for an *inter partes* preliminary injunction (e.g. when only days before a trade fair a right holder finds out infringement will likely take place there).

“Irreparable harm” (as referred to in Art. 9.4 ED) is considered harm that will (probably) not be reversible, e.g. infringement at a trade fair (once the fair is over, potential damage done is potentially irreversible), or price erosion.

Protections available to the defendant

If the court considers ordering “adequate security” (as referred to in Art. 9.6 ED) from the claimant, it will allow the claimant to comment on that and on what would constitute adequate security. Sometimes the amount for which security must be deposited is based upon the value of the alleged infringing products. Another method in case law is to determine the amount of security equal to the (expected) costs the defendant will have for putting up security (in case of conservatory measures intended to guarantee redress). The defendant may ask the court to lift a seizure that is intended to guarantee that the claimant will have redress, by offering to give a bank guarantee instead. However, the defendant will have to make costs for providing such a bank guarantee, and it is for these costs that the claimant will have to put up security.

Appropriate compensation (as referred to in Art. 9.7 ED) depends upon the facts of each case, but the general rule for the amount of damages is to put the party that suffered damage back to where they would have been without the act that caused the damage.

In case of a later overturned interlocutory injunction “appropriate compensation” (as referred to in Art. 9.7 ED) can be calculated by comparing the effect of the injunction with the hypothetical situation the defendant would have been in without the injunction, or by looking at the unjust profit the claimant made for the duration of the injunction.

Non-compliance with an order

The order(s) are to be executed by the bailiff with assistance of the police if necessary. The claimant may also request the judge who granted the order(s) to impose an additional penalty payment for non-compliance.

In addition, the bailiff may give notice of the forfeiture of the penalty payments, if initially imposed with the original order.

Appeal/review

The defendant may request the lifting of the precautionary seizure in summary proceedings before the PI judge of the patent court.

The decision can be appealed within the normal appeal terms i.e. within three months of the decision in merits proceedings and four weeks in preliminary proceedings. The appeal will be heard *de novo* by the Court of Appeal. The Court of Appeal decision may be appealed to the Supreme Court on points of law only.

Appealing the measure will suspend it unless it was ordered to be enforceable notwithstanding appeal.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

Legal basis and case law

Dutch Patent Act chapter 4 (enforcement of patents)
DCCP book 3, title 4 (preservatory measures)
DCCP book 3, title 15 (legal procedure regarding intellectual property)

Dutch Supreme Court, 21 April 1995, *Boehringer Mannheim v Kirin Amgen*

V Corrective measures

Title of the order

Ontrekking aan het verkeer (recall and removal)
Vernietiging (destruction)

Basic procedural framework

The competent authority is the patent court and Court of Appeal of The Hague and the preliminary measures judge of those courts.

These measures are usually requested in main proceedings on the merits, although they may also be requested in preliminary proceedings, subject to the claimant proving a sufficient urgent interest. The patent court will consider whether there are reasons for not ordering these measures at the expense of the defendant. In addition, proportionality will be assessed before the order is granted. The bailiff is responsible for enforcing these measures, if necessary with police assistance.

The procedure for corrective measures is following. The claimant must request a recall by writ (e.g. as an ancillary claim in main infringement proceedings). Generally the request is for the defendant to be ordered to send out a recall to its customers, asking those customers to return any infringing products they might (still) have.

In addition the claimant may request an order that the infringer will destroy the returned goods, and present proof of destruction (subject to forfeiting penalty payments for non-compliance).

The claimant may ask for two of the abovementioned measures in parallel.

“Particular reasons” (as referred to in Art. 10.2 ED) not to carry out the measures at the expense of the infringer lies at the discretion of the court.

Assessment of proportionality for ordering remedies

The court will assess “proportionality” (as referred to in Art. 10.3 ED) at its own discretion on a case-by-case basis.

Evidence of destruction

There is no official evidence for proving destruction. A claimant may suggest the evidence needed to prove destruction, which the court may include in its decision, or the court may decide on the appropriate evidence.

Non-compliance with an order

The order will generally be issued against a penalty payment. In case of non-compliance, the claimant may give notice of forfeiture of the penalty payment and if necessary seize assets of the defendant and auction them off. If this results in too little incentive for the defendant to comply, the claimant could request a higher penalty payment in summary proceedings before the patent court.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

Legal basis and case law

Dutch Patent Act chapter 4 (enforcement of patents), Article 70(7)

Dutch Supreme Court 23 February 1990, *Hameco v SKF*

VI Injunctions

Title of the order

Verbod (injunction)

Basic procedural framework

The competent authorities are the District Court and Court of Appeal of The Hague. It is the claimant who is responsible for enforcing the injunction, and who must instruct a bailiff.

Injunctions against intermediaries

As with preliminary injunctions, final injunctions may be issued against intermediaries (Art. 70(9) DPA).

Compulsory licence as a defence

A compulsory licence (e.g. for non-use or the existence of a dependent patent) may be raised as a defence and in a counterclaim in infringement proceedings commenced by the patentee. It may be decided together with the infringement claim.

Court’s discretion if finding of infringement

In principle, once the court has established infringement it must issue an injunction. This follows from Article 3:296(1) of the Dutch Civil Code (hereinafter DCC) and Supreme Court case law (see below). This is not absolute; if the circumstances of the case would demand it, a court could deviate from this starting point.

The court may for instance deny a claim for an injunction in light of important public interest (Article 6:168 DCC) or if it deems the claimed injunction to amount to abuse of (procedural) law (Article 3:13 DCC). It will however be very restrictive in refusing to grant an injunction when infringement of a valid patent has been established.

Non-compliance with an order

The order(s) are to be executed by the bailiff with assistance of the police if necessary. The claimant may also request the judge who granted the order(s) to impose an additional penalty payment for non-compliance.

In addition, the bailiff may give notice of the forfeiture of the penalty payments, if initially imposed with the original order.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

Legal basis and case law

Dutch Patent Act chapter 4 (enforcement of patents)
 DCC Book 3, title 1, section 1 (matters relating to property rights)
 DCC Book 3, title 11 (legal claims)
 DCC Book 6, title 3, section 1 (general rules on tort)

Dutch Supreme Court 15 December 1995
 ECLI:NL:HR:1995:ZC1919, (*Procter & Gamble v Kimberley-Clark*)
 Dutch Supreme Court 28 June 1985 ECLI:NL:HR:1985:AC8976,
 (*Claas / Van Tongeren*)

VII Alternative measures

Article 12 ED has not been implemented in the Netherlands.

VIII Damages

Calculation methods available in the Netherlands

Damages may be calculated on the basis of:

- actual damages (past and future loss) of sales and profits)
- fictitious damages (loss of licence fees), or
- surrender of profits made by the infringing party.

If different amounts are available from the different calculations the claimant is entitled to the highest amount.

Basic procedural framework

In practice, damages are calculated and awarded in separate and subsequent proceedings, after liability has been established. However, it would be possible to claim infringement and the award of damages in the same proceedings.

If the determination of the amount of damages is subject of separate proceedings, the competent authority is the patent court. A claim as per Art. 8 ED may be lodged to order the defendant to render an account of the profit made by the infringement (Article 70(5) DPA). This (ancillary) claim is also generally included in the infringement proceedings, but could be requested as part of the damages proceedings.

Methods of calculation

The claimant may choose the calculation method that yields the highest award of damages. Therefore the claim is for an order to pay damages and/or lost profits, whichever turns out to be the higher.

Mixing and matching different calculation methods is possible only to a limited extent. For instance, surrender of profits cannot be combined with damages based on lost profits³. However, surrender of profits may be combined with other damage factors, e.g. price erosion.

Most damage proceedings are settled. There are therefore too few decisions to say which method of damage calculation is generally applied in the Netherlands.

Evidence of lack of knowledge

This depends on the facts and circumstances of the case, but the general rule is that a party who has been put on notice (e.g. by way of a cease and desist letter) and is later found to infringe, is considered to have known or to have had reasonable grounds to know as of the date of notice.

Non-compliance with an order

An order to pay damages can be executed using the normal legal means at the disposal of any legal entity in the Netherlands for executing a legal title, i.e. instructing a bailiff to seize assets of the debtor and auction these off.

Appeal/review

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

³ Dutch Supreme Court 14 April 2000, ECLI:NL:HR:2000:AA5519, *HBS/Danestyle*

Legal basis and case law

Dutch Patent Act chapter 4 (enforcement of patents)
DCCP Book 2, title 6 (on damages)

Dutch Supreme Court 14 April 2000,
ECLI:NL:HR:2000:AA5519, HBS/Danestyle
Dutch Supreme Court, 14 November 2014,
ECLI:NL:HR:2014:3241 Shoppingspel III

IX Legal costs

Overview of assessment of costs

An overview of costs is submitted by the parties shortly before the hearing and usually includes the fees of Dutch and foreign patent counsel and any disbursements (such as expert costs). Parties often try to agree on a cost amount beforehand. If the parties agree on an amount, the court will award that.

If there is no such agreement the calculation of costs will depend on the objections of the losing party against the winning party's cost specification and what the court deems reasonable and proportionate. The costs of the winning party being significantly higher in total is not enough to conclude that they are unreasonable or disproportionate, nor is a complaint limited to the hourly rate. The legal costs and other expenses include i.a. fees for counsel, patent attorneys (if applicable), costs for obtaining experts, disbursements for couriers and translations. Legal costs are decided in the infringement action.

Article 14 ED is implemented in Article 1019h DCCP. If applicable, the costs are awarded as described above, i.e. not on a flat-rate scheme. Article 1019h DCCP is applicable if the case concerns intellectual property enforcement, i.e. infringement proceedings and proceedings closely relating to (the threat of) infringement. 'Pure' or independent nullity proceedings are not governed by Article 1019h DCCP⁴. In that case a flat-rate scheme applies which covers only a fraction of the actual costs.

Legal basis and case law

DCCP book 3, title 15 (legal procedure regarding intellectual property)

CJEU 15 November 2012, C-180/11 *Bericap/Plastinnova*
Dutch Supreme Court 30 May 2008, *Endstra-tapes*
Dutch Supreme Court 3 June 2016, *Wieland v GIA*
Dutch Supreme Court 18 May 2018, *Becton v Braun*

X Publication of judicial decisions

Title of the order

Rectificatie: Article 70(12) DPA provides for a broad open-ended measure of disseminating information concerning the decision.

Basic procedural framework

What is required to be published depends on the claimant and is at the discretion of the court. Generally what is claimed is that the defendant publishes a "rectification" on its website or other (social) media channels and/or sends a "rectification" letter to its customers.

The competent judicial authority is the patent court, both in merits proceedings and in preliminary measures proceedings.

The court considers whether such publication is proportionate and not unreasonably burdensome. The court may for instance rule that there is infringement and order an injunction, but may still deny the order for rectification.

Non-compliance with an order

A rectification order is generally reinforced with penalty payments, the forfeiture of which can be given notice of by a bailiff. If necessary the forfeited penalty sums can be collected by seizing and auctioning off assets of the infringer. If this turns out to be too little incentive for the infringer to comply, the patentee could request higher penalty sums in summary proceedings at The Hague courts.

Appeal/review

See Part III "Appeal/review".

⁴ CJEU 15 November 2012, C-180/11 *Bericap/Plastinnova*

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in the Netherlands. See “Non-compliance with an order” for further details.

Legal basis and case law

Dutch Patent Act Chapter 4 (enforcement of patents)

District Court the Hague 25 April 2018,
ECLI:NL:RBDHA:2018:4810, *HP / Benson*

XI Other appropriate sanctions

Not available in the Netherlands.

XII Additional options

Other available options in the Netherlands

Wilful infringement is subject to criminal punishment (commercial wilful infringement may result in up to four years’ imprisonment). However, it is policy of the public prosecutor to leave intellectual property enforcement primarily to civil proceedings. Only in cases where public health is concerned, criminal organisations involved or in cases of grand-scale counterfeiting and piracy will the public prosecutor get involved. The right holder will have to file a criminal complaint with the public prosecutor in such a case.

Patents may also be enforced through border detention measures. The Dutch customs authorities have become rather sophisticated (upon the request of IP proprietors) in detecting and detaining infringing products entering the European market via the Netherlands. IP proprietors may request the co-operation of customs by filing a border detention request, listing the relevant IP rights, and providing sufficient details for recognising the goods upon arrival. When customs authorities encounter products which conform to a border detention request, they will normally retain the products and inform the IP proprietor forthwith. The IP proprietor then has up to a maximum of 20 working days to

- (i) inspect the products, and, if appropriate,
- (ii) initiate civil proceedings (preliminary seizure, summary injunction proceedings, proceedings on the merits).

Border detention measures may be requested for counterfeit goods, not for parallel imports.

Non-compliance with an order

In case of non-compliance with a criminal sanction, the sanction will be enforced by the police.

In case of border detention measures the party whose goods are detained has no choice about compliance as the products are out of its control (i.e. the goods are in the control of the customs authorities).

Legal basis and case law

Dutch Patent Act Chapter 4 (enforcement of patents)

Norway

I Evidence

Title of the order

Begjæring om bevistilgang (procedure to present evidence)

Basic procedural framework

Any court of law that is competent to hear the case may issue such an order. For patents, this would normally be the Oslo District Court and the Borgarting Court of Appeal¹. However, in interlocutory proceedings it could also be another district court or another court of appeal, or it may be the Oslo County Court (*Oslo byfogdembete*), which is a specialised court for interlocutory and enforcement proceedings.

The order may be issued in interlocutory proceedings or in the main proceedings. The court of law is responsible for enforcing the order and is assisted by the bailiff (see “Non-compliance with an order” below).

Provision of evidence by third parties

If the specified evidence lies in control of a third party the court may, upon application by a party, order that third party present such evidence.

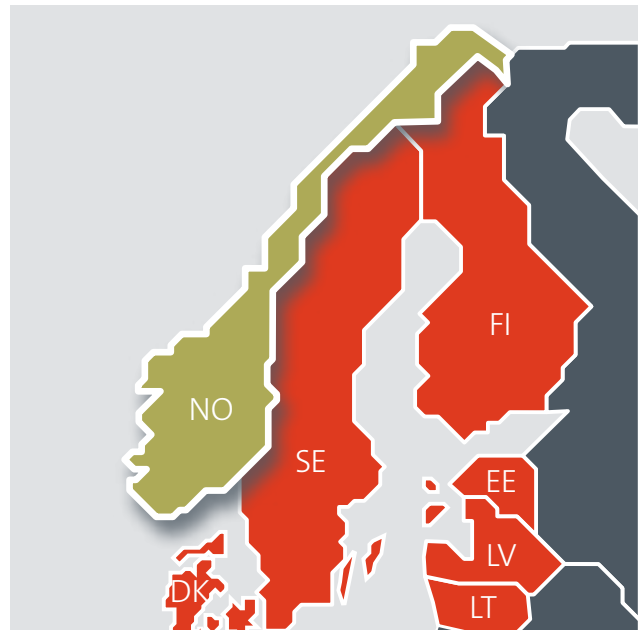
Assessment of evidence in support of the application

When requesting evidence, the applicant party must specify what evidence the petition covers, and explain why the evidence is relevant for the alleged claims. The other party is obliged to produce relevant evidence, except where specific exceptions apply, for instance when the evidence is privileged, or where the production of evidence would be contrary to the principle of proportionality.

¹ In Norway, the Oslo District Court (hereinafter “District Court”) has exclusive jurisdiction for patent proceedings. The Borgarting Court of Appeal (hereinafter “Court of Appeal”) hears patent cases appealed from the Oslo District Court.

General note: Norway is not obligated to implement Directive 2004/48/EC as it is not included in the EEA Agreement. Nevertheless, Norway has implemented certain amendments in its national legislation following the enactment of the Enforcement Directive, in order to ensure that its laws are aligned with the requirements of the Directive. In general, Norwegian law offers the same remedies as the Enforcement Directive and provides at least as strong protection as the minimum standards of the Enforcement Directive require.

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Protection of confidential information

The court may decide that the public shall be excluded from a court hearing because of disclosure of a party’s or a witness’ trade secrets (Section 65 Patents Act and Section 22-12 Civil Procedure Act). Additionally, the court may grant a confidentiality order whereby everyone present at the hearing will be obliged to keep the information confidential (Sections 128 and 130 Courts of Justice Act). Finally, it is also common for the parties to agree bilaterally to keep information disclosed in the proceedings confidential on a contractual basis i.e. a “confidentiality club”.

Non-compliance with an order

The competent judicial authority is the district court or the Oslo County Court, assisted by the bailiff.

The district court decides by an order (*kjennelse*) to grant a petition for enforcement (Sect. 13-7 first subsection of the Enforcement Act), and what sanctions apply (Sect. 13-14 Enforcement Act).

The district court shall opt for one of three possible sanctions:

- (i) give the petitioner the right to conduct the action himself;
- (ii) ordering the bailiff to conduct the action; or
- (iii) ordering the non-compliant party daily or weekly penalties for as long as the party does not comply with the order (Section 13-14 Enforcement Act).

In cases regarding non-compliance with an order to provide evidence the appropriate option is the third.

Appeal/review

The appeal procedure is a general one. Orders may be appealed because of errors in the assessment of facts or law or procedural errors.

The period for filing an appeal is generally one month (Sect. 29-5(1) Civil Procedure Act). The appeal shall be filed before the Court of Appeal.

Admissibility of evidence

Evidence obtained in national criminal, administrative or other civil proceedings is admissible in civil proceedings.

Evidence obtained in proceedings before a court of another country is admissible as long as it is not inadmissible for other reasons (e.g. that the evidence is privileged or has been obtained in an improper manner, Sect. 22-7 Civil Procedure Act).

The general rules for the taking of evidence in the Civil Procedure Act Chapter 27 also apply where a foreign court has requested the taking of evidence. Norway is a party to the Hague Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters. EU Regulation 1206/2001 does not apply in Norway.

Legal basis and case law

Section 61 Patents Act (jurisdiction in main proceedings)
 Section 32-4 Civil Procedure Act (jurisdiction in interlocutory and enforcement proceedings)
 Section 26-5 Civil Procedure Act (order to produce evidence)
 Section 65 Patents Act and Section 22-12 Civil Procedure Act (order for closed doors)
 Sections 128 and 130 Court of Justice Act and
 Section 22-12 Civil Procedure Act (confidentiality orders)

Sections 13-7 and 13-14 Enforcement Act (enforcement of order to produce evidence)
 Section 50 The Courts of Justice Act (for the taking of evidence abroad for use in Norway)
 Section 46 The Courts of Justice Act, Chapter 27 of the Civil Procedure Act (for the taking of evidence in Norway for use abroad)

II Measures for preserving evidence

Titles of the orders

Begjæring om bevissikring (request for preserving evidence before the proceedings on the merits)

Bevisopptak (request for obtaining evidence in the proceedings on the merits)

Further available measures

Interrogation of parties and witnesses.

Basic procedural framework

The competent authority is the Oslo District Court, unless it is clear that the measure to preserve evidence should be executed by another court, for instance if the evidence is expected to be located in another district (Section 28-3(1) Civil Procedure Act). In interlocutory proceedings the competent authority is the court in charge of the proceedings.

Measures to preserve evidence may be requested in a separate proceeding before the proceedings on the merits have been initiated (Chapter 28 Civil Procedure Act) or as part of the proceedings on the merits (Chapter 27 Civil Procedure Act). It may also be requested in interlocutory proceedings, for instance in preliminary injunction proceedings (Chapter 27 Civil Procedure Act).

The district court is responsible for enforcing the order and is assisted by the bailiff if necessary.

Ex parte requests

In cases for preserving evidence before proceedings on the merits are initiated, case law is unclear as to whether a preponderance of evidence (more than 50%) is required to show that a delay is likely to cause irreparable harm to the right holder or to show there is a demonstrable risk of

evidence being destroyed². There is little case law on this issue in Norway, but one judgment assumes that a preponderance of evidence might be required.³

Where the defendant is not heard before the measure to preserve evidence is ordered, he shall be informed after the measure is completed. After having been informed, the defendant has two weeks to request an oral hearing to contest the validity of the measure to preserve evidence. The claimant shall not be given access to the evidence in question until after said hearing has been conducted or the two-week period to request a hearing is over (Section 28-3(4) Civil Procedure Act).

Protection available to defendant

The court may at its discretion order the claimant to lodge a security. It will take into consideration the underlying claim, the relationship between the parties and the likelihood of the evidence preservation order resulting in damage to the defendant (Section 28-3(6) Civil Procedure Act).

Even if a security is not lodged, the claimant is liable to pay the costs that the defendant has incurred in the proceedings (Section 28-5(1) Civil Procedure Act) and damages for loss that the defendant has incurred as a result of the measure to preserve evidence if the decision to preserve evidence is revoked or if the claimant is unsuccessful on the merits (Section 28-3(5) Civil Procedure Act).

Period to initiate proceedings on the merits

There is no mention in the legislation of a specific period after which proceedings on the merits should be initiated following the grant of a measure to preserve evidence.

Witness identity protection

The court may order that the hearing is conducted behind closed doors (Section 65 Patents Act and Section 22-12 Civil Procedure Act), but it is not possible to grant anonymity to witnesses in civil cases in Norway.

Non-compliance with an order

See Part I “Non-compliance with an order”. The court may order the bailiff to secure the evidence, or order the non-

compliant party to pay daily or weekly penalties for as long as the party does not comply with the order to produce evidence (Section 13-14 Enforcement Act). The court may also appoint an independent expert to examine the evidence (Section 27-2(4) Civil Procedure Act).

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Provided that the UPC’s order would be recognised as enforceable in Norway (under Section 4-1(2)(f) Enforcement Act, cf. Articles 32, 33 and 62 Lugano Convention and Article 1 UPCA) to the same extent as the Norwegian court’s order, it is assumed that the enforcement would take the same form as under “Non-compliance with an order” above. The issue of UPC orders has however not yet been dealt with by the Norwegian authorities.

Legal basis and case law

Chapter 27 Civil Procedure Act (request for obtaining evidence in the proceedings on the merits)
Chapter 28 Civil Procedure Act (request for preserving evidence before the proceedings on the merits)
Sections 13-7 and 13-14 Enforcement Act (enforcement of order to produce evidence)

LB-2017-52438
TOSLO-2016-71558

III Right of information

Title of the order

Begjæring om informasjonspålegg (order on an application for information)

Persons obliged to provide information

Apart from persons listed in Art. 8.1 ED, the persons who have contributed to the alleged infringement (Section 28 A-1(1) Civil Procedure Act) may be obliged to provide information.

² Case LB-2017-52438.

³ Case TOSLO-2016-71558.

Types of information to be provided

No information other than that listed in Art. 8.2 ED is to be provided.

Competent authority

The competent authority is the district court that would otherwise be competent to hear the case. Requests to present an applications to provide information both before and after proceedings on the merits have been initiated are possible.

The court decides whether to issue a specific decision on the issue of presenting information, or to combine it with its decision on the merits (Section 28 A-4 Civil Procedure Act).

Non-compliance with an order

The competent judicial authority is the district court.

The court decides how the order shall be enforced, i.e. in what form (for instance that the defendant shall testify in court, give access to document evidence, or prepare a written opinion etc.). If someone who is not a party to the case on the merits is obliged to write a written report and does not comply, the court may order that the decision should be enforced.

The general rules of giving evidence in the Civil Procedure Act apply as far as they are suitable. For example, a witness who did not comply with the order could be subpoenaed to appear (Section 28 A-4(3) Civil Procedure Act).

The enforcing court shall opt for one of three sanctions (Section 13-14 Enforcement Act), see Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Chapter 28 A Civil Procedure Act

IV Provisional and precautionary measures

Titles of the orders

Midlertidig forføyning (interlocutory injunction)
Arrest (precautionary seizure)

Basic procedural framework

The competent courts comprise all district courts that have jurisdiction, and in the Oslo judicial district also a specialised court for interlocutory and enforcement proceedings, the Oslo County Court (*Oslo byfogdembete*).

The orders may be issued both in preliminary and main proceedings, although the general rule is that they are ordered in preliminary proceedings before the proceedings on the merits have been initiated. The exception regarding simultaneous decision of the proceedings on the merits is found in Section 32-9 Civil Procedure Act.

The law stipulates that the court shall, on request of the defendant or in a later decision, require the claimant to initiate proceedings on the merits within a set period, but does not state what such period should be (Section 33-4(2) Civil Procedure Act).

Factors considered by the court

The requirements for the grant of an interlocutory injunction are:

- (1) the case on the merits has been substantiated by a preponderance of the evidence;
- (2) there are reasons that make it necessary to take action to ensure that the ultimate claim on the merits is not frustrated; and
- (3) the balance of interests is in favour of granting the injunction (Sections 34-2 and 34-1 Civil Procedure Act).

For a precautionary seizure, the requirements are:

- (1) the claim on the merits has been substantiated by a preponderance of the evidence;
- (2) there are reasons that make it necessary to seize the items in question in order not to frustrate the ultimate claim on the merits (Section 33-3 Civil Procedure Act).

In both cases, an injunction or seizure may be ordered even if the claim on the merits is not substantiated by a preponderance of the evidence, if delaying the order would pose a risk for the claim on the merits. In which case the claimant shall lodge security, if the case relates to a seizure (Section 33-3 second subsection and Section 34-2 second subsection Civil Procedure Act).

Recurring penalty payments

The conditions applied by the court in ordering recurring penalty payments are the same as for the enforcement procedure of a decision or order (See Part I, “Non-compliance with an order”).

Provisional and precautionary measures against intermediaries

The claimant may apply for a provisional and precautionary measure against intermediaries as long as the court is satisfied that the intermediaries are liable for patent infringement (Section 3 Patents Act).

Circumstances justifying an order for precautionary seizure

An order may be granted if the the court is satisfied that there are circumstances which give rise to a fear that recovery of damages is endangered or that the enforcement of a claim will be impeded or rendered significantly more difficult. The threshold for whether there is such a fear is lower than a preponderance of the evidence.

Assessment of required evidence

To constitute “reasonably available evidence” (as referred to in Art. 9.3 ED) capable of satisfying the court with a “sufficient degree of certainty”, a preponderance of evidence of the claim to infringement is sufficient. The court must pre-emptively assess the case on the merits to evaluate whether a preponderance of evidence of the infringement exists and evaluate the evidence put forward by the claimant to support its claim.

Conditions justifying *ex parte* order

“Appropriate cases” for granting an order *ex parte* (as referred to in Art. 9.4 ED) exist where there is a risk of “irreparable harm” by refusing the order (Section 32-7(2) and Section 33-4(3) Civil Procedure Act).

“Irreparable harm” for the claimant is harm that cannot be rectified following subsequent proceedings on the merits.

Protections available to the defendant

Security shall reflect the value of the property that the court has issued a seizure for (Section 32-12 Civil Procedure Act). There is no “equivalent assurance” (as referred to in Art. 9.6 ED) foreseen in the legislation.

The defendant has a right to receive compensation for the actual economic damage suffered as a result of the seizure and the steps that were necessary for him to take to avoid or have the seizure revoked.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 33-2, 34-1 and 34-2 Civil Procedure Act

V Corrective measures

Title of the order

Pålegg om forebyggende tiltak for å hindre inngrep i patent (corrective measures to prevent patent infringement)
Tilbakekallelse fra handelen (recall from the channels of commerce)

Definitive fjerning fra handelen (removal from the channels of commerce)

Ødeleggelse (destruction)

Other available measures

Surrender of the infringing goods to the right holder (*utlevering til rettighetshaveren*).

Basic procedural framework

The order may be issued by the Oslo District Court either in separate proceedings or after the main proceedings or in the main proceedings (Section 59 Patents Act). The Oslo District Court is responsible for enforcing the measures.

The procedure for the corrective measures is that the order is issued against the defendant, and the relevant type of corrective measures is requested by the claimant.

The claimant cannot ask for two of the abovementioned measures in parallel. They are alternatives.

There is no case law explaining what “particular reasons” not to carry out the measures at the expense of the infringer would be (as referred to in Art. 10.2 ED). They would have to be assessed according to the circumstances of each case. For instance, the court may consider this if the defendant had no knowledge of the infringement.

Assessment of proportionality for ordering remedies

When granting an order, the court will make a proportionality assessment considering the seriousness of the infringement, the consequences of enforcing the measures and the interests of third parties (Section 59(2) Patents Act).

Evidence of destruction

The District Court would be seized if the claimant proves that the defendant has not complied with the order. There is no specific rule regarding what evidence must be presented to prove implementation of the order for destruction.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 59 Patents Act

VI Injunctions

Title of the order

Forbudsdom (permanent injunction)

Basic procedural framework

The Oslo District Court is competent for issuing an injunction in patent cases and is responsible for enforcing the order.

Injunctions against intermediaries

Intermediaries will also be directly responsible for infringement if they are found to produce, offer for sale, bring on the market or use a patent-protected product, or to import or hold a product with those actions in mind (Section 56a, cf. Section 3(1)(1) Patents Act).

The same applies to a person who offers or delivers parts for use in the invention to somebody who is not entitled to use the invention in Norway, as long as the parts constitute a significant part of the invention and the person offering or delivering the part knows, or it is evident that the part is suitable and intended for such use. However, if the part occurs normally in trade, it only constitutes infringement if the person offering or delivering the part incites the recipient to commit actions that constitute infringement (Section 56a, cf. Section 3(2) Patents Act).

If an intermediary is found to infringe, the claimant may apply for an injunction to the same extent as against any other infringer.

An intermediary may also be subject to corrective measures to prevent infringement (Section 59 Patents Act).

Compulsory licence as a defence

It is not possible to bring forward aspects justifying the grant of a compulsory licence as a defence in infringement proceedings.

However, the court may at its discretion, allow the continued exploitation of the patented invention in exceptional cases, provided that the defendant acted in good faith (Section 59a Patent Act, see Part VII “Alternative measures”). In such a case, the defendant will be obliged to pay reasonable compensation to the patentee.

Court’s discretion if finding of infringement

If the claimant has only requested that infringement be established, the court will not issue a permanent injunction to prohibit continued infringement. However, the claimant may request the injunction if infringement is established, but the court will have discretion as to whether to issue the order (Sections 56a and 59a Patents Act).

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 3 Patents Act (infringement)
 Section 56a Patents Act (permanent injunction)
 Section 59a Patents Act (permission to exploit the invention)

VII Alternative measures

Title of the order

Tillatelse til utnyttelse av oppfinnelsen (permission to exploit the invention)

Basic procedural framework

The Oslo District Court is competent to issue this measure in return for reasonable compensation.

The calculation of pecuniary compensation is based on what would be a reasonable licence fee for the use that the measure allows.

The provision states that the measure should apply provided “extraordinary grounds” are present, suggesting that the threshold of satisfying this provision is high.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

See Part II “Non-compliance with UPC-issued order”.

Legal basis and case law

Section 59a Patents Act

VIII Damages

Calculation methods available in Norway

Damages are awarded where the infringer knowingly, or with reasonable grounds to know, engaged in an infringing activity. They shall be calculated according to one of three methods:

- a) damages equivalent to a reasonable licence fee for the infringing use, as well as damages for the harm that resulted from the infringement and would not have happened in the event of a voluntary licence;
- b) compensation for the damage resulting from the infringement, or
- c) damages equivalent to what the defendant has gained as a result of the infringement.

Additionally, if the defendant has acted with intent or gross negligence, the defendant shall, if the right holder so requests, pay damages equivalent to twice the amount of a reasonable licence fee for the use (Section 58(3) Patents Act).

A defendant acting in good faith may be ordered to pay compensation equivalent to a reasonable licence fee for the infringing use or compensation equivalent to what the defendant has gained as a result of the infringement, to the extent the court finds such compensation to be fair and reasonable (Section 58(4) Patents Act).

Basic procedural framework

The determination of the amount of damages ordered for the successful party may be the subject either of separate proceedings or as part of the main patent infringement proceedings, depending on the statement of claim of the successful party.

In either case, the Oslo District Court (Section 63 Patents Act) is competent to decide.

According to Section 28A-3(4) Civil Procedure Act a request for information must be submitted prior to the conclusion of the main proceedings. However, a request for information may also be submitted in a potential appeal hearing.

Methods of calculation

The law provides that the calculation method most favourable to the claimant will be used. In practice the claimant chooses one of the three different types of calculation (Section 58 Patents Act).

It is not possible for the court to mix and match different calculation methods to determine damages because it is assumed that one of the calculation methods will amount to full compensation for the claimant.

In Norway, damages equivalent to a reasonable licence fee for the use, as well as damages for the harm that followed the infringement and would not have occurred in the case of voluntary licensing, are most frequently applied (i.e. calculation method (a)).

While calculating the compensation to be paid by the defendant, generally the following elements are taken into account:

Method a): the amount of royalties which would have been due if the defendant had requested authorisation (licence) to

use the patent is assessed based on what is normal in the industry and potentially with regard to other, voluntary licence agreements that the right holder has entered into. If such factors are not available, damages will be calculated based on the scope of use, for instance how many products the defendant has sold or to what degree the patented method has been used. Other than that, only damage that would not have occurred by licensing may be awarded, otherwise the right holder would receive more than full compensation for his losses.

Method b): Compensation for all losses stemming from the infringement, including those that also would also have happened by licensing. For instance, loss of revenue following a competing product on the market. There must be a causal connection between the infringement and the damage.

Method c): Damages equivalent to the gain the defendant has made as a result of the infringement usually constitutes the defendant's net profit from the infringement.

Evidence of lack of knowledge

In Norway damages will not be awarded if the infringer acted in good faith i.e. if the infringer did not know and did not have reason to know that the activity was infringing. However, the court may, at its discretion, order the infringer to pay fair and reasonable compensation (Section 58(4) Patents Act). There is some case law on this determination, e.g. LB-2011-34330 where the Court of Appeal found that the defendant was not acting "in good faith" from the moment the defendant became aware of the patent in question, because the claims of the patent did not differ from the activities of the defendant in a way that could not give the defendant reason to believe that his actions were not infringing.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Section 58 Patents Act

IX Legal costs

Overview of assessment of costs

In Norway, the general rule is that a successful party's legal costs shall be borne in full by the unsuccessful party unless "weighty reasons" apply (Sections 20-2 and 20-3 Civil Procedure Act). The costs must be "necessary" (Section 20-5 Civil Procedure Act).

"Legal costs and other expenses" comprise the necessary costs of the proceedings, including court fees, attorney fees and other expenses that were required for the proceedings.

Costs are decided in the action on the merits, although the award of costs may be separately appealed.

In general, costs of attorney assistance are awarded based on actual costs, although if the total sum is unreasonable, the court may reduce it at its discretion.

Legal basis and case law

Sections 20-2 and 20-3 Civil Procedure Act

X Publication of judicial decisions

Title of the order

Formidling av informasjon om dommen på passende måte for inngriperens regning (publication of judicial decisions at the expense of the infringer)

Basic procedural framework

The Oslo District Court or the Bogarting Court of Appeal are competent to issue the order for such measures. The scope and terms of dissemination depend on the specific case.

The Oslo District Court may order that information about the judgment is disseminated in an appropriate manner at the expense of the infringer. The claimant must have claimed in its statement of claim to have the costs of dissemination covered, and must implement the dissemination order himself.

The relevant legal provision (Section 59b Patents Act) does not provide a lot of detail and is rarely used.

Non-compliance with an order

The competent judicial authority is the Oslo District Court.

Non-compliance here would entail that the defendant would refuse to pay the costs of dissemination, which constitutes a financial claim that may be enforced by the enforcement authority, normally the bailiff. At this stage, since the Oslo District Court will have already issued a judgment to pay the costs, the claimant may request the bailiff to enforce the order directly. If enforcement is disputed by the defendant, this dispute will be decided by the Oslo County Court or by the district court at the defendant's place of residence.

Appeal/review

See Part I "Appeal/review".

Non-compliance with UPC-issued order

See Part II "Non-compliance with UPC-issued order".

Legal basis and case law

Section 59b Patents Act

XI Other appropriate sanctions

Name and type of sanctions

Criminal sanctions are possible under Norwegian law.

A defendant may be punished with fines or imprisonment of up to one year, or if there are aggravating circumstances, up to three years (Section 57 Patents Act). The competent judicial authority is the relevant district court, at the place of infringement.

Non-compliance with an order

The relevant criminal enforcement authority (i.e. the police, public prosecutor or the State Agency for the Recovery of Fines, Damages and Costs) would be competent.

An order to pay fines or imprisonment is generally enforced immediately after it becomes final and binding.

Appeal/review

A defendant may appeal by filing an appeal within two weeks after the date of the decision (Section 310 Criminal Procedure Act) with the relevant court of appeal of the district court that heard the case.

Legal basis and case law

Section 57 Patents Act

XII Additional options

Other available options in Norway

Border measures

Norway is not part of the customs union and EU Regulation 608/2013 does not apply in Norway. However, Norway has national rules on custom enforcement. The Customs Authorities may, on its own initiative or on the basis of information received from a right holder, retain goods where there is a justified reason to suspect that import or export of the goods that are under the Customs Authorities' control would infringe intellectual property rights. Further, the right holder may petition the court for a preliminary injunction prohibiting such import or export.

The Customs Authorities and/or the relevant district court are competent for border measures in relation to patent infringement. Petitions for preliminary injunctions may be filed with the district court at the defendant's place of residence or the district court at the place where the infringing goods are located or is expected to arrive in the imminent future (Section 32-4(1) Civil Procedure Act).

The procedure is as follows:

- (i) the Customs Authorities may retain goods of its own initiative. The Customs Authorities will notify the right holder that there is a justified reason to suspect that import or export of goods under the control of the Customs Authorities would constitute an infringement of the right holder's rights (including patent rights). To the extent known, the Customs Authorities will also provide information regarding the sender and receiver's names and addresses, the good's origins, the type of

goods and the number of goods. The Customs Authorities may retain goods for ten business days from the day the notification was given, which is deemed to be enough time for the right holder to obtain a preliminary injunction if necessary. The receiver of the goods shall also be notified.

- (ii) If a right holder petitions the court for a preliminary injunction the court may grant the petition even if the receiver of the goods is unknown. In that scenario, the injunction is granted without an oral hearing (Section 34-7 Civil Procedure Act). Otherwise the general rules on preliminary injunctions apply, except that it is the Customs Authorities that are responsible for carrying out the injunction, not the bailiff. If a preliminary injunction is obtained, the court informs the Customs Authorities which goods it shall retain and for how long (Section 15-2 Customs Act). When the Customs Authorities find such goods as covered by a preliminary injunction, it shall immediately notify the court, the claimant and the receiver of the goods or his/her's representative (Section 15-2 Customs Act). The court will then set a short deadline for the claimant to submit a statement of claim for an order that the preliminary injunction is supposed to secure, if the receiver is known.

Non-compliance with an order

As a requirement for the rules on customs enforcement is that the goods are under the control of the Customs Authorities, non-compliance with the retention or injunction is not possible. However, the right holder is responsible for the Customs Authorities costs associated with storing the goods, and the goods may be sold through a forced sale if the costs are not paid. This is only with regard to the Customs Authorities, and the right holder may in turn have a claim against the infringer. The goods may not be sold as long as a preliminary injunction is applicable or when a final court decision determines that the goods do infringe intellectual property rights. The goods may also be destroyed if a final court decision states that the goods shall be destroyed, or if the receiver of the goods consents. The right holder is responsible for the costs associated with destroying the goods, and for other measures regarding the goods as mandated by a court's decision or which the receiver of the goods has consented to. However the right holder may also have a claim against the infringer for these costs. Furthermore, the court may determine that a preliminary injunction shall be cancelled, for example if the right holder does not lodge a security if required by the court or if the right holder does not submit a statement of claim

within a deadline set by the court. The sanctions for patent infringement, if a court concludes that import or export of the goods constitute patent infringement, are the same as for patent infringement in general.

Legal basis and case law

Section 34-7 Civil Procedure Act regarding preliminary injunctions against import or export of goods that are under the control of the customs authorities. The provision in the Civil Procedure Act further refers to Chapter 15 in the Customs Act, regarding retention of goods that infringe intellectual property rights and specifically Section 15-2 Customs Act regarding preliminary injunctions.

Poland

I Evidence

Title of the order

Wniosek dowodowy (motion to produce evidence)

Basic procedural framework

The competent authority is the court¹ which will hear the main proceedings on the merits.

The goal of preliminary proceedings is to provide a patent holder with an instantaneous legal protection for the period when the main infringement proceedings are pending. For such proceedings, the court requires a lower standard of proof.

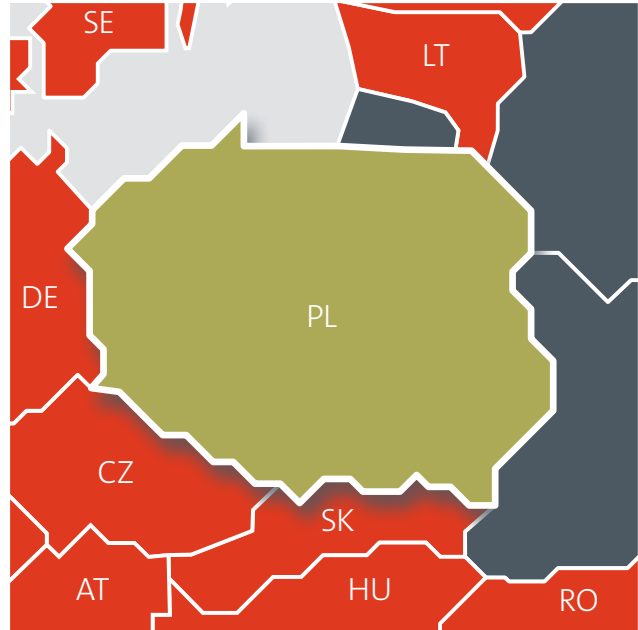
In view of the formal character of preliminary injunction proceedings and the fact that they are heard mainly *ex parte*, generally the evidence provided is in written statements or other documents (e.g. private expert opinions instead of court-appointed expert opinions). The hearing of witnesses or requesting documents from third parties is not allowed.

Provision of evidence by third parties

Whenever the court so orders, every person must deliver to the court within the prescribed time limit the evidence in that person's control (Articles 248, 249, 293 and 308 of the CCP², hereinafter "CCP"). The relevant time limit shall be set by the court, i.e. the judge hearing the case.

Assessment of evidence in support of the application

There are no official guidelines as to what constitutes "reasonably available evidence" (as referred to in Art. 6.1 ED).



Protection of confidential information

Pursuant to the Industrial Property Law (hereinafter "IPL"³), the court, when admitting evidence, shall protect confidential information of the parties (Article 286¹ Section 3 of the IPL – measures for preserving evidence).

In a civil procedure, the only available methods of such protection are:

- hearing the case *in camera*; or
- the court may allow the parties to submit commercial documents in redacted form (e.g. with hidden data about the defendant's contractors).

Non-compliance with an order

The competent judicial authority is the court in the main proceedings.

¹ In Poland, the competent courts with jurisdiction to hear a patent infringement case are the regional courts (*sąd okręgowy*). An action shall be brought before the regional court: – competent for the defendant's registered seat (Article 30 of the Code of Civil Procedure); or – within whose region the infringement occurred, for instance where an infringing product was put on the market or a place of a branch or manufacturing plant where infringing activities were performed (Article 35 of the CCP).

The party initiating the court proceedings (i.e. patent holder) may choose where to file the action.

² Act of November 17, 1964 Code of Civil Proceedings (Dz.U. [Journal of Laws] 1964 No. 43 item 296 as amended)

³ Act of June 3, 2000 Industrial Property Law (Dz.U. [Journal of Laws] 2003 No. 119 item 1117 as amended)

General note: superscripts are used to number certain articles in the IPL and other laws referenced in this country profile.

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Where parties to the proceedings do not comply with the order, the Court shall assess the attitude of the party refusing to produce the evidence and may decide that the refusal confirms the factual assertion of the other party to which the evidence was directed (Article 233 (2) of the CCP). However, the Court cannot force the parties to present evidence.

If a third party refuses to present evidence or does not with justification allow inspection of the evidence, the Court shall impose a fine. Before imposing a fine, the Court should hear the third party and the parties to the proceedings (Article 251 of the CCP).

Appeal/review

The order for the presentation of evidence cannot be appealed separately. During the main proceedings, the parties may indicate to the court the violation of procedural law and request that such a violation be recorded in the minutes of the hearing. The party who has reported a violation of procedural law may indicate that the violation is a basis for challenging the final judgment. This requirement does not apply to a party to proceedings acting without a professional representative (Article 162 (1) and (2) of the CCP).

The order for the presentation of evidence may be revised by the court if the circumstances of the case change (Article 240 (1) of the CCP).

Admissibility of evidence

Evidence obtained in other national criminal, administrative or other civil proceedings is admissible.

A court may admit evidence from an opinion commissioned by a public authority in other proceedings (Article 278¹ of the CCP).

Evidence obtained in proceedings before a court of another EU member state and non-EU member state is admissible in civil proceedings before Polish courts. Additionally, pursuant to Article 1138 CCP, foreign official documents have the same probative value as Polish official documents, although certain documents may require legalisation or an apostille.

Legal basis and case law

Articles 17, 30, 35, 162, 227 et seq., 240(1), 248, 249, 251, 278¹, 293, 308 and 1138 of the CCP

II Measures for preserving evidence

Title of the order

Wniosek o zabezpieczenie dowodów (motion to preserve evidence)⁴

Further available measures

As is indicated in Article 286¹ Section 1 of the IPL, measures to preserve evidence may include, in particular:

- seizure of (i) a reasonable sample of allegedly infringing goods and (ii) the materials and implements used in the production or distribution, as well as
- seizure of documents related to the above-mentioned activities.

The preservation of evidence may also include a description of the relevant evidence, as appropriate.

The catalogue of measures listed in the IPL is indicative.

Basic procedural framework

The motion to preserve evidence shall be filed with the court having jurisdiction to hear a patent infringement case⁵.

The motion may be filed:

- prior to initiating infringement proceedings;
- in the statement of claim when initiating the main proceedings;
- during main infringement proceedings.

The purpose of preserving evidence is to conduct the evidence before a court in main proceedings (Article 286¹ Section 3 of the IPL).

Preservation of the evidence may be requested by the person who corroborates the infringement of the patent (Article 286¹ Section 2 of the IPL) and where:

⁴ The information in this section is based on the amended text of the IPL, which comes into force on 27 February 2020.

⁵ See Part I "Basic procedural framework".

- a risk occurs that taking of evidence may become impossible or excessively difficult, or
- it is necessary to determine the current state of affairs for other reasons,

(Article 286¹ Section 3 of the IPL and Article 286¹ Section 8 in connection with Article 310 of the CCP).

Ex parte requests

The preservation of evidence may be allowed without summoning the adverse party only in urgent cases or where the adverse party cannot be identified, or his place of stay is not known (Article 313 of the CCP).

As a rule, the court shall summon interested parties to appear on a date scheduled for the taking of evidence. However, in urgent cases, taking of evidence may be undertaken even before a summons is served on the adverse party (Article 314 of the CCP).

Protection available to defendant

The court may order a security deposit lodged by the claimant to cover all damage that may be incurred as a result of the implementation of the order (Article 286¹ Section 8 of the IPL in connection with the Article 739 (1) of the CCP). There is no case law in Poland to date on this issue.

The calculation of the damage will follow the general rules of civil law (see Part VIII Damages).

Period to initiate proceedings on the merits

Upon issuing the order, the court shall set the time within which proceedings have to be instituted otherwise the order shall cease to have effect. This time limit shall be no longer than two weeks (Article 286¹ Section 8 of the IPL in connection with Article 733 of the CCP).

Witness identity protection

The institution of *incognito* witness, which in Poland is applicable exclusively in criminal proceedings and which in the ED has been specified as optional, has not been introduced into the civil law procedure.

Non-compliance with an order

An order to preserve evidence is enforceable by means of enforcement proceedings with the exceptions specified for the enforcement of a preliminary injunction decision (Article 286¹ Section 8 of the IPL in connection with Article 743 (1) of the CCP).

Enforcement proceedings in Polish civil law are a separate type of proceedings which maybe initiated after the grant of a ruling (order, judgment etc.).

As a rule, the competent authority is the court enforcement officer (i.e. court bailiff; *komornik*), with the exception of measures reserved for the district court (*sąd rejonowy*).

The claimant must file an application for enforcement with the relevant court or bailiff (e.g. in case of seizure of infringing goods, the application for enforcement shall be filed with the court-bailiff).

The application for enforcement must be accompanied by an enforceable title (*tytuł wykonawczy*). The enforceable title consists of:

- an order which is immediately enforceable (enforcement title, *tytuł egzekucyjny*)
- with a declaration of enforceability (*klauzula wykonalności*), known also as writ of execution or enforceability clause/formula.

Usually, in order to obtain the declaration of enforceability a separate proceeding must be initiated before by the court of the first instance where the case has been pending⁶. However, in the case of an order for the preservation of evidence (as well as in the case of a preliminary injunction order) the declaration of enforceability is granted *ex officio* (Article 286¹ Section 8 of the IPL in connection with Article 743 (1) of the CCP).

The court's decision on declaration of enforceability is appealable (Article 795 (1) of the CCP).

Appeal/review

The parties shall have the right to appeal the order to preserve evidence. The court which issued the decision on the preservation of evidence (i.e. regional court), sitting with three judges, shall hear the appeal (Article 286¹ Section 8 of the IPL in connection with Article 741 (1) of the CCP).

⁶ See Part I "Basic procedural framework".

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Article 286¹ Sections 1-8 of the IPL

Articles 310-315, 733, 738-746 of the CCP

Articles 758 et seq. of the CCP: legislative framework for the enforcement of the orders is specified in Part III CCP entitled “Enforcement Procedure”

Judgment of the Supreme Court of February 25, 2010, (file ref. no. V CSK 293/09) “The liability under Article 746 of the CCP is not based on fault”.

III Right of information

Title of the order

Roszczenie Informacyjne (claim for information) or *Wniosek o zobowiązanie do udzielenia informacji* (request for information)

In Poland, a claim for information is a motion to oblige the defendant or a third party to provide information listed in the IPL. Once the order has been granted, the applicant is bound to start a full legal action under sanction of annulment of the order.

The following information is based on the amended text of the IPL, which comes into force on 27 February 2020.

The motion may be filed:

- prior to initiating infringement proceedings;
- in the statement of claim when initiating the main proceedings;
- during main infringement proceedings.

Persons obliged to provide information

The relevant regional court may order that information on the origin, distribution networks, quantities and prices of goods or services which infringe a patent be provided by the infringer and/or any other person who:

- 1) was found in possession of the goods infringing the patent; or

- 2) was found to be using the services infringing the patent; or

- 3) was found to be providing services used in infringing activities; or

- 4) was indicated by the person referred to in point (1), (2) or (3) as being involved in the production, manufacture or distribution of the goods or provision of the services infringing the patent;

provided that the possession, use or provision of the services, or participation in the manufacture, production or distribution of goods, or in the provision of these services, is for the purpose of obtaining a profit or other economic advantages, directly or indirectly (Article 286² Section 1 and 2 of the IPL).

Types of information to be provided

The information to be provided may cover exclusively:

- 1) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services infringing the patent, as well as the intended wholesalers and retailers;
- 2) quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the infringing goods or services.

According to the case law, the scope of a claim for information must not be interpreted extensively.

Competent authority

The request for information shall be filed with the court having jurisdiction to hear a patent infringement case.

Non-compliance with an order

The IPL does not specify the rules of enforcement of the information injunction order. Therefore, it is not clear whether the order is enforceable by means of enforcement proceedings or whether non-compliance should be regarded as a failure to provide the required evidence (see Part I “Non-compliance with an order”).

There are grounds for applying the rules on enforcement proceedings (see Part II “Non-compliance with an order”). However, in order to obtain the declaration of enforceability a separate proceeding must be initiated before the court of the first instance where the case has been pending.

Appeal/review

The most recent amendment to the IPL has not provided the explicit right of appeal. However, in view of Article 286² Section 8, the parties may have the right to appeal an order to provide information.

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Article 286² Section 1-12 of the IPL, Articles 733, 739 (1), 742, 744 and 745 of the CCP

Judgment of the Court of Appeal in Warsaw of September 20, 2012 (file ref. no. I ACA 251/12): the provisions regulating the claim for information must not be interpreted extensively.

IV Provisional and precautionary measures

Title of the order

Wniosek o zabezpieczenie roszczeń (motion for preliminary injunction)

Basic procedural framework

The competent judicial authority is the regional court hearing the main action or before which such action is pending (Article 734 of the CCP).

A preliminary injunction (hereinafter referred to as “PI”) may be granted prior to or during main proceedings. It is most often requested prior to initiating main proceedings (Article 730 (2) of the CCP).

Upon issuing an interim order, the court shall set the time within which the proceedings must be instituted otherwise the order will cease to have effect (Article 733 of the CCP).

Factors considered by the court

The court should take into account whether the claimant has corroborated his claims and has a legitimate interest in obtaining the PI order (i.e. decision on securing the claims) (Article 730¹ (1) of the CCP).

An interest will be deemed to exist if the lack of an order would prevent or significantly hinder the enforcement of a final judgment or otherwise prevent or seriously hinder a satisfactory outcome of the proceedings (Article 730¹ (2) of the CCP).

The interests of the alleged infringer may be taken into account when the court decides on the manner of securing the claim (Article 730¹ (3) of the CCP).

Polish civil procedure provides for various types of temporary measures. In the case of securing non-monetary claims (i.e. a claim for the prohibition of patent infringement), the court may apply such a manner of securing as it deems appropriate. The most common in patent cases are injunctive relief and/or seizure of the infringing goods.

When selecting an appropriate manner of security (i.e. temporary measure), the court should take into account the interests of the parties so as to guarantee adequate legal protection to the patent holder without, however, imposing an excessive burden upon the obligated party. Article 730¹ (3) of the CCP applies only after the court has decided that there are grounds for granting security, and it cannot be interpreted more broadly, in particular as a basis for refusing security as such.

Recurring penalty payments

The court may, upon request of the claimant, caution the defendant in the PI order that if he fails to observe any of the obligations set forth in the PI order, he will be ordered to pay a fixed amount of money to the claimant. The amount of the fine should be high enough to prevent the defendant from breaching the PI order (Article 756² (1) and (2) of the CCP in connection with Article 1051¹ of the CCP).

Provisional and precautionary measures against intermediaries

It is not clear whether a claimant may apply for a PI order against intermediaries as currently the concept of contributory infringement is controversial in Poland.

Circumstances justifying an order for precautionary seizure

See above “Factors considered by the court”.

Assessment of required evidence

The parties may present any evidence that will corroborate the claims, e.g. a private expert opinion corroborating infringement, technical analysis, descriptions, photographs etc. all supporting the alleged infringing product’s technical features with the patent claims, manuals, leaflets etc. invoices confirming the purchase of the alleged infringing products (“test purchase”), affidavits, print-outs from the Internet.

A claim is considered to be corroborated if the claimant has justified that the claim exists and may be pursued. Unlike proof, corroboration does not require certainty; a relatively high probability is sufficient.

Conditions justifying *ex parte* order

As a matter of principle, the court examines the motion for a PI *in camera* session, without prior notice to the defendant (Article 740 (1) and (2) of the CCP).

Protections available to the defendant

Adequate security (as referred to in Art. 9.6 ED) is determined on the basis of the probable damage to the defendant during the estimated period when a temporary measure will remain in force.

The enforceability of the PI order may be made contingent upon a deposit to secure potential claims for damages incurred as a result of enforcing the PI. The so-called claimant’s deposit may be ordered by the court *ex officio* or upon the motion of the defendant. Only the enforcement of a PI may be made dependent on a deposit. In practice, Polish courts only exceptionally require a deposit in order to enforce a PI order.

For the calculation of “appropriate compensation” (as referred to in Art. 9.7 ED), the general rules of civil law apply (see below Part VIII Damages).

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

The order may be appealed. See Part II “Appeal/review”.

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Articles 730 et seq. of the CCP (Part II of the CCP “Security for claims procedure” - legislative framework for the motion for preliminary injunction)
Article 1051¹ of the CCP

Judgment of the Court of Appeal in Warsaw of August 7, 1997 (file ref. no. I ACz 735/97)

V Corrective measures

Titles of the orders

- *Wycofanie z obrotu produktów naruszających patent* (recall from the channels of commerce)
- *Zniszczenie produktów naruszających patent* (destruction)
- *Przyznanie produktów naruszających patent na rzecz uprawnionego z patentu na poczet zasądzonej sumy* (transfer of the ownership of the unlawfully manufactured products to the patent holder on account of the sum awarded to the patent holder)

Other available measures in Poland

The IPL contains a provision which provides for a flexible use of measures aimed at eliminating the consequences of an infringement, including measures provided for in the ED (such as removal of infringing goods from the market and their destruction).

When ruling on infringement the court may, at the claimant’s request, decide on the disposal of unlawfully manufactured products and of the means used in their manufacture.

Apart from removal of infringing goods from the market and their destruction the court may also order that infringing goods be handed over to the claimant on account of any sum of money that may be owed the claimant.

The catalogue of measures listed in the law is an indicative list.

Basic procedural framework

The competent judicial authority is the regional court before which the infringement case is pending. The court issues the order in the main proceedings on the merits.

Pursuant to provisions of the IPL the court takes into account:

- the character and scope of the infringement,
- the defendant's attitude,
- third party interests.

The request for a corrective measure should be submitted in the main proceedings. The exact procedure has not been specified in the IPL. It is unclear whether goods owned by third parties may be recalled.

The claimant may ask for two corrective measures in parallel.

Provisions of the IPL do not specify what constitutes "particular reasons" (as referred to in Art. 10.2 ED) not to carry out the measures at the expense of the infringer. As a general rule, corrective measures are carried out at the expense of the defendant.

Assessment of proportionality for ordering remedies

In practice, the measures provided for in the IPL shall not be disproportionate nor unduly onerous (i.e. the measures shall not unduly affect the freedom of economic activity and the freedom of competition).

Evidence of destruction

There are no particular regulations regarding the required evidence of destruction. The most common evidence is a protocol issued by a professional service company.

Non-compliance with an order

The stages of enforcement proceedings are as follows:

- the judgment must become final and non-appealable;
- the claimant should file with the competent court a motion for the declaration of enforceability (an enforcement formula);
- after the declaration of enforceability is granted the claimant must file an application for initiation of the enforcement proceedings with the relevant court or bailiff (depending on the claim to be enforced).

A judgment of the court of first instance (non-final) will be an enforcement title if the court declares the judgment to be immediately enforceable. The court may, on request of the claimant, declare a first instance judgment to be immediately enforceable, if a delay would make enforcement of the judgment impossible or significantly hinder it or would expose the claimant to loss (Article 333 (3) of the CCP).

Enforcement methods are different for monetary and non-monetary obligations. Enforcement of monetary obligations may be directed against:

- movable property;
- real estate;
- bank accounts;
- remuneration for work etc.

In case of enforcement of non-monetary obligations (i.e. prohibition of patent infringement) upon the claimant's request and having heard the parties, the court will:

- determine an additional time limit for the defendant to comply with the order and
- warn the defendant that he will be fined if he does not perform the action within the determined time limit or
- warn the defendant that he will be ordered to pay a specific amount of money to the patent owner for each day of delay in complying with the order.

Appeal/review

The parties may appeal any judgment issued at first instance (Article 367 (1) of the CCP). An appeal against a first instance judgment must be filed within 14 days from receipt of the judgment with written reasons (Article 369 (1) of the CCP).

An appeal against a first instance judgment should be filed with the competent court of appeal via the court that issued the judgment (Article 369 (1) of the CCP).

The right to file a cassation appeal with the Supreme Court of Poland against a final second-instance judgment is limited to cases in which the amount in dispute exceeds PLN 50 000 (Article 398² (1) of the CCP).

A cassation appeal against a final second-instance judgment should be filed within two months from receipt of the judgment with written reasons. A cassation appeal should be filed with the Supreme Court via the court of appeal that issued the judgment (Article 398⁵ (1) of the CCP).

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Article 286 of the IPL

Article 333 (3), 367 (1), 369 (1), 398² (1) and 398⁵ (1) of the CCP

Judgment of the Court of Appeal of February 5, 2009 in Poznań (file ref. no. I ACa 13/2009).

VI Injunctions

Title of the order

Roszczenie o zaniechanie naruszeń praw wyłącznych (claim to cease infringement of exclusive rights)

Basic procedural framework

The competent judicial authority is the court before which the infringement case is pending. A permanent injunction will be granted as part of the judgment.

Injunctions against intermediaries

The possibility of granting an injunction order against intermediaries is not expressly provided for in the law.

Compulsory licence as a defence

A compulsory licence may be granted *inter alia* where there is abuse of a patent monopoly. The defence of abuse of monopoly may also be raised as a ground for dismissing the infringement action.

Court's discretion if finding of infringement

Once infringement is established, a permanent injunction is generally issued. The court may however, at the request of the defendant and only in the case of non-culpable infringement, award adequate compensation instead of issuing an injunction.

See Part VII Alternative measures.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Articles 82, 287 Section 1 IPL

VII Alternative measures

Title of the order

Zasądzenie zapłaty stosownej sumy pieniężnej ("award of an adequate amount of money instead of the injunctive order")

Basic procedural framework

The competent judicial authority is the regional court hearing the main proceedings.

The law does not provide a basis for calculation of the pecuniary compensation, however practice indicates that the court should take into account the scale and type of the infringing activity carried out by the defendant.

The court may, at the request of the defendant and only in case of non-culpable infringement, award such compensation:

- if the effect of the injunction would be excessive; and
- the payment of compensation would satisfy the interests of the claimant.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Article 287 Section 3 of the IPL

VIII Damages

Calculation methods available in Poland

A claimant whose patent has been infringed may claim damages from the defendant, in accordance with the general principles of law, or by payment of a sum of money in an amount corresponding to a licence fee or other reasonable compensation, which would have been due had the claimant given his consent to use his invention (Article 287 Section 1 of the IPL).

Furthermore, provisions of the IPL provide grounds to demand from the defendants the return of unlawfully obtained profits (Article 287 Section 1 of the IPL).

Basic procedural framework

Generally, the determination of the amount of damages is a part of the main proceedings. However, the claimant may claim damages in separate proceedings. If the determination of the amount of damages is the subject of separate proceedings the regional court shall be competent.

The successful party, in order to calculate damages or infringer’s profits, may request information (as per Art. 8 ED), either in advance or during those proceedings.

Methods of calculation

The claimant may choose between different calculation methods to determine damages, but it is not possible to mix and match different calculation methods. The choice of method to determine damages is for the claimant.

Proving damage in patent infringement proceedings is extremely difficult. In practice, owing to significant difficulties in obtaining relevant evidence, damages are almost never claimed on the basis of general principles of law.

It is more straightforward to claim the licence fee or other reasonable compensation, as it involves no need to demonstrate a specific damage or causal link between the infringement and the damage.

Royalty rates must, in the first place, reflect the importance of the licensed right on the final product. The most popular method of calculating royalty rates in Polish case law is by applying a percentage of the profit from the sale of infringing products.

The level of royalty rates should be evidenced by:

- sample licence agreements;
- market information on average royalties in a given industry sector etc.; and
- the opinion of a court-appointed expert.

According to general principles, compensation for damages includes:

- actual damage; as well as
- the profits (hypothetical but very probable) that the patent holder would have received had the infringement not occurred.

The so-called ‘general principles of law’ use standard civil law terms for the award of damages. In essence, these terms require the claimant to prove that: (1) the defendant infringed the claimant’s rights; (2) the claimant suffered damage; (3) there is a causal link between the infringed rights and the damage suffered; and (4) the defendant’s actions were culpable.

In the case of lost profits, it should be borne in mind that these are benefits which the patent holder would have obtained in the normal course of action with a high degree of probability (not only purely hypothetical) had the infringement not taken place.

Evidence of lack of knowledge

Infringement is deemed to have been committed non-culpably, if the defendant:

- did not know about the patent which he infringed; or
- has acted with all due diligence that could be expected in the specific circumstances of the case.

Existing legal practice indicates that it may be relevant to consider whether the defendant has obtained a legal opinion of a specialist, i.e. a patent attorney or lawyer specialising in industrial property protection. The assessment of intention should depend on the actual possibilities for the defendant to obtain knowledge of the patent and on the nature and scale of his business.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC issued order

Poland is not party to the UPC Agreement.

Legal basis and case law

Article 287 Section 1 of the IPL

Judgment of Supreme Court of October 24, 2007 (file ref. no. IV CSK 203/07): the claim for return of unjustified profits is a *sui generis* claim, which is relevant to the intellectual property.

IX Legal costs

Overview of assessment of costs

The CCP provides that the successful party is to be reimbursed for the costs of the proceedings (e.g. court fees, legal fees and expenses) in proportion to its success. The “winning ratio” is calculated based on the value of the matter specified in the initial phase of the proceedings. In partially justified cases, the court may award only part of the costs or no costs.

In general, the successful party is to be reimbursed for:

- costs of the proceedings (e.g. court fees, expenses, in particular the costs for court-appointed experts),

- costs of legal representation (e.g. attorney fees, expenses of one attorney – see Article 98 (3) of the CCP).

The costs order is part of the final judgment of the court. However, the court may decide to determine only the principle (“the winning ratio”) and order a court clerk to make the exact calculations.

The court makes an assessment of the costs on the basis of information supplied by the successful party. In the absence of such information, the court decides according to an official schedule of costs. Attorneys’ fees awarded to a party by the court may not exceed the amounts provided for in the regulations issued by the Minister of Justice, which are very low in patent cases.

Legal basis and case law

Articles 98, 102 and 108 of the CCP

Regulation of the Minister of Justice on Fees for Attorneys at law’s services

Regulation of the Minister of Justice on Fees for Advocates’ services

Regulation of the Minister of Justice on Fees for Patent Attorneys’ Services

X Publication of judicial decisions

Title of the order

Roszczenia o podanie informacji o wyroku do publicznej wiadomości (claims to make the information about the judgment publicly available)

Basic procedural framework

Where there is a finding of patent infringement the court may, at the claimant’s request, order the publication of the judgment in full or in part.

According to the IPL, in the decision on making the judgment public the court should specify the manner and extent of the publication. For example, it could be a trade journal or the defendant’s website.

The manner of enforcing the publication should ensure that it fulfils the purpose of providing the relevant information.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC issued order

Poland is not party to UPC Agreement.

Legal basis and case law

Article 287 Section 2 of the IPL

XI Other appropriate sanctions

No additional measures have been introduced.

XII Additional options

Other available options in Poland

Border measures

A patent holder may file an application for customs protection in order to enforce his/her patent.

The competent authority is the relevant customs chamber.

The patent holder, in one or more European Union member states, may request customs authorities to prevent the entry into those EU member states of goods infringing the patent. The customs authorities indicate the period of customs protection in the decision granting the application. The decision cannot exceed one year from the day following the date of adoption. The protection period may be extended.

Where the customs authorities identify goods suspected of infringing an intellectual property right covered by a decision granting an application, they shall suspend or detain the products (seizure). Before the seizure, the customs authorities may request the patent holder to provide relevant information with respect to the goods. The customs

authorities shall notify the patent holder of the seizure on the same day as the seizure took place or promptly after the declarant or the holder of the goods is notified.

Furthermore, the customs authorities notify the patent holder of the actual or estimated quantity and the actual or presumed nature of the goods (may include available images).

Customs authorities may take action even in the absence of an application if they have sufficient grounds for suspecting that the goods infringe the patent. This procedure does not concern perishable goods.

Before the seizure, the customs authorities may request any person or entity potentially entitled to an IP right to provide them with relevant information. The customs authorities shall notify the persons or entities entitled to submit an application concerning the alleged infringement of the patent of the seizure.

The seizure goods shall be released or returned immediately after completion of all customs formalities if the entitled party was not identified or the application was not received.

Following a customs seizure, the patent holder may initiate civil proceedings for infringement in accordance with standard regulations of civil procedure. Penal proceedings may also be initiated. The customs procedure allows the patent holder to obtain evidence and information on infringing parties.

Non-compliance with an order

The customs authorities may detain goods suspected of infringing a patent and in certain cases may destroy such goods. The IP holder and the declarant/holder of goods must agree on destroying of the goods. Where the declarant/holder of the goods has not confirmed his consent nor notified his opposition thereto to the customs authorities, the customs authorities may deem the declarant/holder of the goods to have confirmed his agreement to the destruction of those goods.

If the declarant/holder of goods does not agree to it, the IP holder shall, within 10 working days (or three working days in the case of perishable goods) of notification of seizure of the goods, initiate proceedings to determine whether an IP right has been infringed. The proceedings may be civil or penal.

Legal basis and case law

EU Regulation 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No. 1383/2003

Commission Implementing Regulation (EU) No. 1352/2013 of 4 December 2013 establishing the forms provided for in EU Regulation 608/2013

Commission Implementing Regulation (EU) 2018/582 of 12 April 2018 amending Implementing Regulation (EU) No. 1352/2013 establishing the forms provided for in EU Regulation 608/2013

Portugal

I Evidence

Title of the order

*Medidas para obtenção de prova*¹

Basic procedural framework

A request for evidence, regarding IP rights and trade secrets must be filed before the IP Court².

The Judicial Court competent to issue the such an order both in preliminary proceedings as well as in main proceedings on the merits is the Intellectual Property (“IP”) Court. The IP Court is also responsible for enforcing the order.

Provision of evidence by third parties

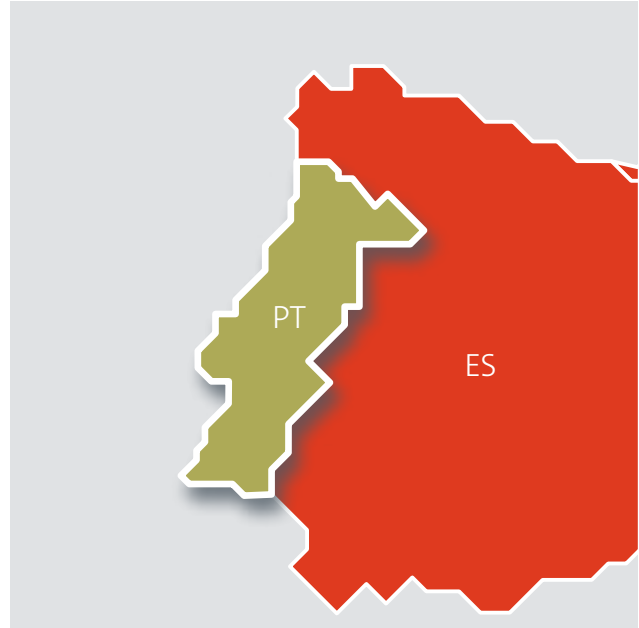
If the specified evidence lies in the control of a third party the IP Court may, upon application by a party, order that third party to present such evidence in both in preliminary and main proceedings.

Assessment of evidence in support of the application

The applicant may request the submission of evidence held by either the opposing party or third parties provided that it has sufficient evidence of infringement of its industrial property rights or trade secrets³.

Protection of confidential information

In accordance with Article 339(3) of the IP Code, the court has a duty to ensure the protection of confidential information.



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The IP Court, at the request of the interested party, identifies the information that should be treated as confidential, and its use and disclosure is prohibited to anyone intervening in the judicial file⁴.

The IP Court may even, on its own initiative or at the request of the parties, order specific measures to protect confidential information, such as limiting access to certain documents and hearings to a limited number of persons⁵.

Non-compliance with an order

The competent judicial authority is the IP Court in the case of non-compliance.

Where an order to obtain evidence is not complied with, Article 339(3) of the IP Code provides that the Court may take necessary steps to enforce the order. These may include issuing court orders, with or without the intervention of a bailiff, or imposing fines (Arts. 417, 430, 433 and 437 of the Civil Procedural Code).

The Court may order sanctions such as penalties and/or imprisonment, which may be substituted by a monetary penalty at the judge’s discretion.

¹ Art. 339 of the IP Code

² Art. 111(1), al. o), of Law n° 62/2013, dated August 26, 2013

³ Art. 339(1) of the IP Code

⁴ Article 352(1) of the IP Code

⁵ Article 352(3) of the IP Code

Appeal/review

The order for the presentation of evidence may be appealed.

The interested party may appeal to the Lisbon Court of Appeal (*Tribunal da Relação*) within 15 days of the decision, presenting its arguments.

Admissibility of evidence

Evidence obtained in criminal, administrative or other civil proceedings is admissible in civil proceedings. One may ask for a certified copy of the criminal proceedings and file the same in civil proceedings.

With regard to the admissibility of evidence from foreign proceedings, there is no distinction between EU or non-EU countries. A certified copy of a foreign file may be filed, but said copy must be legalised. The value to be given to said evidence is at the judge's discretion.

Legal basis and case law

IP Code, Articles 339, 342, 351, 352 and 358
Civil Procedural Code, Articles 417, 430, 433 and 437

II Measures for preserving evidence

Title of the orders

Medidas preservação da prova

Further available measures

There are no measures other than the two mentioned in Art. 7.1 ED that may be ordered.

Basic procedural framework

See Part I “Basic Procedural Framework”.

A party requesting measures for the preservation of evidence, must provide evidence of infringement of its industrial property rights or of substantiated fear of serious and irreparable damage to those rights⁶.

Ex parte requests

For these measures to be ordered *ex parte*, the claimant must provide evidence that any delay in the application of such measures may cause irreparable harm to the claimant⁷. The standard of evidence to show that a delay is likely to cause irreparable harm to the claimant or to show a demonstrable risk of evidence being destroyed lies at the judge's discretion. Where a party is not heard on the measures it must be notified immediately of the same. Once notified the party has 10 days to file an application for review with the Court.

The procedure to review the adopted measures with the other party being heard is provided for in Art. 338-E of the IP Code.

Protection available to defendant

According to Art. 343 of the IP Code, the claimant may be ordered, at the request of the defendant, to lodge an adequate indemnity for compensation for damage caused by the application of the measures if:

- (a) the measure preserving evidence is considered unjustified;
- (b) the measure ceases to have effect, as a result of which the claimant is responsible;
- (c) the measure was misused or used in bad faith and it is later established that there was no infringement or fear of irreparable harm to the claimant's IP rights.

To guarantee the payment of this compensation, the claimant may be required to provide a security, without which the required evidence preservation measures will not be ordered.

The determination of “adequate security” (as referred to in Art. 7.2 ED) and “appropriate compensation” (as referred to in Art. 7.4 ED) lies at the judge's discretion.

There is no specific definition in Portuguese law of “equivalent assurance” as referred to in Art. 7.2 ED.

⁶ Article 341(1) of the IP Code

⁷ Article 341(1) of the IP Code

Period to initiate proceedings on the merits

The period to initiate proceedings on the merits is 30 days once the decision is final.

Witness identity protection

There is no legislation in Portugal providing for the protection of witnesses in the context of evidence preservation measures relating to industrial property.

Witness protection is provided for in specific laws and is applicable only in relation to certain serious crimes.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal.

Legal basis and case law

IP Code, Articles 340, 341, 342 and 343
Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal), 03/12/2015

III Right of information

Title of the order

Obrigaç o de prestar informa  es

Persons obliged to provide information

There are no persons other than those listed in Art. 8.1 ED obliged to provide information.

Types of information to be provided

There is no information other than that listed in Art. 8.2 ED to be provided.

Competent authority

The IP Court is competent to order the provision of information.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal .

Legal basis and case law

IP Code, Article 344
Ac. Tribunal da Relaç o de Lisboa (Lisbon Court of Appeal), 22/07/2010

IV Provisional and precautionary measures

Title of the order

Procedimentos cautelares (interlocutory injunction)
Arresto (seizure of goods)

Basic procedural framework

The IP Court is competent to issue such an order in separate proceedings or in an ancillary proceeding within the main proceedings. The IP Court is also responsible for enforcing the order.

The period to initiate proceedings on the merits is 30 days from the decision to grant the order for provisional measures.

Factors considered by the court

The court takes into account the existence of the patent, and whether there is irreparable harm from the infringement or from the likelihood of infringement.

Recurring penalty payments

The conditions to issue an order for recurring penalty payments in case of continuation of the infringement are not defined in the law. The levels of these penalty payments are determined at the judge's discretion.

Provisional and precautionary measures against intermediaries

The right holder may apply for provisional and precautionary measures against intermediaries.

Circumstances justifying an order for precautionary seizure

The circumstances are not specifically defined in the legislation.

Assessment of required evidence

The issue of what constitutes “reasonably available evidence” (as referred to in Art. 9.3 ED) or a “sufficient degree of certainty” is not defined in the law.

Conditions justifying *ex parte* order

The conditions justifying an *ex parte* order are not provided for in the legislation.

Protections available to the defendant

“Adequate security” (as referred to in Art. 9.6 ED) and “appropriate compensation” (as referred to in Art. 9.7 ED) are determined at the judge's discretion.

An “equivalent assurance” (as referred to in Art. 9.6 ED) is not provided for in the legislation.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

The IP Court's decision on the preliminary injunction request may be appealed, within a term of 15 days, to the Lisbon Court of Appeal (*Tribunal da Relação de Lisboa*) by the losing party. In this appeal the opposing party must present all arguments upfront. The respondent is notified and may intervene. On that basis, the Court of Appeal shall consider all the arguments and shall take a decision on said appeal.

The decision of the Court of Appeal may be appealed to the Supreme Court of Justice.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal.

Legal basis and case law

IP Code, Articles 345 and 346

Civil Procedural Code, Article 671 et seq.

Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal), 19/10/2017

Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal), 17/01/2019

Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal), 04/06/2019

Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal), 02/07/2019

V Corrective measures

Title of the order

Sanções Acessórias (additional sanctions)

- *Retirada dos circuitos comerciais* (recall from the channels of commerce)
- *Exclusão definitiva dos circuitos comerciais* (definitive removal from the channels of commerce)
- *Destruição* (destruction)

Other available measures

There are no measures other than those provided for in Art. 10.1(a)-(c) ED.

Basic procedural framework

The IP Court is competent to issue such an order in the proceedings on the merits. It is also responsible for enforcing the order.

When exercising its discretion in ordering the abovementioned measures, the court shall take into account what the adequate measures are, necessity, proportionality and the legitimate rights of third parties (namely consumers).

For recall and removal from the channels of commerce, the court will issue the order by way of final decision. The right holder shall enforce the order.

The court will issue an order for the destruction of infringing goods, materials and implements in the final court decision and appoint an entity to destroy the goods.

The claimant may ask for two of the abovementioned measures in parallel.

The law only foresees the execution of the measures at the expense of the defendant.

Assessment of proportionality for ordering remedies

Proportionality is not defined in the legislation. It lies at the judge's discretion.

Evidence of destruction

An entity will be appointed by the court to execute the decision. Usually it is a police authority that shall report on the destruction to the court.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal.

Legal basis and case law

IP Code, Article 348

VI Injunctions

Title of the order

Medidas inibitórias (prohibitory measures)

Basic procedural framework

The IP Court is competent for issuing an injunction. The enforcement procedure involves a court-appointed official.

The *medidas inibitórias* include:

- temporary ban on the execution of certain activities;
- prohibition of the right to participate in fairs or markets;
- definitive or temporary closure of the establishment.

Injunctions against intermediaries

The right holder may apply for an injunction against intermediaries.

Compulsory licence as a defence

It is possible to bring forward any argument that a party considers useful to its case, and the court will therefore not exclude those for a compulsory licence.

Court's discretion if finding of infringement

It is at the court's discretion to issue such *medidas inibitórias* to guarantee the fulfilment of the court decision. No further criteria are established in Portuguese law.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal.

Legal basis and case law

IP Code, Article 349

VII Alternative measures

Article 12 ED was not implemented into Portuguese legislation.

VIII Damages

Calculation methods available in Portugal

The methods of Art. 13.1(a) and (b) ED are available in Portugal.

Basic procedural framework

The determination of the amount of damages ordered for the successful party may be decided in the main patent proceedings or the request may be filed later in separate proceedings.

If the determination of the amount of damages is subject to separate proceedings, the same judicial authority (IP Court) that decided the claim for patent infringement is competent.

The successful party may, during separate proceedings, request information as per Art. 8 ED.

Methods of calculation

In principle, damages shall be calculated taking into account:

- profits made by the defendant;
- resulting damages and lost profits suffered by the injured party;
- costs incurred for the protection, investigation and cease of conduct adversely affecting the law;
- the amount of revenue resulting from the wrongful conduct of the defendant;
- intangible damage suffered by the injured party.

If it is not possible to determine the amount of damage suffered by the injured party, and without its opposition, the court may order an equitable amount based on at least the amount of royalties the injured party would have received, had he licensed his right to the defendant, as well as the costs incurred for the protection, investigation and termination of the conduct adversely affecting the law.

The calculation method indicated in Art. 13.1(b) ED only applies if the method according to Art. 13.1(a) ED is not possible to determine and the right holder does not object.

Evidence of lack of knowledge

Portuguese law does not provide how to determine whether the defendant did not “knowingly or with reasonable grounds” engage in the infringing activity.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal.

Legal basis and case law

IP Code, Article 347
 Civil Code, Article 483, 562, 566
 Ac. Supremo Tribunal de Justiça (Supreme Court),
 06/03/2008
 Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal),
 06/12/2017
 Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal),
 10/04/2018
 Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal),
 04/07/2019

IX Legal costs

Overview of assessment of costs

Portuguese legislation provides for two categories of legal costs.

The first category relates to official court costs, and includes court fees paid by the parties to the Court and the costs of the proceedings. These costs will be borne by the unsuccessful party and will be paid to the Court.

The second category relates to costs of the parties, which consists of the court fee that the successful party anticipated in the proceedings, plus half the sum of the court's anticipated court fees. These costs are paid by the unsuccessful party to the successful one, to reimburse the successful party for payments made during the proceedings, unless otherwise agreed by the parties. This category also will include a symbolic payment to compensate the successful party's legal fees, which are calculated in the amount of the court fees.

There are no tariffs, or flat-rate scheme set by the Bar Association.

Costs are decided in the main infringement proceedings.

Legal basis and case law

Decree-Law No. 34/2008, dated 26 February 2008
 Civil Procedural Code, Articles 527 et seq.

X Publication of judicial decisions

Title of the order

Medidas de publicidade or Publicação das decisões judiciais

Basic procedural framework

The IP Court is competent to give the order for such measures. To implement the measure, a summary of the judgment is required.

The publication must take place in the IP Bulletin or any other media considered appropriate by the court.

The law does not stipulate any factors to be considered by the court when deciding on issuing the order, only that the request is submitted.

Non-compliance with an order

See Part I "Non-compliance with an order".

Appeal/review

See Part "Appeal/review".

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, an order issued by the UPC will be enforced in the same way as an order issued in Portugal.

Legal basis and case law

IP Code, Article 350
 Ac. Tribunal da Relação de Lisboa (Lisbon Court of Appeal),
 17/04/2019

XI Other appropriate sanctions

Not available.

XII Additional options

Other available options in Portugal

Criminal proceedings

Patent infringement constitutes a criminal offence. Complaints will be filed with the Public Prosecutor, although the complaint may be first presented before a police authority and/or ASAE (*Autoridade de Segurança Alimentar e Económica*). The Public Prosecutor shall pursue the complaint and if justified initiate criminal proceedings.

Border measures

The competent judicial authority for border measures is *Autoridade Tributária*. The procedure begins with a complaint filed on the basis of IP rights to be monitored for importation of goods.

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Non-compliance with an order

In criminal proceedings imprisonment of up to three years or a fine of up to 360 days (between EUR 5 and 500 per day) may be ordered, according to Article 318 of the IP Code.

Legal basis and case law

IP Code, Articles 318 to 329

Romania

I Evidence

Title of the order

Probe și măsuri de conservare a acestora

The procedure referred to in Art. 6 ED does not have a specific name in the Romanian procedural system. The above title in Romanian is a translation of the most similar procedure aligned with Art. 6 ED.

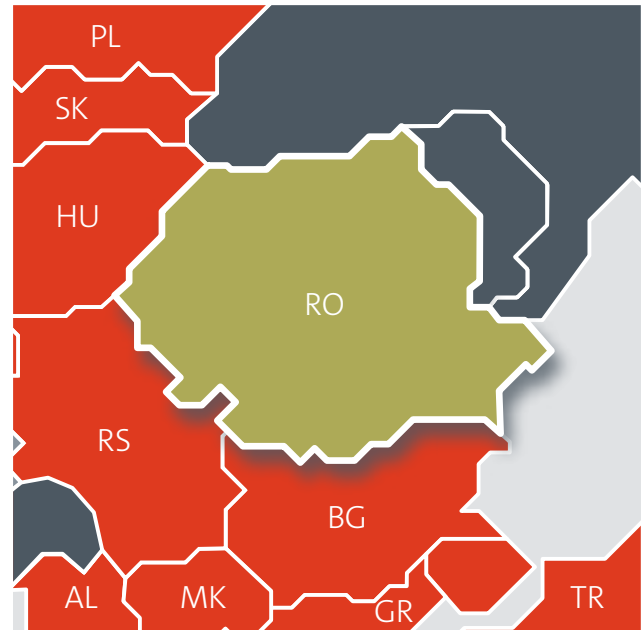
Basic procedural framework

In main proceedings on the merits, the judicial authority to issue such an order is the competent court¹. In Romanian legislation there is no legal provision according to which the order could be issued in separate proceedings before the proceedings on the merits have been initiated. The official responsible for enforcing the order is the competent court.

Two legal provisions may be applied for the production of evidence.

The first is regulated in the Romanian Governmental Emergency Ordinance No. 100/2005 on Enforcement of Industrial Property Rights (hereinafter GEO) which implements the Enforcement Directive. According to Art. 5 GEO, on application by a party which has presented reasonably available and sufficient evidence to support its claims, and provided that the evidence requested lies in the control of the opposing party, the court may order that such evidence be presented by the opposing party, subject to the protection of confidential information.

The aforementioned article also states that in the case of infringement on a commercial scale, the competent court may, at the request of one of the parties, order the communication of banking, financial or commercial



documents under the control of the opposing party, subject to the protection of confidential information. However, the GEO does not provide supplementary details e.g. as to what happens if the court order is not executed, what the exact procedural framework is within which this right can be enforced, etc.

These legal provisions may be supplemented by the common rules laid out in the new Code of Civil Procedure (hereinafter CPC). According to Art. 293 Para. 1 CPC, if a party claims that the opposing party has an evidentiary document in its possession which is relevant to the matter at stake, the court may order that this document be presented. Para. 2 of the same article states that the application will be admitted if the document is common to the parties, if the opposing party itself has referred to this document or if, according to the law, the party is obliged to exhibit the document. This procedure is called “the obligation of the opposing party to present the document” (*obligația părții adverse de a prezenta înscrisul*).

¹ In Romania, patent infringement claims are referred to the courts of first instance. Based on the specific claim, the court of first instance may either be the county court (*Judecatorie*) or the Tribunal. In Bucharest, both the Tribunal and the Court of Appeal have specialised IP sections.

General note: Directive 2004/48/EC was transposed into Romanian legislation by Governmental Emergency Ordinance (hereinafter GEO) No. 100/2005 on Enforcement of Industrial Property Rights. The general provisions of the ED were taken *talae quale* and passed in the form of national legislation. The Romanian legislator considered there was no need for additional provisions or other measures to ensure coherence and compatibility with the existing national procedural framework, in particular the Romanian Code of Civil Procedure (hereinafter CPC).

On February 15, 2015, the new CPC entered into force. The Law No. 76/2012 on the application of the civil procedure code expressly repealed some of the provisions of the GEO while leaving other provisions untouched. In addition, according to Art. 83 of the Romanian Law No. 76/2012 for the implementation of the CPC, on the date of entry into force of the new CPC, any contrary provisions, even if included in special laws, are to be considered repealed. Therefore many legal provisions in the GEO are inconsistent or incompatible with the general rules of civil procedure, but it is difficult to assess whether they are contrary to those general rules within the meaning of Art. 83 CPC. This has resulted in the GEO being inconsistent with the terminology of the new Civil Procedure Code, and explains why the provisions of GEO have not been applied in judicial practice. When required, IP professionals have used the procedures provided by the general rules of civil procedure. Therefore there are only few cases of judicial practice applying the provisions of the GEO.

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According to Art. 294 CPC, the judge shall reject the request for submission of the document, in whole or in part, where:

1. the content of the document solely refers to personal matters concerning the dignity or private life of a person;
2. the submission of the document would violate a legal obligation of secrecy;
3. the submission of the document would expose the party, their spouse, or a relative to prosecution.

Unless otherwise provided by the law, the incidence of any of the above circumstances shall be verified by the judge examining the content of the document. Mention will be made in any minute of the public hearing.

According to Art. 295 CPC, if a party refuses to respond to questioning aimed at proving the possession or existence of the document, or if it appears from the evidence that the party has hidden or destroyed the document, or if after it was proven that the party has the document and does not then comply with the order issued by the court to present it, the court will be able to consider as proven the allegations made on the content of that document by the applicant party.

Nevertheless, unlike Art. 6.1 ED, which mentions any “evidence” which lies in the control of the opposing party, Art. 293 Para. 1 CPC only refers to evidentiary documents which lie in the control of the opposing party. As mentioned above, on the date of entry into force of the CPC, any other contrary provisions, even if included in special laws, are repealed. Therefore, in Romanian procedural legislation, there is currently no procedure for requesting anything other than evidentiary documents.

Provision of evidence by third parties

Art. 297 Para. 1 CPC provides that if it appears that a document relating to the issue is in the possession of a third party, that third party may be called as a witness and be ordered to present it to the court. The third party may refuse to present the document in some cases provided for by the law (Art. 294 CPC). However, according to Art. 294 Para. 2, the existence of such grounds shall be verified by the judge examining the content of the document. Mention will be made in any minute of the hearing.

The competent court may only order the third party to present such evidence in the main proceedings on the merits.

Assessment of evidence in support of the application

Neither the GEO nor the CPC provides any criteria regarding what constitutes “reasonably available evidence” (as referred to in Art. 6.1 ED) sufficient to support the applicant’s claims.

Nevertheless, Art. 293 Para. 2 CPC establishes that the application will be admitted if the document is common to the parties, if the opposing party itself has referred to this document or if, according to the law, the party is obliged to exhibit the document. The list is not exhaustive and the court has discretion in deciding on this issue. In exercising its discretion the court is not formally obliged to respect a certain standard such as “reasonably available evidence” presented by the applicant.

Protection of confidential information

There are no specific legal provisions concerning the protection of confidential information in patent proceedings. However, there are analogous procedures.

The first is that the hearing may be held *in camera* in order to protect confidentiality. Art. 263 Para. 2 CPC states that in cases where a public session would undermine morality, public order, the interests of minors, the private life of the parties or the interests of justice, as the case may be, the court, on request or *ex officio*, may order it to take place in whole or in part without the presence of the public.

The second is that according to judicial practice and depending on the particularities of the case, the judge may order that certain data in the case file is redacted.

Non-compliance with an order

The competent authority is the judge in the case on the merits.

In case of non-compliance, the competent court may order the measure to be taken, *ex officio* or at the request of the interested party.

Art. 187 Para. 1.2(f) CPC establishes a judicial fine (RON 50 to RON 700) for non-submission of a document by the person possessing it, within the time limit set by the court.

Appeal/review

At present, there is no legal provision in the GEO relating to appeals for these orders. As a consequence, such an order to produce evidence may only be appealed together with the decision on the merits of the case.

Preliminary rulings (such as an order to present a document) may be appealed only with the merits, unless otherwise provided by the law (Art. 466 Para. 4 CPC).

As a general rule, the appellant must file a request within 30 days after the date of the communication of the judgment to be appealed (Art. 468 Para. 1 CPC).

The appeal shall be filed with the court whose decision is appealed (Art. 471 Para. 1 CPC). This court will forward the file together with the appeal to the relevant appellate court competent to decide the appeal.

Admissibility of evidence

Evidence obtained in other national criminal, administrative and other civil proceedings is admissible in civil proceedings.

Evidence obtained in proceedings before a court of another country is only admissible in certain cases. Art. 1 Para. 3 of the Romanian Law No. 189/2003 on International Legal Assistance in Civil and Commercial Matters establishes the legal framework for dealing with requests for international judicial assistance with the object of:

- a) communicating judicial and extrajudicial documents to and from abroad;
- b) obtaining evidence by international letters rogatory;
- c) transmitting / obtaining information on foreign law.

Also, Art. 1 of EU Regulation 1206/2001 applies in civil or commercial matters where the court of a Member State of the EU, in accordance with the laws of that State, requests:

- a) the competent court of another Member State to take evidence; or
- b) to take evidence directly in another Member State.

Legal basis and case law

CPC, Arts. 187, 263, 293-295, 297, 466 and, 471
GEO No. 100/2005, Art. 5

Courts internal regulation (enacted under the Superior Council of Magistracy decision No. 1375 from 2015), Art. 93
Romanian Law No. 76/2012 for the implementation of the CPC

Romanian Law No. 189/2003 on International Legal Assistance in Civil and Commercial Matters

II Measures for preserving evidence

Titles of the orders

Conservarea probelor (preservation of evidence)

Descrierea detaliată (detailed description)

Sechestrul (seizure)

There is no specific name for the procedures as described in Art. 7 ED in the Romanian legislation.

Further available measures

Besides the rules mentioned in the previous sections, the CPC also provides for the possibility of a judicial seizure. Art. 972 Para. 1 provides that the judicial seizure consists in the sequestration of goods that form the object of the dispute or other assets, by entrusting their custody to a seizure administrator².

The legal provisions are not harmonised, and in some cases overlap. For instance, measures for preserving evidence (Art. 359 CPC) and a procedure for an interim order (Art. 979 CPC). The procedure for preserving evidence (Art. 359 CPC) is meant to apply in urgent cases independently of the specific provisions applying in the case of an interim order. Therefore, the procedure for an interim order complicates the procedure and conditions that are required for such a measure to be granted.

Moreover, in the Romanian legal tradition it has long been held that a judicial seizure will be ordered following a special procedure which is not compatible with the procedure of an interim order. Despite this, the GEO specifically provides that the physical seizure of the goods (a judicial seizure) will be decided according to the provisions relating to an interim order.

² The seizure administrator is not a state official and is appointed by the court as a result of the parties agreement. Generally, the seizure administrator is the person who actually possesses the goods.

These procedures are rarely used.

Basic procedural framework

According to Art. 6 Para. 1 GEO, before the proceedings on the merits, the competent court may, at the request of a party who has provided evidence³ in support of its claims that an infringement has occurred or is imminent, order provisional, expeditious and effective measures to preserve the evidence relevant to the case, subject to the protection of confidential information.

According to Art. 6 Para. 1 GEO and Art. 979 CPC, the order is issued in a separate proceedings before the proceedings on the merits have been initiated.

The official responsible for enforcing the order is the competent court.

A bailiff may act independently of a court order in the procedure regulated in Art. 364 Para. 1 CPC, mentioned above.

According to Art. 6 Para. 2 GEO, provisional measures may include the detailed description, with or without taking samples, the seizure of the goods in issue and, where appropriate, of the materials and instruments used to produce and/or distribute the goods and documents related thereto.

Para. 3 of the same article states that the measures for the preservation of evidence are ordered by the competent courts in accordance with the provisions of the CPC concerning provisional measures in the field of intellectual property rights. Art. 979 Para. 4 CPC establishes that the court will decide according to the provisions relating to an interim order (*ordonanță președințială*). The interim order procedure is very similar to the French procedure *ordonnance de référé*.

The CPC also provides certain general rules relating to the preservation of evidence. According to Art. 359 Para. 1 CPC, anyone who has an interest in urgently identifying a person's testimony, an expert's opinion, the status of certain goods, movable or immovable, or obtaining recognition of a document, fact or right, if there is a danger that the evidence will disappear or become difficult to obtain in the future, will be able to request, both before and during the trial, the collection of this evidence.

Art. 364 Para 1 CPC states that at the request of any person who has an interest in urgently finding certain facts may cease or change until the evidence is handed over, the bailiff in whose territorial jurisdiction the request is made will be able to ascertain the relevant facts.

Ex parte requests

According to Art. 360 Para. 5 CPC (in an application to preserve evidence), the court may grant the request *ex parte*, where there is a danger of delay. Also, according to Art. 999 Para. 2 CPC, the interim order may also be granted *ex parte*.

Art. 979 Para. 1 CPC states that where the right holder or any other entitled person provides credible proof that the right is the subject of an unlawful act, whether current or imminent, and that this risks irreparable harm, he may request the court to grant provisional measures.

According to Art. 973 Para. 2(b) CPC, the court may grant a judicial seizure *ex parte*, concerning products which the claimant has good reason to fear will be stolen, destroyed or altered by the defendant.

Romanian legislation does not provide any predefined criteria for assessing the evidence.

Protection available to defendant

According to Art. 979 Para. 5 CPC, if the provisional measures are likely to cause prejudice to the defendant, the court may oblige the claimant to lodge a security in the amount set by the court, subject to the sanction of discontinuance of the measure if the security is not lodged.

Unless otherwise provided, the security will not represent more than 20% of the value of the claim, and in the case of applications where the claim is not valued financially, it may not exceed RON 10 000 (Art. 1057 Para. 2 CPC).

According to Art. 1058 Para. 2 CPC, subject to the claimant's consent, the security may also consist of financial instruments that serve as payment instruments, e.g. cheques, promissory notes. However, the claimant's consent is not necessary where the security is issued by the state or administrative-territorial departments. In addition, according to Art. 1059 CPC, subject to the defendant's consent, security may also constitute a mortgage over movable or real estate assets.

³ In accordance with the provisions of Art. 5 Para. 1 GEO

The Romanian procedure does not use the expression of “appropriate compensation” (as referred to in Art. 7.4 ED). According to Art. 979 Para. 7 CPC the claimant is required to compensate the defendant for any damage caused by the provisional measures if the main proceedings are dismissed as groundless. However, if the claimant was not or only minimally at fault the court may, depending on the circumstances, refuse to indemnify the defendant.

Therefore, unlike the ED, the Romanian procedure only covers the situation in which the main proceedings are dismissed as groundless.

Period to initiate proceedings on the merits

According to Art. 979 Para. 6 CPC, provisional measures taken before the proceedings on the merits have been initiated will cease to have effect if the claimant has not initiated an action on the merits within the time limit set by the court, but no later than 30 days after their enforcement.

Witness identity protection

Romanian procedure does not provide for the protection of witnesses' identities.

Non-compliance with an order

A court's decision or any other enforcement order must be complied with voluntarily. Art. 622 Para. 2 CPC states that if the defendant does not voluntarily comply with the order, it shall be enforced by compulsory execution, at the request of the claimant by filing such a claim to a bailiff. The bailiff then submits a claim to the enforcement court⁴ that issues the resolution of enforcement, which is then communicated to the defendant.

If within 10 days from the communication of the resolution of enforcement, the defendant fails to comply with the order, and it cannot be complied with by another person, the enforcement court may apply penalties (Art. 906 Para. 1 CPC).

Art. 906 Para. 2 states that where the obligation does not have a monetary value, the court may oblige the defendant to pay to the claimant a penalty between RON 100 and RON 1 000, fixed per day of delay, until the obligation stipulated in the order is complied with.

Art. 906 Para. 3 states that where the obligation has a monetary value, the penalty provided for in Para. 2 may be set by the court between 0.1% and 1% per day of delay, a percentage calculated according to the monetary value.

According to Para. 4, if the debtor fails to execute the obligation provided in the order within three months from the date of notification of the enforcement of the penalty, the enforcement court shall, at the request of the claimant, set the final amount due as a final settlement.

According to Para. 5, the penalty may be revoked or reduced, if the enforcement is opposed. Also, Para. 6 establishes that the imposition of penalties does not exclude the obligation of the defendant to pay damages, if the claimant so requests.

Appeal/review

Art. 979 Para. 4 CPC states that the court resolves the request for these measures in accordance with the provisions of the interim order procedure. These provisions provide for the possibility to file an appeal.

Unless otherwise provided by special laws, the measure is subject to appeal within five days of the receipt of the grounds for the decision or within five days of pronouncement of the judgment, if no grounds are given (Art. 1000 Para 1 CPC).

The Court of Appeal may suspend enforcement of the order until the appeal is heard, but only subject to the payment of a security, the amount of which shall be determined by the court (Art. 1000 Sect. 2 CPC). The appeal shall be heard as a matter of urgency and the parties are summoned (Para 3).

An appeal against enforcement of the interim order may be lodged against the execution of the interim order (Para 5).

The judicial authority before which the appeal can be brought is the next highest court in the hierarchy of the judicial system.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

⁴ According to the general procedural law (CPC), the court which issues an order is not necessarily the same as the enforcement court, which handles claims regarding the actual enforcement procedure. The enforcement court will always be a county court (*Judecatorie*).

Legal basis and case law

CPC, Arts. 359, 360, 364, 622, 906, 978, 979, 972 973, 999, 1000 and 1057

GEO, Art. 6

Decision No. 1069/28.07.2015, the Ploiești Court of Appeal stated that the (cumulative) conditions of Art. 978 Para. 1 CPC (now Art. 979 following renumbering of the articles in the CPC) are the following:

- a) the applicant is the owner of the intellectual property right;
- b) the intellectual property right is the subject of an unlawful act, i.e. actual or impending infringement;
- c) there is a risk of irreparable damage;
- d) the measure has a provisional character;
- e) the court of first instance has not yet decided on the merits of the case.

III Right of information

Title of the order

*Dreptul de informare*⁵ (right of information)

Persons obliged to provide information

There are no persons other than those listed in Art. 8.1 ED obliged to provide information.

Art. 8 Para. 1(c) GEO also mentions any other person that “uses counterfeit services on a commercial scale”.

Types of information to be provided

The relevant provision in Romanian legislation (Art. 8 Para. 2 GEO) does not provide for any information other than that listed in Art. 8.2 ED.

Competent authority

According to Art. 8 Para. 1 GEO, in the course of an action for infringement of an industrial property right and following a claim by the claimant which is justified and proportionate to the case, the competent court on the merits may order that information be provided on the origin and distribution

networks of the goods or services in question.

The competent court is determined in accordance with the general provisions of the CPC, Title III of the CPC.

Non-compliance with an order

The GEO does not provide any particular provisions concerning non-compliance with an order to provide information.

Art. 187 Para. 1.2 (f) CPC establishes a judicial fine (RON 50 to RON 700) for the non-submission of a document or good by the person holding it, within the time-limit set by the court.

Appeal/review

Preliminary rulings may be appealed only together with the merits, unless the law provides otherwise⁶.

Any party to the proceedings has the right to appeal the judgment at first instance. The appeal and where appropriate, the grounds for appeal shall be filed with the court whose decision is appealed.

As a general rule, the appellant must file a request within 30 days of communication of the judgment to be appealed⁷.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

CPC, Art. 187, 292, 293, 466, 468 and 471

GEO, Art. 8

IV Provisional and precautionary measures

Titles of the orders

Măsuri provizorii și asiguratorii (provisional and precautionary measures)

⁵ Chapter IV GEO

⁶ Art. 466 Para. 4 CPC

⁷ Art. 468 Para. 1 CPC

Basic procedural framework

After establishing that the claimant is entitled to file the claim, the court may order provisional measures in urgent cases, to enforce a right that would otherwise be delayed, to prevent imminent and irreparable damage, as well as removing obstacles that may arise in the course of enforcement⁸. This measure is implemented by an interim order.

The competent court is determined in accordance with the general provisions of the Civil Procedure Code, Title III.

These measures may be issued only in separate proceedings before proceedings on the merits have been initiated.

According to Art. 978 Para. 6 CPC, provisional measures instituted before proceedings on the merits have been initiated cease to have effect if the claimant has not brought the matter before the court within the time limit set by the court, but no later than 30 days after their enactment.

Factors considered by the court

The conditions⁹ for the admissibility of a request for an interim order are that: the proceedings are commenced as a matter of urgency (in practice, this condition is presumed to be satisfied in IP cases), the temporary nature of the order, the non-judgment of the merits and the existence of a right to be protected.

The interim order is a preliminary procedure and does not decide the merits of the case (similar to the French procedure *ordonnance de référé*).

Recurring penalty payments

According to Art. 906 Para. 1 CPC, if within 10 days from the communication of the order, the defendant fails to comply and it cannot be complied with by another person, the defendant may be compelled to comply by the imposition of penalties, by the enforcement court.

See also Part II “Non-compliance with an order”.

In practice there are difficulties in determining the amount of recurring penalties. There is no uniform practice in this respect.

Provisional and precautionary measures against intermediaries

Article 9 Para. 2 GEO provides that provisional measures may also be ordered against an intermediary whose services are used by a third party for the purpose of infringing a protected industrial property right.

Circumstances justifying an order for precautionary seizure

According to Art. 979 Para. 1 CPC, precautionary measures may be ordered when the claimant demonstrates that the patent is infringed or the likelihood that it will be infringed, and that there is a risk of irreparable damage.

In order to obtain a precautionary seizure, according to Art. 952 CPC a claimant who does not yet have an enforceable order, but who has made a claim in writing may require the seizure of movable and immovable property of the defendant if the claimant proves that he has filed a lawsuit. The claimant may be required to lodge a security of an amount determined by the court.

Traditionally, Romanian practice and jurisprudence does not permit the possibility of requesting a seizure order by way of an interim order. However, the provisions of the GEO expressly provide for such a possibility although, from a practical point of view, it is not clear how this can be reconciled with the procedure by way of an interim order.

Assessment of required evidence

In order to obtain provisional measures according to Art. 979 Para. 1 CPC, the claimant demonstrates that the patent is infringed or the likelihood that it will be infringed, and that there is a risk of irreparable damage.

⁸ Art. 997 Para. 1 CPC

⁹ Art. 997 Para. 1 CPC

Conditions justifying *ex parte* order

An interim order may be granted *ex parte*¹⁰. The Romanian procedure does not define “appropriate cases” (as referred to in Art. 9.4 ED) in which the interim order may be issued *ex parte*. However in practice, injunctions are very rarely granted without all parties being heard.

Protections available to the defendant

See Part II “Protection available to the defendant”.

Non-compliance with an order

According to Art. 622 Para. 1 CPC, the obligation to comply with a court’s decision or any other enforcement order is done voluntarily. Para. 2 states that if the debtor does not voluntarily enforce the order, this shall be enforced by compulsory execution.

In the latter case, according to Art. 626 CPC, the State is required to ensure through its agents the prompt and effective execution of court rulings and other enforceable orders. In the case of non-compliance, parties are entitled to full compensation for the damage suffered.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

CPC, Arts. 622, 626, 906, 978, 979, 997, 999, 1000, 1057 and 1058

GEO, Art. 9

Decision No. 1430/26.11.2015: the Bucharest Tribunal stated that urgency, which is regarded as a condition for granting preliminary injunctive relief, is presumed to be satisfied in respect of industrial property rights that are alleged to be infringed, as is apparent from the provisions of Art. 9 GEO.

V Corrective measures

Titles of the orders

Măsuri corrective (corrective measures)

Retragerea din rețelele circuitelor comerciale (recall from the channels of commerce)

Scoterea definitivă din circuitele comerciale (removal from the channels of commerce)

Distrugere (destruction)

The abovementioned measures are referred to as “Corrective measures” in Art. 11 GEO.

Other available measures in Romania

Romanian legislation does not provide for any corrective measures other than those listed in Art. 10.1(a)-(c) ED.

Basic procedural framework

The competent court may order the abovementioned corrective measures in the proceedings on the merits¹¹.

Romanian procedure does not provide for a specific enforcement mechanism for corrective measures. However, if the defendant refuses to comply with the order within 10 days of notification of the order, the court may authorise the claimant by an enforcement order to either execute it himself or ensure enforcement by other persons, at the expense of the defendant¹².

Corrective measures may also be ordered against distributors of the defendant.

Article 11 GEO does not specifically prohibit the possibility for claimants to request measures in parallel. Nevertheless, in practice the claimant is usually only interested in obtaining recall of the goods from the channels of commerce and their definitive removal.

¹⁰ Art. 999 Para. 2 CPC

¹¹ Art. 11 Para. 1 GEO

¹² Art. 904 CPC

Assessment of proportionality for ordering remedies

In examining the request for corrective measures, the court shall take into account proportionality between the seriousness of the infringement and the corrective measures to be ordered, as well as the interests of third parties¹³.

Romanian legislation does not define how “proportionality” as referred to in Art. 10.3 ED should be assessed. This issue remains at the discretion of the court, which will judge according to the circumstances of the case. The court will generally take into account *inter alia* the good or bad faith of the defendant. However to do so, a defence of non-proportionality must be raised by the defendant (the judge does not assess proportionality *ex officio*).

Evidence of destruction

Romanian legislation does not provide for proof of destruction. In practice, a specialised entity will issue to the defendant a document confirming compliance with the order for destruction.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

CPC, Arts. 468, 471, 904 and 906
GEO, Art. 11

VI Injunctions

Title of the order

Acțiune în contrafacere

In Romanian judicial practice, the name of the remedy is “counterfeiting claim”.

Basic procedural framework

Where there is an infringement of an industrial property right, the competent court may by an “interim order” (sic) (*ordonanță președințială*) forbid the person who has breached that right from continuing his offence¹⁴. When translating Art. 11 ED, the term “interim order”, was included in the GEO. However, the courts have applied the text according to the Directive and thus permanent injunctions have been ordered in cases on the merits (where the court has established infringement).

The competent court is determined in accordance with the general provisions of the CPC, Title III (Art. 12 Para. 1 GEO).

Injunctions against intermediaries

The GEO does not expressly provide for the possibility of issuing permanent injunctions against intermediaries. Nevertheless, given that the GEO provides for the possibility for provisional measures to be ordered against an intermediary whose services are used for the purpose of infringing a protected industrial property right, permanent injunctions against intermediaries may be equally available.

Compulsory licence as a defence

Should the conditions for granting a compulsory licence be met, the defendant may submit such a counterclaim and use it in his defence.

Court’s discretion if finding of infringement

If there is a finding of infringement, an injunction will be granted at the court’s discretion. In practice, the courts have always granted a permanent injunction where infringement was established.

¹³ Art. 11 Para. 3 GEO

¹⁴ Art. 12 Para. 1 GEO

Non-compliance with an order

See Part II “Non-compliance with an order”.

Furthermore, according to Art. 56 of the Romanian Patent Law No. 64/1991 (hereinafter “Patent Law”), infringement of the provisions of Art. 31 Para. 2 Patent Law constitutes the offence of counterfeiting and shall be punished by imprisonment of three months to two years or a fine.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

CPC, Arts. 95, 96, 468 and 471
GEO, Art. 12
Patent Law, Arts. 31, 43 and 56

VII Alternative measures

Title of the order

Măsuri alternative

The name of alternative measure available in the Romanian legislation, according to Art. 13 GEO is (pecuniary) compensation.

Basic procedural framework

At the request of the defendant who has infringed an IP right and who is liable to be bound to one of the measures or prohibitions provided for in Arts. 11 and 12 GEO, the court may order that person to pay the claimant a pecuniary compensation instead of applying the measures¹⁵. The court having heard the case on the merits is the competent authority to issue this order.

There is little case law in Romanian judicial practice concerning provisions corresponding to Art. 12 ED (Art. 13 of the GEO). The alternative measure of pecuniary compensation is not frequently ordered.

The court will proceed according to the provisions of Art. 13 Para. 1 GEO if the following conditions are cumulatively met:

- a) the person acted unintentionally and with negligence; and
- b) the execution of the measures requested would cause the defendant disproportionate damage in relation to the scale of infringement; and
- c) payment of the pecuniary compensation as provided for in Para. 1 is reasonably satisfactory.

Non-compliance with an order

See Part II “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

CPC, Arts. 468, 471, 622, 664 and 906
GEO, Art. 13

VIII Damages

Calculation methods available in Romania

According to Art. 14 Para 2 GEO, when determining damages, the court will consider:

¹⁵ Art. 13 Para. 1 GEO

- a) all relevant aspects, such as adverse economic consequences, in particular loss of profit suffered by the claimant, unfair profits obtained by the infringer and, where appropriate, other factors such as the moral damage caused to the claimant; or
- b) alternatively, where appropriate, the court may award a lump sum for damages on the basis of the total amount of royalties that would have been due had the defendant requested a licence to use the right in question.

Basic procedural framework

As provided for in Art. 14 GEO, determination of the damages may be ordered in both separate proceedings and as a part of the main patent infringement proceedings.

If the claim for damages is filed separately, the competent court shall be determined based on the amount of the claim, in accordance with the general provisions of the Civil Procedure Code (Title III). According to the CPC, if the obligation has a monetary value, the competent court will be the tribunal.

The general provisions of the CPC may be applicable to request information, although in the CPC there is no express right of disclosure independent of Art. 8 ED. See also Part III “Right of information” above.

See also Part I “Basic procedural framework” for provisions on the disclosure of evidence, which may be applicable in these proceedings.

Methods of calculation

Romanian legislation does not provide for the possibility for a claimant to choose between the different calculation methods, nor does it expressly allow the judicial authorities to mix and match different calculation methods.

The methods listed in Art. 14 GEO are alternative, not cumulative, and cannot be combined. There is no case law on this subject.

In Romania, most frequently damages are awarded in accordance with method (a) above.

Evidence of lack of knowledge

The GEO does not provide an accurate translation of Art. 13.2 ED, since Art. 14 GEO applies only to intentional infringements of IP rights. “Intention” does not cover the case of the infringer who acted without intention but with “reasonable grounds” to know. According to Romanian civil law, acting with negligence (*culpă*) is not as such covered by the GEO. In practice however, the courts apply the general rules on civil liability and therefore GEO does not play an important role when it comes to the subjective element of IP infringement.

Non-compliance with an order

See Part II “Non-compliance with an order”.

As the obligation is to pay a sum of money (actual damages), enforcement shall be carried out according to the specific provisions of the CPC. In this case, the bailiff shall commence an enforcement action in order to obtain the amount of money ordered by the court, for example by selling assets or seizing bank accounts.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under “Non-compliance with an order”.

Legal basis and case law

CPC, Arts. 95, 96, 293, 294, 297, 468, 622, 626, 664 and 906
GEO, Art. 14

IX Legal costs

Overview of assessment of costs

The issue remains at the discretion of the competent court, which will award costs according to the circumstances of the case. Also, the Romanian legislation does not use the word “proportionate” when referring to legal costs.

However according to Art. 451 Para. 2 CPC, the court may, even *ex officio*, reduce the level of lawyer's fees to be reimbursed by the unsuccessful party where it is manifestly disproportionate to the value or complexity of the case or to the work done by the lawyer. Any reduction made by the court will have no effect on the fees to be paid to the lawyer by his client.

Legal costs, according to Art. 451 Para. 1 CPC, consist of:

- judicial stamp duties;
- lawyers' fees;
- fees for experts and other specialists appointed under Art. 330 Para. 3 CPC;
- amounts due to compensate for witnesses' travel and other costs, accommodation as well as costs (e.g. loss of wages) caused by the necessity of attending the trial
- any other expenses necessary for the smooth running of the trial.

As a general rule, these costs are decided in the infringement action. According to Art. 452 CPC, the party claiming legal costs must substantiate the amount of costs no later than the date of the closure of arguments on the merits.

The successful party may nevertheless seek the recovery of costs in a separate procedure. Legal costs are established according to the will of the contracting parties.

Legal basis and case law

CPC, Arts. 451 and 452
GEO, Art. 15

X Publication of judicial decisions

Title of the order

Publicarea hotărârii judecătorești (publication of judicial decisions)

Basic procedural framework

In infringement proceedings the competent court may order, at the request of the claimant and at the expense of the defendant, appropriate measures for dissemination of the judgment, including its full or partial publication¹⁶; in a

national newspaper, in a local one or in audio-visual media. This may be debated by the parties.

The court may also order additional publicity measures for any special circumstances of the case, including widespread publicity¹⁷.

Romanian legislation does not provide any guidance on what factors the court should consider when deciding whether to issue an order for publication of the judgment. In practice, the judge will take factors such as the nature of the infringement, the degree of exposure, and the public interest (e.g. consumers) into consideration.

Non-compliance with an order

Considering that publication of the decision is not an *intuitu personae* obligation, Art. 904 CPC allows for the claimant to request the enforcement court for authorisation to perform the publication himself, at the expense of the defendant.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

According to Article 82(3) of the UPC Agreement a similar procedure would be followed as stated under "Non-compliance with an order".

Legal basis and case law

CPC, Arts. 136, 468, 471, 622, 664 and 904
GEO, Art. 16
Romanian Civil Code, Arts. 253 and 1536

XI Other appropriate sanctions

Name and type of sanctions

Criminal sanctions are available. According to Art. 55 Para. 1 Patent Law, unlawfully misstating inventorship constitutes an offence and is punishable with imprisonment from three months to two years or with a fine.

¹⁶ Art. 16 Para. 1 GEO
¹⁷ Art. 16 Para. 2 GEO

According to Art. 56 Patent Law, infringement of the provisions of Art. 31 Para. 2 (manufacture, use, offering for sale, sale or import for use, offering for sale or sale, where the object of the patent is a product, the use of the process, as well as offering for sale or import for these purposes of the product obtained directly by the patented process, where the object of the patent is a process) constitutes an offence of counterfeiting and shall be punished by imprisonment from three months to two years or with a fine.

The criminal action is initiated by a preliminary complaint of the right holder, according to the legal provisions of the Romanian Code of Criminal Procedure.

Non-compliance with an order

The competent judicial authorities are the criminal prosecution authorities and the competent criminal court, which is determined in accordance with the legal provisions of the Romanian Code of Criminal Procedure.

Appeal/review

According to Art. 412 Para. 1 of the Romanian Code of Criminal Procedure, the appeal against conviction is made by written request.

According to Art. 410 Para. 1 of the Romanian Code of Criminal Procedure, for the prosecutor, the right holder and the accused, the term of appeal is 10 days, unless the law provides otherwise, and commences with the communication of the sanction.

The appeal is heard by the Court of Appeal (Criminal Chamber).

Legal basis and case law

Patent Law, Arts. 55 and 56
Romanian Code of Criminal Procedure, Arts. 410 and 412

XII Additional options

Other available options in Romania

For criminal proceedings see Part XI "Other appropriate sanctions".

Border measures

Regulation No. 608/2013 is directly applicable in Romania. The right holder may initiate proceedings to determine whether an intellectual property right has been infringed in the member state or member states in which the customs authorities are requested to intervene.

The Regulation provides for the following possibilities:

- detention of goods susceptible to infringe an intellectual property right (Arts. 17 and 18);
- securing goods for which customs clearance has been suspended or which have been withheld and sampling thereof (Art. 19);
- destruction of goods, initiation of civil proceedings and early release of goods (Art. 23).

Article 5 Para. 2 of the Regulation states that applications must be lodged with the competent customs service. The application must be made using the form provided for in Article 6 and contain the information requested in it.

Non-compliance with an order

The procedure concerning the customs interventions is regulated by Law No. 344/2005. Even in the absence of an intervention request, the customs authority may suspend the customs clearance operation and/or withhold the goods for a period of three working days, if it suspects that the goods infringe an intellectual property right.

The act of importing or exporting goods which have been found to infringe an IP right constitutes a misdemeanour and is sanctioned by imposing a fine ranging from RON 3 000 to RON 10 000.

Legal basis and case law

EU Regulation 608/2013

Serbia

I Evidence

Title of the order

Dokaz (evidence)
Izvodjenje dokaza (production of evidence)

Basic procedural framework

The Court¹ is competent to issue an order to present evidence pursuant to Art. 241 Civil Procedure Law (hereinafter CPL), in the main proceedings on the merits.

The Court is responsible for enforcing its order.

Provision of evidence by third parties

If the specified evidence lies in the control of a third party, the competent court may in the main proceeding on the merits, upon application by a party, order that third party to present such evidence².

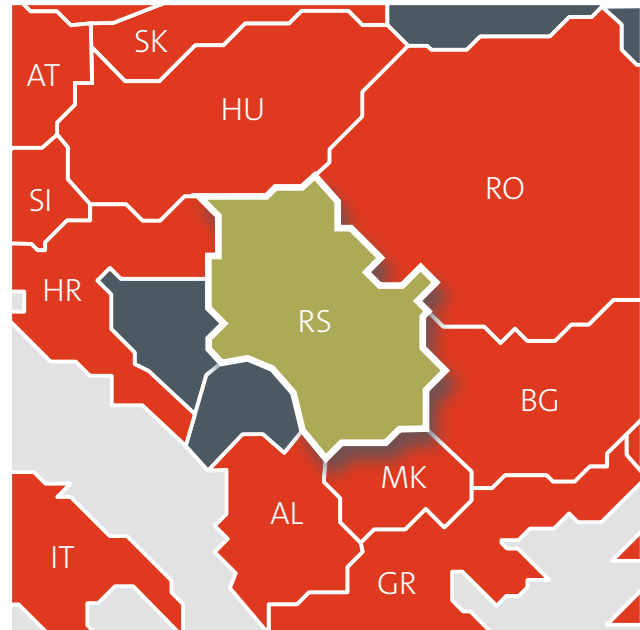
Assessment of evidence in support of the application

The law does not specify what constitutes “reasonably available evidence” to support a party’s claims for the presentation of evidence. The judge will decide on this on a case-by-case basis.

Protection of confidential information

Various provisions to protect confidential information are provided for in the CPL:

- (i) A person who might breach the duty to protect official or military classified information by testifying cannot be heard as a witness until a competent authority releases that person from such duty (Article 247 CPL).



RS

- (ii) Article 248 CPL provides that a witness may withhold testimony:
 - a) relating to facts that a party confided to the witness as its attorney;
 - b) relating to facts that a party or other person confided to the witness as a religious confessor;
 - c) relating to facts that the witness learned in the capacity of legal counsel, physician, or exercising other professional activities or duties, if an explicit obligation exists to protect the confidentiality of information obtained through performing such professional activities or duties.

The presiding judge of the case shall advise these persons that they may withhold their testimony.

- (iii) Article 249 CPL provides that a witness may withhold an answer to particular questions if relevant reasons exist, and especially if by answering it would bring disgrace, would incur significant damage to his property, or would expose the witness or his relatives to criminal prosecution.

¹ In Serbia the competent court for patent infringement cases is the Higher Court (between natural persons) or the Commercial Court (between legal entities). For the purposes of this profile the competent court is referred to as “the Court”, unless otherwise indicated.
² Article 241 CPL

General note: Serbia’s IPR legislation is partially aligned with the provisions of the IPR Enforcement Directive. National legislation has been amended (e.g. Law on Patents, Law on Industrial designs). Serbia is in the process of strengthening its enforcement legislation and capacities and coordination between the enforcement bodies, thus further amendments of other IPR laws can be expected.

Contributor: Mihajlo Zatezalo, PETOŠEVIĆ (Belgrade), www.petosevic.com

The Court shall advise a witness that it may withhold the answers to questions being asked.

Non-compliance with an order

The Court is competent in case of non-compliance. Non-compliance is decided in the main proceedings on the merits and may result in a one-off penalty payment. The Court may impose a fine from RSD³ 10 000 to 150 000 on a natural person or responsible person in a state authority, or a fine from RSD 30 000 to 1 000 000 on a legal entity or other organisation, which failed to comply with the decision⁴.

If the non-complying party fails to pay the fine within the time limit specified in the decision, the Court shall replace the penalty payment with imprisonment (between 10 and 150 days, i.e. one day is equivalent to RSD 1 000), in accordance with the law on enforcement of criminal sanctions.

Appeal/review

The order for the presentation of evidence may not be appealed or reviewed⁵.

Admissibility of evidence

Evidence obtained in other national criminal, administrative or civil proceedings is admissible.

In principle, evidence obtained in proceedings before a court of another country is admissible in civil proceedings before national courts in Serbia. However, the Court may decide which evidence will be considered in order to establish the relevant facts.

Legal basis and case law

Articles 228-283, Civil Procedure Law (Published in "Official Gazette of the Republic of Serbia", No. 72/2011, 49/2013 - decision of Constitutional Court, 74/2013 - decision of Constitutional Court and 55/2014) in force as of 1 February 2012

Articles 131 and 132, Law on Enforcement and Security (Published in "Official Gazette of the Republic of Serbia", No. 106/2015, 106/2016 and 113/2017) in force as of 1 July 2016,

Article 189, Law on enforcement of criminal sanctions (Published in "Official Gazette of the Republic of Serbia", No. 55/2014) in force as of 1 June 2014

II Measures for preserving evidence

Titles of the orders

Postupak obezbeđenja dokaza (procedure for preserving evidence)⁶

The preservation of evidence shall include⁷:

- *uzimanje detaljnog opisa proizvoda kojima se povređuje pravo, sa ili bez uzimanja uzoraka tih proizvoda* (taking a detailed description of the infringing products, with or without sampling of those products);
- *oduzimanje proizvoda ili dela proizvoda kojima se povređuje pravo, a ako je to opravdano, i oduzimanje materijala i predmeta (pribor, alat) pretežno upotrebljenih u stvaranju ili stavljanju u promet proizvoda kojima se povređuje pravo, kao i dokumenata koji se odnose na navedeno* (seizure of products or parts of infringing products and, if justified, seizure of materials and objects (accessories, tools) predominantly used in the production or distribution of infringing products, as well as documents relating thereto).

Further available measures

The order for preservation of evidence may involve the inspection of premises, records, documents, databases, as well as the seizure of assets and the questioning of witnesses and experts.

Basic procedural framework

The Court is competent to issue such an order, either in separate proceedings before main proceedings have been initiated or in the proceedings on the merits⁸.

³ Serbian dinars

⁴ Art. 243 CPL

⁵ Art. 241 CPL

⁶ Article 284 CPL

⁷ Art. 136 Law on Patents (updated)

⁸ Art. 284 CPL

The order is issued by the Court and will be enforced by the court-appointed clerk.

Ex parte requests

The Court will decide on a case-by-case basis as to what is the required level of evidence to show that a delay is likely to cause irreparable harm to the right holder or to present a demonstrable risk of evidence being destroyed.

The Law on Patents provides as follows: “Upon the request of the person who proves reasonable probability that his right arising from the published application or granted right is being infringed or shall be infringed the court may undertake to preserve evidence, provided that confidential information is protected”⁹.

The procedure relating to *ex parte* requests include the right of the other party to be heard and be given a notice without delay is described in Art. 288 CPL.

Protection available to the defendant

Article 151 CPL provides that when a party seeks an order for the preservation of evidence, it shall, upon the order of the court, lodge a deposit sufficient to cover the costs incurred by the defendant as a result of the order to preserve evidence. The court shall determine this security on a case-by-case basis.

Appropriate compensation is calculated on a case-by-case basis, particularly depending on the value of dispute.

Period to initiate proceedings on the merits

Where the order to preserve evidence is issued in separate, preliminary proceedings, the period to initiate proceedings on the merits is within 30 days from the date of issuing the decision (Art. 136 Law on Patents).

Witness identity protection

Protection of witness’ identity is not provided for in civil proceedings in Serbia.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

The order for measure to preserve evidence may not be appealed or reviewed.

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Articles 284 to 288 CPL

Law on Patents (Published in “Official Gazette of the Republic of Serbia” No. 99/2011 and 113/2017, 95/2018 and 66/2019) in force as of 26 September 2019

III Right of information

Title of the order

Obraveza pružanja informacija (right of information)

Persons obliged to provide information

Only persons listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

Only information listed in Art. 8.2 ED is to be provided.

Competent authority

The Court is competent to order the provision of information.

Non-compliance with an order

The Court that issued the order is competent in case of non-compliance.

If the person fails to comply for unjustified reasons and does not provide the requested information, they will be liable for the damage that results (Art. 139 Law on Patents).

Penalty payments are not specified by the law.

Appeal/review

The order for the provision of information cannot be appealed or reviewed.

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Art. 139 Law on Patents

IV Provisional and precautionary measures

Titles of the orders

Privremene mere (provisional measures)¹⁰

- 1) *oduzimanje ili isključenje iz prometa proizvoda nastalih ili stečenih povredom prava* (seizure or withdrawal from the market of products made or obtained by infringement);
- 2) *oduzimanje ili isključenje iz prometa predmeta (pribor, alat) pretežno upotrebljenih u stvaranju proizvoda kojima se povređuje pravo* (seizure or withdrawal from the market of articles (equipment, tools) predominantly used in the production of infringing products);
- 3) *zabrana nastavljanja započetih radnji kojima se povređuje pravo* (prohibition of further infringing acts).

Basic procedural framework

The Court is competent to issue provisional measures. The court-appointed clerk or bailiff¹¹ is responsible for enforcing the measures.

Provisional measures may be issued in separate proceedings before the proceedings on the merits have been initiated and in main proceedings.

Where the order has been issued in preliminary proceedings, the main infringement action should be initiated within 30 days from the court decision granting the provisional measure¹².

Factors considered by the court

The Law on Patents provides that the person who requests provisional measures must prove as a “reasonable probability” that his right arising from a published application or granted patent is or shall be infringed. The Court will then take all facts into consideration, for example the value of goods/patent, amount of possible damage, alleged infringer’s activity etc.

The Court may instruct the claimant to provide additional evidence of the infringement or the risk of infringement.

The Law on Enforcement and Security provides that the claimant must establish that without the provisional measure, the fulfilment of his claim would be difficult, or that irreparable damage will be incurred.

Recurring penalty payments

There are no particular conditions set by the law with regard to recurring penalty payments. The Court decides on penalties on a case-by-case basis. It is only stipulated that a person who does not comply with the order is obliged to compensate for the damage caused to the other party because the order was not respected.

¹⁰ Art. 134 Law on Patents

¹¹ According to Art. 4 Law on Enforcement and Security, the Court (court-appointed clerk) has exclusive jurisdiction to perform acts that can only be undertaken, omitted or suffered by the debtor, reinstatement of the employee and execution of executive documents relating to family relations, except for the payment of legal support. The Court also has exclusive jurisdiction for enforcement when prescribed by a separate law. The bailiff has exclusive jurisdiction for the enforcement of other enforceable documents, writs of enforcement based on a credible document, writs on adopting the motion for counter-enforcement and writs on enforcement of writs on enforcement of court-imposed penalties. The bailiff has exclusive jurisdiction for the enforcement of writs prescribed by law to be executed *ex officio*.

¹² Art. 135 Law on Patents

Provisional and precautionary measures against intermediaries

Serbian law does not provide for provisional measures against intermediaries.

Circumstances justifying an order for precautionary seizure

Where a person has shown the likelihood that his or her right has been infringed or that there is a serious risk of infringement, the Court will order a precautionary seizure.

Furthermore, Art. 134 of the (new) Law on Patents provides that on the proposal of a claimant who has shown the likelihood that his or her right has been infringed or that there is a serious risk that he or she will be prevented from performing his/her usual commercial activity, and the existence of circumstances likely to endanger the recovery of damages, the Court may, in addition to the abovementioned provisional measures, order the following:

- 1) seizure of movable and immovable property of the alleged infringer;
- 2) prohibition of payment of funds from the account of the alleged infringer.

Assessment of required evidence

What constitutes reasonably available evidence (as referred to in Art. 9.3 ED) to determine whether the claimant's rights are being infringed or whether infringement is imminent is not provided for in the law. The judge decides on a case-by-case basis.

Conditions justifying *ex parte* order

Where there is risk of irreparable harm being caused or where there is demonstrable risk of evidence being destroyed, the Court may order a provisional measure without the defendant being heard. The defendant must be notified without delay, at the latest within five days from implementation of the provisional measure.

What constitutes "irreparable harm" is not provided for in the law and the judge decides on a case-by-case basis.

Protections available to the defendant

Article 135 of the Law on Patents only provides that at the request of defendant, a court may order a claimant to lodge an appropriate deposit to ensure compensation in the event that a claim should prove unsubstantiated. This security is determined on a case-by-case basis by the judge.

Similarly, "appropriate compensation" for the defendant is determined (as referred to in Art. 9.7 ED) on a case-by-case basis.

Non-compliance with an order

The Court and the bailiff are competent in case of non-compliance with the order.

When first granting the order the Court may, on a proposal of the claimant, order the defendant to comply with the order within a period of eight days. If the defendant does not comply with the order within the specified time limit, the defendant will incur a fine for each day of delay until the enforcement motion is filed with the court/bailiff.

The procedure for non-compliance is the enforcement procedure, which the claimant may initiate, and is a separate one from the proceedings for infringement, but before the same court. If the defendant does not comply with the court decision or preliminary measure immediately upon its receipt or within the specified deadline, the claimant may initiate the procedure for enforcement of such decision. Request for enforcement of decision or measure is filed with the court or bailiff.

Monetary compensation and penalty payments may be imposed. Fines for natural persons, entrepreneurs and responsible persons in a legal entity or a state body range from RSD 10 000 to 200 000. Fines for legal entities or state bodies range from RSD 100 000 to 2 000 000.

A recurring fine may be imposed until the non-compliance ceases to exist and it may be converted into imprisonment. If the non-complying party fails to pay the fine within the time limit specified in the decision, the Court shall replace the penalty payment with imprisonment (between 10 and 150 days, i.e. one day is equivalent to RSD 1 000), in accordance with the law on enforcement of criminal sanctions.

The court will order a fine by a decision, on its own initiative or on the proposal of the prosecutor or the bailiff, taking into account the significance of the act or omission for which punishment is imposed.

Appeal/review

The general civil procedure is that an appeal may be filed before the same court that ordered the provisional measures. The deadlines for appeals are usually 8 or 15 days, depending on the type and value of the dispute. Specific deadlines for appeals will be stated the end of each judgment.

The first instance court will reject an appeal if filed:

- (i) after expiration of the deadline;
- (ii) by an unauthorised person; or
- (iii) incompletely (e.g. not signed, unclear as to which decision is being appealed).

An appeal will not postpone the execution of the first instance decision. The court will forward the appeal to the other party, who will submit its response within a set deadline. Once the court receives the response it will forward the grounds for appeal and response to the appellate court¹³. The appellate court will decide on the appeal without a hearing.

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Arts. 134 and 135 Law on Patents
Arts. 299 and 399 CPL
Arts. 447 to 460 Law on Enforcement and Security

V Corrective measures

Titles of the orders

*Tužbeni zahtevi*¹⁴ (infringement claims)

Oduzimanje, odnosno trajno isključenje iz prometa ili uništenje, ili preinačenje bez bilo kakve naknade, proizvoda koji su nastali ili stečeni povredom prava (seizure or destruction of products made or obtained by infringement of a right, without compensation of any sort)

Zabrana otuđenja, oduzimanje ili uništenje, bez bilo kakve naknade, materijala i predmeta (pribor, alat) koji su pretežno upotrebljeni u stvaranju proizvoda kojima se povređuje pravo (seizure or destruction of material or articles (equipment, tools) predominantly used in the creation of infringing products, without compensation of any sort).

Other available measures in Serbia

None available.

Basic procedural framework

The Court is competent to issue such orders in the main proceedings on the merits and is responsible for enforcing the measures.

The law does not provide for a specific procedure for the corrective measures indicated in Art. 10.1 ED (recall from the channels of commerce, definitive removal from the channels of commerce, destruction) or the others indicated above.

The Court takes into account all available facts and evidence collected during the proceedings on a case-by-case basis.

When considering the claims to order seizure and destruction of products or materials and implements to produce infringing products, the Court shall take into account the need to maintain proportionality between the gravity of the infringement and the measures ordered, as well as the interests of third parties.

The applicant may ask for two corrective measures in parallel.

In relation to Art. 10.2 ED, “particular reasons” not to carry out the measures at the infringer’s expense are not described in the law. One example however may be that the defendant is not solvent.

Assessment of proportionality for ordering remedies

The Court shall take into account the need to maintain proportionality between the gravity of the infringement and the measures ordered, as well as the interests of third parties.

¹³ Appeals from the Higher Court will be heard by the Court of Appeal; appeals from the Commercial Court will be heard by the Commercial Court of Appeal.

¹⁴ Art. 133 Law on Patents

Evidence of destruction

Evidence of destruction is provided by way of a record and photos of the destruction process.

The authorities involved are the court clerk and the customs or market authorities. Machines for destruction of the counterfeit goods that were received from EU IPA pre-accession funds are located at the premises of Customs and Market authorities, thus some destructions are performed there. There is also possibility to engage private destruction companies.

If the reason for court proceedings was customs/market detention of the counterfeit goods, customs/market authorities must be present because such goods will remain at their warehouses until the court proceeding is over. Upon completion of court proceedings, the customs/market authorities will release or destroy subject goods. A court-appointed clerk should witness destruction of goods.

Non-compliance with an order

See Part IV “Non-compliance with an order”.

Appeal/review

The appeal should be filed within 15 days before the first instance court whereas the second instance decides on appeal. See Part IV “Appeal/review” for the procedure.

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Art. 43 Law on Enforcement and Security
Art. 367 Civil Procedure Law
Art. 133 Law on Patents

VI Injunctions

Title of the order

Zabrana radnji kojima se povređuje pravo (prohibition of acts infringing the right)

Basic procedural framework

The Court is competent for issuing an injunction. The claimant must request from the Court to enforce the injunction.

Injunctions against intermediaries

A permanent injunction may be requested only against the defendant.

Compulsory licence as a defence

Aspects justifying the grant of a compulsory licence may be brought forward as a defence in infringement proceedings.

Court’s discretion if finding of infringement

The Court has a discretion in granting a permanent injunction. However, in practice, once infringement is established, the Court automatically issues the injunction.

Non-compliance with an order

See Part IV “Non-compliance with an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Art. 367 Civil Procedure Law
Art. 133 Law on Patents
Art. 43 Law on Enforcement and Security

VII Alternative measures

Serbian Law does not provide for any alternative measures as referred to in Art. 12 ED.

VIII Damages

Calculation methods available in Serbia

The Law of Contracts and Torts (Law on Obligations) in Article 189 provides the following as factors to aid the calculation of a lump sum award for damages:

- (1) a person sustaining damage shall be entitled both to an indemnity for common damage (simple loss) and compensation for lost profits.
- (2) the amount of damages shall be determined according to prices at the time of rendering of the court's decision, unless something else is provided for by law.
- (3) in assessing the amount of lost profits, the profit which was reasonably expected according to the regular course of events or particular circumstances, and whose realisation has been prevented by an act or omission of the tortfeasor shall be taken into account.
- (4) where an object is lost or damaged by a wilfully committed criminal offence, the court may determine the amount of indemnity according to the value the object had for the person sustaining damage.

Article 190: While also taking into account the circumstances after the occurrence of damage, the court shall determine damages in the amount necessary to restore the material state of the person sustaining damage into the state it would have been without the damaging act or omission.

Article 191: The court may, while taking into account the material situation of the person sustaining loss, order the person liable to pay an indemnity which is lower than the amount of damages if it was not caused either wilfully or by gross negligence, and if the liable person is in a poor material situation, so that payment of full indemnity would bring him into poverty.

Furthermore, the Law on Patents prescribes that if an infringement was committed intentionally or with gross negligence the claimant may, instead of the compensation, claim up to three times the amount of licence remuneration he would usually receive for the use of the invention (Article 133).

Basic procedural framework

The determination of the amount of damages may be the subject of separate proceedings or part of the main patent infringement proceedings.

If the determination of the amount of damages is subject to separate proceedings, the competent judicial authority is the Court that issued the decision.

In proceedings relating to claims for damages, the party may file requests for information as in Part III, Right of information above.

Methods of calculation

The choice between different calculation methods does not depend on the claimant. The Court determines the damages based on the evidence obtained in the proceedings and submitted by the claimant.

Mixing and matching different calculation methods is not provided for by the law. The Court will take into account all appropriate evidence.

Evidence of lack of knowledge

The law does not provide any guidance on the liability for damages compensation where the infringer did not knowingly engage in the infringing activity.

Non-compliance with an order

The enforcement procedure is governed by the Law on Enforcement and Security. If the claimant has an enforceable judgment he may initiate a procedure for enforcement of his rights with the Court.

If the defendant does not comply with the order voluntarily, the Court will order execution on immovable/movable property, wage execution, execution on money assets available on debtor's bank account, execution on securities, in financial instruments, execution on shares in company.

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Arts. 189-191 Law of Contracts and Torts (Law on Obligations) (Published in “Official Gazette of SFR of Yugoslavia” No. 29/78, 39/85, 45/89 – decision of Constitutional Court and 57/89, “Official Gazette of SFR of Yugoslavia”, No. 31/93 and “Official Gazette of Serbia and Montenegro”, No. 1/2003)
Arts. 133 and 133a Law on Patents
Arts. 150 to 326 Law on Enforcement and Security

IX Legal costs

Overview of assessment of costs

According to Art. 150 CPL, litigation costs shall include expenses incurred in the course of or in relation to the proceedings.

Litigation costs shall also include remuneration for lawyers’ fees and other persons entitled to remuneration pursuant to the law. Legal costs are awarded on a flat-rate scheme for legal counsel fees issued by the Bar Association of Serbia.

According to Art. 154 CPL, the Court shall take into account only costs that were required to conduct the proceedings. The Court shall rule upon what costs are recoverable as well as the amounts required, having considered all the circumstances.

Costs are generally decided as part of the infringement action.

Legal basis and case law

CPL, Arts. 150, 154

X Publication of judicial decisions

Title of the order

Objavljivanje presude o trošku tuženog (order to publish judicial decisions)

Basic procedural framework

According to Art. 133 Law on Patents, an action for infringement may include a claim for publication of the Court’s decision at the expense of the defendant. The Court, in the main proceedings on the merits, is competent to issue the order.

The Court shall decide on which means of public communication. If the court decides to publish the decision in part it will determine the necessary part of the decision which shows the nature of the infringement and who committed the infringement.

Court practice has shown that the best effect is achieved if the judgment is published in media/newspaper outlets at the place of the defendant’s premises.

When considering the measure to publish the decision, the Court shall consider the proportionality between the infringement committed and the effect of the publication. The goal is to provide the claimant with a certain moral and personal satisfaction.

Non-compliance with an order

In practice, non-compliance with this order is not possible, as the claimant may request the publication from the relevant media/newspapers at the cost of the defendant.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

Serbia is not a party to the UPC Agreement.

Legal basis and case law

Art. 133 Law on Patents
Art. 367 Civil Procedure Law

XI Other appropriate sanctions

None available.

XII Additional options

Other available options in Serbia

Criminal proceedings

Article 201 of the Criminal Code (Violation of Patent Rights) provides as follows:

- (1) Whoever without permission produces, imports, exports, offers for circulation, puts into circulation, stores or uses for commercial operations a patented product or procedure, shall be punished with a fine or imprisonment up to three years.
- (2) If the offence referred to in paragraph 1 results in material gain or damage in an amount exceeding one million dinars, the offender shall be punished with imprisonment from one to eight years.
- (3) Whoever without permission publishes or otherwise presents in public the essence of another's patent that has been applied for, before such patent is published in the manner set out by law, shall be punished with a fine or imprisonment up to two years.
- (4) Whoever without permission applies for a patent or fails to give or gives the incorrect name of inventor in the application, shall be punished with imprisonment from six months to five years.
- (5) The items referred to in paragraphs 1 and 2 shall be seized and destroyed.

Therefore, the right holder may file a criminal complaint against any person that has infringed his rights. The Criminal Court is competent in criminal proceedings.

Border and Market measures

The right holder may also apply for Customs/Market Watch measures in order to have enhanced surveillance of the Serbian borders and Serbian market.

Customs and Market authorities have the right to detain the goods suspected of infringing IP rights and will inform the right holder of the seizure¹⁵.

The Customs and Market authority is competent for Border and Market measures in the administrative procedure.

The Market Inspectorate in Serbia (upon application of the right holder or *ex officio*) provides protection and finds goods suspected to infringe intellectual property rights that are already on the territory of Serbia (internal market). The Customs authority provides protection at the border of the Republic of Serbia.

The procedure followed by the Customs and Market authorities are similar and generally entail the following:

Once the right holder files the Customs/Market Watch applications for a 12-month period, the Customs/Market authorities will inform him of allegedly infringing goods. They may act *ex officio*, but it is an advantage for the right holder to have filed the application, as this provides the officers a contact person to whom to refer to for verification if the allegedly infringing goods are counterfeit or not.

Once the authorities discover allegedly infringing goods, they seize them and inform the representative, who takes pictures and sends them to the right holder. The representative may request that the goods be destroyed or released. In cases where the importer or owner of goods contests the allegation of infringement, a lawsuit has to be filed with the Court. Upon completion of court proceedings, the customs/market authorities will release or destroy the seized products.

Non-compliance with an order

In criminal proceedings, sanctions may be imposed such as fines, imprisonment (see above), destruction (if applicable, and costs), and compensation. Maximum amounts are not specified and are determined on a case-by-case basis.

Legal basis and case law

Criminal Code (Published in "Official Gazette of the Republic of Serbia", No. 85/2005, 88/2005, 107/2005, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014 i 94/2016) in force as of January 01, 2006

Customs Law (Published in "Official Gazette of the Republic of Serbia", No. 18/2010, 111/2012, 29/2015, 108/2016 and 113/2017) in force as of May, 2010

Law on Special Powers for Efficient Protection of Intellectual Property (Published in "Official Gazette of the Republic of Serbia", No. 46/2006 and 104/2009) in force as of June 10, 2006

Trade Law (Published in "Official Gazette of the Republic of Serbia", No. 53/2010, 10/2013 and 44/2018) in force as of January 01, 2011

¹⁵ Serbian Customs Law, Title 8 - Border enforcement of intellectual property rights, Arts. 280 to 287; the law on special powers for the purpose of efficient protection of intellectual property rights

Sweden

I Evidence

Title of the order

Editionsföreläggande (order to produce specific documentary evidence)

Syn (inspection of objects)

Basic procedural framework

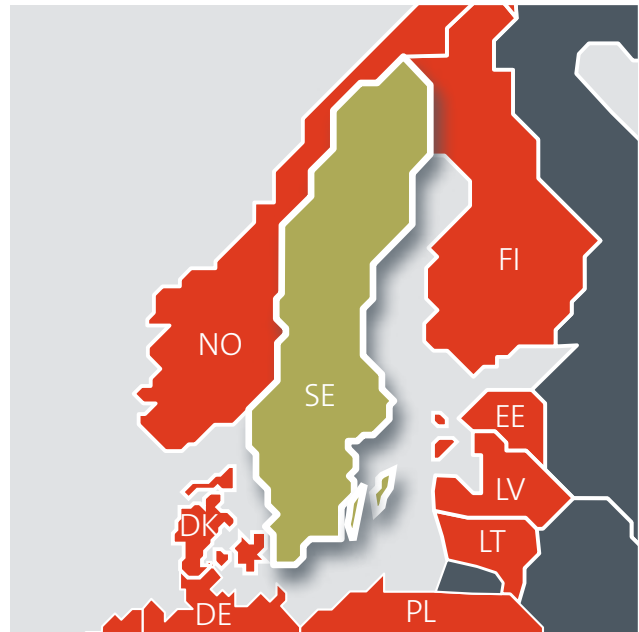
The competent authority is the court before which the case is pending. The Patent and Market Court (*Patent- och marknadsdomstolen*) is the exclusive venue for intellectual property proceedings in Sweden.

Except for exceptional cases¹ of little practical importance, the order is issued in the main proceedings.

In its decision, the court shall state the place and manner of production. The court may order that the obligation to produce the document is combined with a penalty fine if the order is breached, or that the document shall be obtained and made accessible by the Enforcement Authority (*Kronofogdemyndigheten*). The documentation shall be produced as specified in the order which generally includes a deadline. The party requesting the production of documents may then invoke the produced documents as evidence in its statement of evidence for formal presentation at the main hearing.

Provision of evidence by third parties

If the specified evidence lies in the control of a third party, the court may (upon application by the party) order the third party to present the evidence. Such an order is issued in the main proceedings, except for exceptional cases of little practical importance (see footnote below).



Assessment of evidence in support of the application

Swedish legislation does not include an explicit requirement on the applicant to produce any evidence in support of their claims. However, the applicant party's interest in obtaining the evidence must outweigh the opposing party's interest in not producing the same. As a result of this assessment, the strength of the applicant party's *prima facie* claim may be taken into account.

Protection of confidential information

Information disclosed between a party and any person related to that party, and information entrusted to certain professionals (including for example, legal counsel) is exempt from the obligation to produce evidence.

Information that constitutes trade secrets may only be ordered to be produced if there are exceptional reasons (in practice where the applicant party's interest of obtaining the information outweighs the opposing party's interest of keeping the trade secret information confidential).

¹ These cases concern preservation of evidence for future use and limited to the situation where the document, witness etc. would not be available at the time of future litigation. In practice, this is seldom occurs and has not been seen in approx. 30 years.

Non-compliance with an order

The competent judicial authority is the issuing court.

The procedure depends on what the court has ordered. The court may at its discretion either make the order subject to the penalty fine or declare that the order shall be enforced by the Enforcement Authority. Payment of the imposed fine may be ordered as a sanction if the order is not complied with.

In case of non-compliance, the court may issue subsequent decision(s), increasing the fine or deciding on a recurring fine (although this is less common). Subsequent decision(s) would be issued within the main proceedings and follows the same procedure as the first order.

The Enforcement Authority is the Swedish authority generally responsible for enforcement of debt and other orders (for example eviction). The authority has general public law powers to ensure enforcement, such as issuing orders under penalty of a fine, entering premises and other spaces (e.g. closed containers and storage spaces etc.) or seizing property. The Enforcement Authority's decisions may be appealed to the District Court where the defendant has its place of residence, and further to the Court of Appeal and Supreme Court (however, leave to appeal is required in both instances).

In relation to securing evidence, the Enforcement Authority may order the measures it deems necessary, and may ultimately use its public law powers to secure the evidence covered by the order. If the order concerns electronic documentation, the Enforcement Authority may seize computers and/or mirror harddrives etc.

Appeal/review

The appellant must notify the court of its intention to appeal within one week from service of the decision, upon which the court decides whether the order may be appealed separately or only with its ruling on the merits. The written appeal must then be filed within three weeks from service of the order or three weeks from the date of the ruling on the merits.

The appeal is brought before the Patent and Market Court of Appeal (*Patent- och Marknadsöverdomstolen*). Leave to appeal from the Patent and Market Court of Appeal is required.

Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellate court and subsequently from the Supreme Court.

Admissibility of evidence

Evidence obtained in national criminal, administrative or other civil proceedings is admissible.

With regard to evidence from foreign proceedings, as a general rule all evidence is admissible in Swedish proceedings. The court may refuse evidence if it finds that a circumstance that a party offers to prove is without importance in the case, that the evidence offered is unnecessary or would evidently be of no effect or if the evidence can be presented in another way with considerably less effort or cost. Witness statements are only admissible, without oral examination, if they are specifically authorised by law, if oral witness examinations cannot be held before the court, or if there are special reasons with regard to cost or inconvenience of an oral examination, making witness testimony from foreign courts complex. In civil proceedings, they are also admissible if both parties accept them and it is not evidently inappropriate. It is important to note that expert evidence may be subject to different requirements.

EU Regulation 1206/2001 on the taking of evidence enables the hearing of a foreign witness from within the EU member states.

Legal basis and case law

Chapters 38 and 39 of the Swedish Procedural Code (*Rättegångsbalken*), implements Art. 6 ED

II Measures for preserving evidence

Title of the order

Intrångsundersökning (infringement investigation).

Further available measures

None.

Basic procedural framework

The competent judicial authority is the Patent and Market Court.

Intrångsundersökning may be ordered either in separate proceedings before the proceedings on the merits or as part of the main proceedings.

The Enforcement Authority is responsible for enforcing the order.

Ex parte requests

This is determined at the discretion of the court based on the facts of the case and the evidence.

The respondent can request that the court review its decision and, if it decides not to revoke or amend it, the respondent can appeal the decision.

Protection available to defendant

The court shall require the claimant to provide security as a condition of granting the order, but may relieve the claimant from this obligation if the claimant is financially unable to do so. The court shall assess whether the security is sufficient to cover any and all costs and loss that the respondent may suffer as a result of the relevant measure.

“Appropriate compensation” (as referred to in Art. 7.4 ED) is calculated as any and all actual damage suffered by the defendant.

Period to initiate proceedings on the merits

One month from the date of the order.

Witness identity protection

The Swedish legislator considered Art. 7 ED to be applicable only to written evidence and that Art. 7.5 ED (protection of a witness’ identity) is not mandatory, and noted that affidavits from anonymous witnesses are allowed to support a request for an infringement investigation.

Non-compliance with an order

The Enforcement Authority executes the order at the request of the claimant and may use its public law powers, such as entering premises and other spaces (such as closed containers and storage spaces, etc.) to carry out the investigation.

See also Part I “Non-compliance with an order” regarding the powers of the Enforcement Authority in general.

Appeal/review

The order may be reviewed by the issuing court or on appeal.

The review may be requested at any time during the proceedings. An appeal must be filed within three weeks from service of the decision.

The Patent and Market Court of Appeal (leave to appeal is required) is the appellate court for the Patent and Market Court.

Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

An order issued by the UPC would be enforced by the Enforcement Authority in the same manner as such order issued by the Patent and Market Court.

Legal basis and case law

Sections 59 a-h Patents Act (*Patentlagen*) implementing Art. 7 ED

III Right of information

Title of the order

Informationsföreläggande (information order)

Persons obliged to provide information

No other persons than those listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

The Swedish remedy is not limited to the examples mentioned in Art. 8.2 ED. The order may include any information considered relevant by the court.

Competent authority

The competent authority is the Patent and Market Court.

Non-compliance with an order

In case of non-compliance the competent authority is the issuing court.

The procedure is that the claimant can request that the defendant shall pay the penalty fine set out in the first order to provide information, and/or request a subsequent order to provide information.

In case of non-compliance, the court can issue subsequent decision(s), increasing the fine or imposing a recurring fine (although this is less common). There are no formal limits to the fine, neither to the amount or the number of decisions that may be issued, other than the requirement that the fine must be proportionate.

Appeal/review

The written appeal shall be filed within three weeks from service of the decision or date of the decision, as the case may be.

The appeal may be filed before the Patent and Market Court of Appeal (leave to appeal is required).

Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

According to Art. 82 UPCA and Rule 354 UPCARoP, the UPC has exclusive jurisdiction to issue subsequent decision(s) or to order payment of an imposed penalty fine. However, an order for payment of a fine is enforceable through the Enforcement Authority in the same manner as such an order issued by the Patent and Market Court (pursuant to Art. 82(3) UPCA).

Further, a party to UPC proceedings may apply for a recurring penalty payment to the UPC pursuant to Art. 82(4) UPCA. This recurring penalty would be enforced in Sweden according to the above procedure.

Legal basis and case law

Sections 57 e-f Patents Act

Decision (Supreme Court) NJA 2015 p. 605: regarding the conditions for granting an information order and the assessment of proportionality.

Decision (Svea Court of Appeal) RH 2012:38: the court held that an order of information could not include information regarding the identity of the customers who had purchased infringing goods.

IV Provisional and precautionary measures

Titles of the orders

Interimistiskt förbud (interlocutory injunction) and *kvarstad* (precautionary seizure).

Basic procedural framework

The competent authority is the Patent and Market Court (*Patent- och marknadsdomstolen*).

Interlocutory injunctions based on the Patents Act are part of the proceedings on the merits.

General security measures are available under Chapter 15 of the Swedish Procedural Code. Such measures may be granted where an applicant party has shown probable cause that he has a claim on the merits against someone, which is or can be presumed to be subject to trial, and it can further reasonably be presumed that the respondent will act to prevent or impede the applicant from asserting his claim. Interim relief under Chapter 15 of the Swedish Procedural Code may be granted for claims subject to litigation abroad but only under the condition that the judgment in the foreign proceedings may be enforced in Sweden.

If the prerequisites are fulfilled, the court may order any appropriate measure to assist the applicant's claim on the merits (Chapter 15 Section 3 of the Swedish Procedural Code). Such measures may include preliminary injunctive relief subject to the penalty of a fine, precautionary seizure of property, appointment of an administrator for certain property.

Precautionary seizures under the general rules of the Procedural Code may be requested either in separate proceedings or as part of the proceedings on the merits. If requested in separate proceedings, proceedings on the merits must be initiated within one month from the decision to grant the measure, in accordance with the general rules of the Procedural Code. A precautionary seizure may be ordered either relating to specified property (e.g. to infringing goods, as a security measure to ensure that it can be destroyed after an assessment on the merits) or to undefined property to cover a specified amount (to ensure payment of a monetary claim, e.g. damages, after the assessment on the merits).

The Enforcement Authority is responsible for enforcing the measures.

Factors considered by the court

The measures may only be ordered where they are considered proportionate having regard to the right holder's interest in obtaining the measure and the potential damage which the alleged infringer may suffer.

Recurring penalty payments

Recurring penalty payments may be ordered if it is appropriate with regard to the facts of the case. In theory, they can be ordered where there are reasons to believe that the infringement will continue despite an injunction, but it is rarely used in practice.

The levels of penalty payments are determined at the court's discretion, in light of the facts of the case (e.g. the infringer's annual turnover and the nature of the infringement).

Provisional and precautionary measures against intermediaries

Measures may be ordered against anyone who has been complicit in the infringement. The exact scope of the complicity doctrine is not as yet settled.

Circumstances justifying an order for precautionary seizure

The claimant must demonstrate that there is a tangible risk the defendant will attempt to avoid payment of damages, e.g. by removing property, and that it is in practice possible for the respondent to pay damages.

Assessment of required evidence

"Reasonably available evidence" (Art. 9.3 ED)

The applicant must show probable cause for infringement, and may submit any available evidence to fulfil this burden of proof. Swedish legislation does not specify any particular types of evidence in this regard.

"Sufficient degree of certainty" (Art. 9.3 ED)

The applicant must show probable cause for infringement and the court makes a preliminary review of the case based on the available evidence and considers if it is more likely than not that the claimant will eventually succeed. With regard to an order for precautionary seizure, the court will assess whether it can be reasonably presumed that the defendant will attempt to avoid payment of damages or destruction of infringing goods e.g. by removing property.

Conditions justifying *ex parte* order

Ex parte decisions may be ordered in cases where it can be presumed that a delay would in itself cause harm, for example if the infringer will act maliciously if given notice before adjudication of the issue or if the patentee risks suffering irreparable harm in case of even a short delay.

Any harm which cannot, or only with great difficulty, be compensated by damages can be considered irreparable harm. For example, in relation to pharmaceutical patents, the patentholder could lose almost the entire market for a medicinal product if an infringing generic is introduced on the market and is substitutable with the originator product.

Protections available to the defendant

The court shall order the claimant to provide security for provisional and precautionary measures, but may relieve the claimant from this obligation if the claimant is financially unable to do so. The court shall assess whether the security is sufficient to cover any and all loss that the defendant may suffer following an order (with exception of claimants who are unable to post security). Security is generally posted in the form of a bank guarantee, but the legislation acknowledges a pledge, surety or floating charge as acceptable forms of security.

"Equivalent assurances" (as referred to in Art. 9.6 ED) as such are not foreseen in Swedish legislation.

“Appropriate compensation” (as referred to in Art. 9.7 ED) for any and all damages which the defendant has suffered as a result of the interim measure, and is able to prove, may be calculated and awarded by the court.

Non-compliance with an order

For interlocutory injunctions, the claimant will initiate separate proceedings against the defendant for payment of the penalty fine. In case of non-compliance, the court may issue subsequent decision(s), increasing the fine or deciding on a recurring fine (although this is less common).

Precautionary seizure is enforced through the Enforcement Authority. Precautionary seizures will be enforced by seizure of the defendant’s property, either by a seizure in effect (physically seizing property) or in law of property (prohibiting the defendant from disposing of the property). Unlawful measures with seized property results in criminal liability (fine or imprisonment).

Appeal/review

A decision rendered without the other party having been heard shall be reviewed when the defendant has been served the order and there has been an *inter partes* hearing. The decision may also be appealed.

An appeal shall be submitted within three weeks from service of the decision or date of the decision, as the case may be.

The appeal shall be brought before the Patent and Market Court of Appeal (leave to appeal is required).

Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

An order issued by the UPC would be enforced by the Enforcement Authority in the same manner as such order issued by the Patent and Market Court.

Legal basis and case law

Section 57 b of the Patents Act for injunctions, Chapter 15 Sections 1 and 3 of the Procedural Code regarding precautionary seizure

Supreme Court decisions

- (i) NJA 2007 p. 690 (regarding precautionary seizure and whether a respondent could be presumed to attempt to avoid payment of debt)
- (ii) NJA 2003 p. 613 (regarding the scope of available remedies)

V Corrective measures

Title of the order

Återkallande (recall)
Slutligt avlägsnande (definite removal)
Förstörelse (destruction)

Other available measures in Sweden

Modification (*ändras*) and surrender for safekeeping for the remainder of the term of the patent (*sätts i förvar för återstoden av patenttiden*).

Basic procedural framework

The Patent and Market Court is competent to issue orders for corrective measures. The orders are issued in the main proceedings.

The parties are responsible for its enforcement i.e. the defendant is responsible for ensuring compliance and in cases where the defendant has not complied with the order, the patentee may apply for enforcement of the judgment by the Enforcement Authority.

All relevant factors are taken into account by the court, such as whether the infringer has acted with negligence or intent, the nature of the infringement and the cost of measures required to modify the infringing goods in relation to their value.

There are no legal provisions regarding the procedure for recall or definitive removal. Generally a recall is made through publication of a recall message (consumer goods) or letters to individual customers (business to business). The infringer is responsible for carrying out the recall and bears the costs for the procedure.

In cases where an order is made for destruction it is for the defendant to comply with the order, which may be carried out through any company that provides such services.

Where the defendant does not arrange for the destruction, this can be handled by the Enforcement Authority at the expense of the defendant.

The applicant may request different measures in the alternative and to the extent relevant in parallel, e.g. recall and subsequent destruction.

While the court may consider all circumstances in the case at hand, we are not aware of any case law where the measures have not been carried out at the expense of the infringer.

Assessment of proportionality for ordering remedies

All relevant aspects are considered, such as the persons against whom the measures are directed. For example, measures against end consumers who have purchased infringing products in good faith are usually not considered proportionate.

Evidence of destruction

Normally, a certificate of the company handling the destruction, specifying the goods and measures taken, is issued.

Non-compliance with an order

The Enforcement Authority is competent in case of non-compliance.

The Enforcement Authority may issue a penalty fine to make the defendant carry out the relevant measure. The Enforcement Authority can also take necessary measures to ensure compliance with the order (for example, in relation to destruction, the authority may seize and destroy the infringing goods) at the expense of the defendant. Upon application from the claimant, the Authority may also authorise the claimant (i.e. right holder) to undertake any necessary measures it deems appropriate.

Both recurring or non-recurring penalty payments may be used as sanctions. A debtor may be taken into custody in case he/she refuses to state the whereabouts of his/her assets for the purpose of seizure of assets to satisfy monetary claims (Chapter 2, Section 16 Enforcement Code).

Appeal/review

The appeal shall be filed within three weeks from the date of the judgment (the order for corrective measures) or from the Enforcement Authority's decision (orders relating to enforcement).

The judgment is appealed to the Patent and Market Court of Appeal (leave to appeal is required). Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

The Enforcement Authority's decision is appealed to the District Court at the place of residence of the debtor/defendant. Further appeal to both the Court of Appeal and subsequently to the Supreme Court are subject to leave to appeal.

Non-compliance with UPC-issued order

An order issued by the UPC would be enforced by the Enforcement Authority in the same manner as such order issued by the Patent and Market Court.

Legal basis and case law

Section 59 Patents Act implementing Art. 10 ED

VI Injunctions

Title of the order

Förbud vid vite

Basic procedural framework

The Patent and Market Court is competent for issuing an injunction.

The claimant is responsible for initiating new proceedings for payment of the penalty fine in case of a breach of the injunction.

Injunctions against intermediaries

Injunctions may be ordered against anyone who has been complicit in the infringement. The exact scope of the complicity doctrine is not as yet settled.

Compulsory licence as a defence

It is possible to bring forward aspects justifying the grant of a compulsory licence as a defence in infringement proceedings, but this would require initiating an action for the grant of a compulsory licence.

Court's discretion if finding of infringement

The court has a discretion but there do not seem to be any cases where a permanent injunction has been denied upon a finding of infringement.

Factors taken into account by the court in the exercise of its discretion include whether if the infringement has ceased and future infringement is not possible or there are no reasons to suspect that it will resume. The mere fact that the risk of further infringement is not obvious or is limited is not in itself sufficient reason for the court not to issue an injunction².

Non-compliance with an order

The Patent and Market Court is competent authority in case of non-compliance. The court decides in new proceedings initiated by the claimant regarding payment of the penalty fine due to failure to comply with an order.

In case of non-compliance, the court may issue subsequent decision(s), increasing the fine or deciding on a recurring fine (although this is less common).

Appeal/review

The written appeal shall be filed within three weeks from the date of the decision.

The appeal shall be filed before the Patent and Market Court of Appeal (leave to appeal is required). Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

According to Art. 82 UPC Agreement and Rule 354 UPC Rules of Procedure, the UPC has exclusive jurisdiction to issue subsequent decision(s) or to order payment of an imposed penalty fine. However, an order for payment of a fine is enforceable through the Enforcement Authority.

Legal basis and case law

Section 57b Patents Act implementing Art. 11 ED

VII Alternative measures

Title of the order

There is no specific title for such alternative measures (as referred to in Art. 12 ED). However, the court may order that the owner of infringing goods may continue use of the infringing product on reasonable terms.

Basic procedural framework

The Patent and Market Court is competent to issue the measures, but they are not frequently requested or ordered.

The basis for calculation for the pecuniary compensation is a hypothetical licence fee which would have applied had the infringer obtained a licence for the use that he/she has undertaken.

“Appropriate cases” (as referred to in Art. 12 ED) may be ordered only in exceptional cases, which is determined at the discretion of the court. For example, whether the infringer has made significant investment in the infringing product or where the infringing product is a medicinal product of vital importance for certain patients.

² Supreme Court judgment in NJA 2007 p. 431 (including a preliminary judgment from the EU Court of Justice)

Non-compliance with an order

Payment can be enforced through the Enforcement Authority, through seizure in effect or in law of property (regarding seizures, see Part IV “Non-compliance with an order”).

The Enforcement Authority has discretion in ordering appropriate measures for compliance, e.g. penalty payments.

See also above Part V “Non-compliance with an order”, with regard to taking a debtor into custody in case he/she refuses to state his/her assets for purpose of seizure of assets for satisfying monetary claims (Chapter 2, Section 16 of the Enforcement Code).

Appeal/review

The written appeal shall be filed within three weeks from the date of the judgment.

The appeal shall be filed before the Patent and Market Court of Appeal (leave to appeal is required). Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

An order issued by the UPC would be enforced by the Enforcement Authority in the same manner as such order issued by the Patent and Market Court.

Legal basis and case law

Section 59 Patents Act implements Art. 12 ED

VIII Damages

Calculation methods available in Sweden

The defendant shall pay reasonable compensation for use as well as compensation for all additional loss resulting from the infringement. In determining damages, particular consideration shall be taken of

- a) claimant’s lost profits;
- b) the profits realised by the defendant;

- c) damage to the claimant’s goodwill;
- d) other non-pecuniary loss; and
- e) the interest of the claimant in preventing infringements.

Basic procedural framework

Whether determination of the amount of damages will be held as subject of separate proceedings or part of main proceedings depends on the claimant. The claimant may request that the court shall establish that the defendant is liable for damages as such (without determining the amount). The amount of damages would then be determined in separate, subsequent proceedings.

The claimant can also choose to request damages in a certain amount as part of the main infringement proceedings. The right of a declaratory judgment on liability *per se* is however not absolute and the court may dismiss such a request if it considers it more appropriate to require the claimant to calculate and claim the damages directly (to avoid multiple litigation).

In the case of separate proceedings on the amount of damages to be paid the competent authority is the Patent and Market Court (irrespective of which instance court rendered the judgment regarding liability for damages).

If there are separate proceedings in respect of infringement/liability *per se* and amount of damages to be paid, the successful party may request information as per Art. 8 ED either in advance of or during the latter proceedings i.e. in order to calculate damages or defendant’s profits.

Methods of calculation

The claimant has the burden of proof regarding the damage caused by the infringement, and the evidence provided will in general affect the calculation method. However, the issue is at the court’s discretion based on the facts of the case and evidence provided. Right holders may submit alternative calculation methods, all according to the facts of the case.

Damages may be calculated by different methods. It is for example common to claim both reasonable compensation for use in respect of infringing products which do not correspond to lost sales and compensation for lost profits on sales that do. For example, in case the patentee has a 25 percent market share (absent the infringement), reasonable compensation for use would typically be claimed

for 75 percent of the infringing sales and lost profits for the remaining 25 percent.

Damages are most commonly awarded in the form of reasonable compensation for use based on a hypothetical royalty and profits on lost sales by the patentee.

The reasonable compensation for use is generally determined based on a hypothetical licence fee which would have applied had the infringer obtained a licence for the use that he/she has undertaken. The compensation shall be determined based on the actual infringing use, the market value of such a licence etc.

Swedish legislation does not allow for punitive damages.

Evidence of lack of knowledge

The infringer is liable to pay reasonable compensation for use (i.e. the hypothetical licence fee) if and to the extent this is reasonable where the infringement was committed without intent or negligence. Since there is a far reaching obligation to investigate the existence of patent protection prior to launch of a product it is very rare that an infringement is considered to have been committed without negligence.

Non-compliance with an order

The Enforcement Authority is the competent authority, who will undertake seizure of property.

There are no other sanctions than those that follow from legislation on general debt enforcement, i.e. the seizure of property (however, see above under Part V “Non-compliance with an order” regarding custody for obtaining information on the debtor’s assets). If the respondent lacks sufficient funds, a creditor may apply for the respondent to be declared bankrupt.

Appeal/review

The written appeal can be filed within three weeks from the date of the judgment.

The appeal shall be filed before the Patent and Market Court of Appeal (leave to appeal is required). Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appelland court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

An order issued by the UPC would be enforced by the Enforcement Authority in the same manner as such order issued by the Patent and Market Court.

Legal basis and case law

Section 58 of the Patents Act implements Art. 13 ED

Supreme Court decisions:

- (i) NJA 2017 p. 9 (relating to damages under the Trademark Act, but also applicable regarding infringements in other intellectual property rights)
- (ii) NJA 2011 p. 270 (statutory limitation of liability for patent infringement relating to a series of infringing acts)

IX Legal costs

Overview of assessment of costs

“Reasonable and proportionate” (as referred to in Art. 14 ED) is assessed at the court’s discretion in relation to the value of the subject matter of the proceedings, the extent of the proceedings (both written and oral proceedings) and to what extent the costs have been reasonably motivated to safeguard the party’s interest.

“Legal costs and other expenses” (as referred to in Art. 14 ED) are regarded as any costs that are reasonably motivated to safeguard the party’s interest, e.g. the party’s own work, legal fees, costs for evidence (such as experts’ fees, fact witnesses etc.).

The costs are decided in the infringement action.

Legal costs are awarded based on the actual costs (there are no flat-rate schemes or rules regarding minimum costs).

Legal basis and case law

Chapter 18 of the Code of Judicial Procedure corresponds to Art. 14 ED

X Publication of judicial decisions

Title of the order

Åtgärder för spridning av domen

Basic procedural framework

The judgment or relevant parts thereof as decided by the court is published. In Sweden, all judgments are public. The means of publication is decided by the court and depends on what is appropriate in the specific case, but is usually in newspapers, trade journals or social media.

The Patent and Market Court is competent to give the order as part of the main proceedings. It will consider the right holder's interest in ensuring that the public is informed regarding the judgment.

Non-compliance with an order

The Enforcement Authority is competent in case of non-compliance.

If the defendant does not publish the judgment as ordered, the claimant can publish the information in accordance with the judgment and request compensation of the costs through the Enforcement Authority.

The Enforcement Authority can also order the defendant to carry out the ordered measures and if necessary combine the order with a penalty fine, or undertake any measures it deems appropriate to ensure compliance with the order.

Appeal/review

The written appeal shall be filed within three weeks from the date of the judgment.

The competent authority is the Patent and Market Court of Appeal (leave to appeal is required). Further appeal to the Supreme Court is subject to a double requirement for leave to appeal, from both the appellant court and subsequently from the Supreme Court.

Non-compliance with UPC-issued order

An order issued by the UPC would be enforced by the Enforcement Authority in the same manner as such order issued by the Patent and Market Court.

Legal basis and case law

Section 57h Patents Act corresponds to Art. 15 ED

XI Other appropriate sanctions

None available.

XII Additional options

Other available options in Sweden

Criminal proceedings and border measures are available

Criminal proceedings are brought before the Patent and Market Court. Criminal proceedings may be initiated by a public prosecutor provided that the infringement is grossly negligent or intentional, the infringement is reported by the patentee and there is a special public interest in prosecution. Absent prosecution by the public prosecutor, the patentee may pursue a private prosecution. Criminal proceedings are extremely rare in the patent context.

The Customs Authority is the competent authority for border measures. Border measures are initiated by filing in an application with the Customs Authority in accordance with EU Regulation 608/2013.

Non-compliance with an order

Sanctions in criminal proceedings include fines or imprisonment (up to two years')

The customs authority may seize goods that are suspected of infringing patent rights and inform the right holder. If a destruction form signed by the importer is submitted to customs, the goods will be destroyed by the customs authority. If not, the right holder must initiate infringement proceedings within a certain time to avoid the release of the goods.

Legal basis and case law

Section 57 Patents Act for criminal proceedings
EU Regulation 608/2013 and the Customs Act

Slovenia

I Evidence

Title of the order

*Predložitev dokazov*¹ (presentation of evidence)
The order is complemented by other measures: *Zavarovanje dokazov*² (order to secure evidence); and *Dolžnost obveščanja*³ (obligation to inform) which may include obligations related to presentation of evidence in broader terms.

Basic procedural framework

The District Court of Ljubljana (commercial department) has exclusive jurisdiction to hear patent cases at first instance⁴ (hereinafter referred to as “the Court”).

Predložitev dokazov, i.e. order for the presentation of evidence, may be issued in main proceedings on the merits.

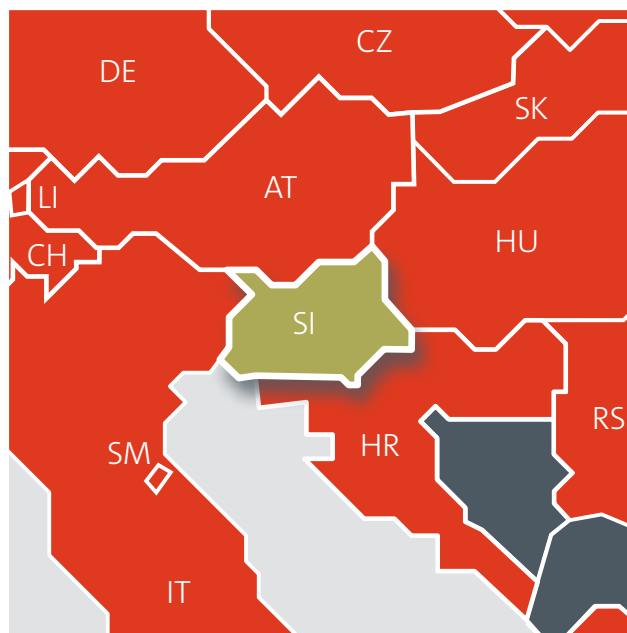
Zavarovanje dokazov, i.e. order for securing evidence (at the site of defendant/third party) may be issued in separate proceedings, as well as before or during main proceedings at the applicant’s request .

Dolžnost obveščanja, i.e. order to provide information may be issued in main proceedings on the merits.

These are provided for in Article 103 Sect. 2 of the Courts Act, together with the provisions of the Civil Procedure Act (hereinafter ZPP) apply pursuant to Art. 122a Sect. 3 of the Industrial Property Act (hereinafter ZIL-1).

Where the opposing party to the dispute does not comply with the court order to present evidence, the Court may assume that such evidence exists and supports the claims of the applicant⁵. No other enforcement measure is provided for in such a case.

Additionally, the Court may request from government bodies, local government bodies, other statutory authorities, as well as any other person or organisation to submit data



required for the decision of the Court, free of charge and irrespective of the provisions for the protection of personal and other data⁶. This order may be enforced a bailiff by the imposition of pecuniary penalties.

Provision of evidence by third parties

If the specified evidence lies in the control of a third party, the competent judicial authority may, upon the application by the applicant, order the third party to present the specified evidence. Such order may be granted in any civil proceedings, under Art. 228 ZPP. See Basic procedural framework above.

For third parties a court order to submit evidence may be enforced by a bailiff by the imposition of pecuniary penalties (Art. 227 Sect. 5 of ZPP as well as the Claim Enforcement and Security Act, hereinafter ZIZ).

See also information related to the *Dolžnost obveščanja* under Part III, Right of information below.

1 Art. 122a ZIL-1

2 Arts. 124 and 124a ZIL-1

3 Art. 124 ZIL-1

4 Art. 103 Sect. 2 Courts Act

5 Art. 227 Sect. 5 ZPP

6 Art. 10 ZPP

Assessment of evidence in support of the application

The legislation relates to “evidence/documents being in the possession of the opposing/third party” (Art. 122a Sect. 1 ZIL-1, Art. 227 Sect. 1 and 228 ZPP). Should a third party claim not to be in possession of such documents or evidence, the court may seek to verify this assertion by summoning witnesses.

The standard of “reasonably available evidence” (as referred to in Art. 6.1 ED) is only applicable to *Zavarovanje dokazov* (Art. 124 ZIL-1), see Part II “Measures for preserving evidence” below.

Protection of confidential information

The Court is obliged to ensure the protection of confidential information and to ensure that court procedures are not abused *mala fide* in order to obtain confidential information of the opposing party⁷. This may be ensured by means of refusing the order (if it only aims to gather confidential information), or by labelling documents as confidential, or by redacting the documents, etc.

Non-compliance with an order

Depending on the situation indicated in “Basic procedural framework” above, the competent authority in case of non-compliance with the order may be either the Court or a bailiff.

Accordingly, the procedure may be either litigious (under ZPP) or for enforcement and security (under ZIZ).

Sanctions for non-compliance will be determined on a case-by-case basis after assessment of the claims, and may include pecuniary penalties.

Appeal/review

The order for the presentation of evidence by parties to a dispute (Art. 227 Sect. 6 ZPP) may be appealed or reviewed.

However, it may not be appealed if it concerns third parties (Art. 363 ZPP). There are three grounds⁸ for filing an appeal:

- a) wrongful assessment of facts;
- b) breach of material law;
- c) breach of procedure.

An appeal may be filed to the competent higher court under the Courts Act within 15 days after the written order is being served (Art. 363 Sect. 2 ZPP). In patent proceedings, this will be the Court of Appeal of Ljubljana.

The filing of an appeal suspends enforcement of the order⁹.

Third parties may also contest an order for enforcement according to the provisions of ZIZ within eight days after the order for enforcement is served. Contesting the order does not suspend enforcement.

Admissibility of evidence

According to the principle of free deliberation of evidence¹⁰ (Art. 8 ZPP), evidence obtained in other national criminal, administrative or civil proceedings is admissible.

Evidence from foreign proceedings is also admissible according to the standard of free deliberation on evidence (Art. 8 ZPP). Slovenia, as an EU member state is bound by the EU Regulation 1206/2001. Additionally, Slovenia has entered into numerous bilateral agreements that are listed at the Ministry of Justice webpage¹¹.

However, the Supreme Court of the Republic of Slovenia has ruled¹² that Art. 1 of the EU Regulation 1206/2001 only sets a common framework for the acquisition of evidence between EU member states and for direct communication to be established between courts (without interference or assistance of ministries of justice), while the procedural rules relating to the admissibility of evidence are subject to each member state’s national legislation.

⁷ Art. 122a Sect. 4 ZIL-1

⁸ Arts. 338 and 366 ZPP

⁹ Art. 364 Sect. 1 ZPP

¹⁰ In Slovenia, any evidence that can support any relevant claim of the parties to the dispute, may be admitted as evidence. The “principle of free deliberation of evidence” means that a decision on the facts shall be based upon the assessment of the court which follows a careful and thorough evaluation of every piece of evidence, and of the evidence as a whole, and considering the outcome of the entire proceedings (Art. 8 ZPP). Under certain conditions in civil procedures, the court may also admit and accept a piece of evidence which was obtained in violation of the law or in breach of the Constitution. According to the case law of the Constitutional Court of Slovenia (Decision No. Up-472/02 of October 7th, 2004), a proportionality test shall apply to evaluate whether upholding the constitutional right, which is associated to the claims in the dispute, outweighs any violation of the law/Constitution relating to the submitted evidence. *A contrario*, in criminal proceedings, any evidence gathered by violation of law or the Constitution is immediately excluded.

¹¹ www.mp.gov.si/si/zakonodaja_in_dokumenti/mednarodne_pogodbe_s_podrocja_pravosodja/bilateralni_sporazumi/

¹² Judgment and Decision, Reg. No. II Ips 809/2007 as of February 14th, 2008

Evidence which is admissible by Slovenian courts is therefore subject to Slovenian national law (i.e. principle of free deliberation on evidence, Art. 8 ZPP). Therefore neither EU Regulations, nor bilateral agreements have any direct impact on admissibility of such evidence.

Legal basis and case law

Arts. 8, 10, 227, 228, 338, 363, 364 and 366 Provisions of Civil Procedure Act (Official Gazette of RS, No. 26/99, w/ amendments) (ZPP)
 Arts. 122, 124, 124a of the Industrial Property Act of 23 May 2001 as amended (Official Gazette RS, No. 51/2006 and No. 100/2013) (ZIL-1)
 Claim Enforcement and Security Act, Official Gazette of RS, No. 51/98 w/ amendments (ZIZ)
 Art. 103 of the Courts Act, Official Gazette of RS, No. 19/94 w/ amendments
 Judgment and Decision, Reg. No. II Ips 809/2007 as of February 14th, 2008
 Judgment of the Court of Appeal of Ljubljana, No. V Cpg 1681/2015 as of July 13th, 2016 on the question of submitting evidence in patent matters (Art. 122a of ZIL-1)

II Measures for preserving evidence

Title of the order

Zavarovanje dokazov (Art. 124 and 124a ZIL-1).

Further available measures

Examples (within Art. 124 Sect. 2 of ZIL-1) of further available measures are listed non-exhaustively and include:

- a) inspection of premises, business records, inventory, databases, computer memory units, etc.;
- b) seizure of samples of alleged infringing objects;
- c) examination and seizure of documents;
- d) appointment and examination of experts; and
- e) examination of witnesses.

Basic procedural framework

The District Court of Ljubljana is competent to issue such an order. The order may be issued before or during main proceedings on the merits, or after the first instance decision, but before the decision on appeal has been given¹³. The Court is also responsible for enforcing the order. Provisions of ZIZ related to other temporary measures as mentioned in Part IV Provisional and precautionary measures apply *mutatis mutandis*.

Procedures that are urgent will be heard in a timely manner. Decisions may be enforced by a bailiff by the imposition of pecuniary penalties.

Ex parte requests

In order to grant an order without the other party being heard, the claimant must demonstrate that a delay will increase the likelihood of irreparable harm to the claimant.

The claimant shall demonstrate probable grounds for believing, in addition to the requirements of Art. 124 Sect. 1 ZIL-1, that there is a risk of the evidence being destroyed by the opposing party or that it will be impossible to obtain such evidence at a later time. The opposing party shall be notified of the order, no later than immediately after enforcement¹⁴.

To review the measures with the other party being heard, an objection under the provisions of ZIZ and ZIL-1 must be filed. The procedure will be considered urgent and heard in a timely manner.

Protection available to defendant

Where the claimant has not substantiated his claim to the requisite level of probability (or demonstrate the risk that the evidence will be destroyed or be unable to obtain later), the Court may grant the order subject to the claimant lodging a security (*varščina*) to compensate the injured party for damage occurring as a result of issuing and enforcing the order¹⁵.

The claimant may also be ordered to lodge a security even when he has substantiated his claim to the required level of probability or that there is a risk that the evidence will be destroyed or will be unable to be obtained and used later, if

¹³ Art. 124 Sect. 4 ZIL-1

¹⁴ Art. 124 Sect. 2 ZIL-1

¹⁵ Art. 275 Sect. 1 ZIZ

the circumstances of the case and following the request of the injured party, before the order is issued.

The claimant may also declare he agrees that the defendant lodges a security (fee) deposit instead of an order being issued, or the court may allow the defendant to lodge a security instead of being subjected to the order (*mutatis mutandis* Art. 274 ZIZ).

What constitutes “appropriate compensation” (as referred to in Art. 7.4 ED) is calculated in accordance with the general provisions of civil law (*damnum emergens, lucrum cessans*, Art. 132 Obligations Code) or under Art. 121a ZIL-1 (see also Part VIII Damages).

Period to initiate proceedings on the merits

Every temporary (interim) measure issued in preliminary proceedings will be conditional on the applicant filing a lawsuit within a time limit set by the Court at its discretion, but generally 30 days¹⁶. This also applies in relation to an order for securing evidence before the start of main proceedings¹⁷.

Witness identity protection

The Court may order that hearings are closed to the public¹⁸. However, such restriction does not apply to the parties, their statutory representatives, attorneys and interveners.

Non-compliance with an order

Where an order has not been complied with, direct enforcement (e.g. seizure) will be carried out. If direct enforcement is not requested by the claimant or is not possible, pecuniary penalties will be imposed.

The Court is responsible for enforcing the order. Provisions of ZIZ relating to temporary measures apply *mutatis mutandis* (Art. 124 Sect. 4 of ZIL-1, see also Part IV Provisional and precautionary measures).

Procedures that are urgent are heard in a timely manner.

Appeal/review

The procedures for requests to review or to lodge an appeal are provided for in Art. 9 Sect. 2 ZIZ (regarding appeals against the decision on enforcement) and Art. 268 ZIZ (for procedures on security).

Where the Court has granted the order upon request of the claimant, the defendant may contest the order. Objections of this nature are generally filed due to non-compliance with the provisions of Art. 124 ZIL-1 (i.e. the claimant is not in fact the patent holder, no infringement or threat of infringement, no threat of future destruction or non-availability of evidence), and are brought before the Court issuing the order (District Court of Ljubljana).

Where an order has been rejected, dismissed, or annulled after the objection of the defendant, the claimant may file an appeal with the Court of Appeal of Ljubljana. Appeals filed by the claimant will generally relate to the wrongful assessment of the facts, violation of law or violation of procedure.

The request for review or appeal must be filed within eight days after the order or decision is served.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

ZIL-1, Arts. 121a, 124 and 124a

ZIZ, Arts. 9, 268, 274, 275 and 277

ZPP, Art. 294

Obligations Code (Official Gazette of RS, No. 83/01 w/ amendments), Art. 132

Courts Act, Art. 103

Decision of the Court of Appeal of Ljubljana, No. V Cpg 894/2017 of November 23th, 2017

Decision of the Court of Appeal of Ljubljana, No. I Cpg 1150/2007 of January 10th, 2017 (partially)

¹⁶ Art. 277 Sect. 2 ZIZ

¹⁷ Art. 124 Sect. 5 ZIL-1

¹⁸ Art. 294 ZPP

III Right of information

Title of the order

*Dolžnost obveščanja*¹⁹

Persons obliged to provide information

No person other than those listed in Art. 8.1 ED are obliged to provide information. Articles 124b Sect. 2 and 3 ZIL-1 have strictly implemented this provision.

However, additional information may be gathered from the parties to the dispute or from any third party (including state authorities, bodies, etc.) by means of the *Predložitev dokazov* procedure (presentation of evidence), see Part I Evidence above.

Types of information to be provided

Art. 124b Sect. 4 ZIL-1 strictly implements Art 8.2 ED. The national legislation does not include any additional type of information to be provided.

However, additional information may be gathered from the parties of the dispute or from any third party (including state authorities, bodies, etc.) by means of the *Predložitev dokazov* procedure (presentation of evidence), see Part I Evidence above.

The procedures related to *Dolžnost obveščanja* (Art. 124b ZIL-1) are identical to those for the presentation of evidence (*Predložitev dokazov*) as described in Part I above.

Competent authority

The District Court of Ljubljana may issue the order.

Non-compliance with an order

See Part I “Non-compliance with an order”.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

ZIL-1, Arts. 122.a and 124.b
Courts Act, Art. 103
ZPP, Arts. 227, 338, 363 364 and 366

SI

IV Provisional and precautionary measures

Title of the order

Začasna odredba (temporary measure)

Basic procedural framework

The District Court of Ljubljana is competent to issue such an order. The order may be issued before or during main proceedings on the merits, or after the first instance decision, but before the decision on appeal has been given (as long as the conditions for enforcement are met)²⁰.

The bailiff is responsible for enforcing the measures. The period to initiate proceedings on the merits (usually 30 days) is set by the Court.

Temporary measures in patent matters shall be requested within three months from when the patent holder has been notified or became aware of the infringement²¹.

The measures aim non-exhaustively to:

- prevent the continuation of an existing infringement as well as to forbid future infringements;

¹⁹ Art. 124b ZIL-1

²⁰ Art. 267 ZIZ

²¹ Art. 123 ZIL-1

- seize, exclude from circulation and take into custody alleged infringing objects and the means that are intended for or used exclusively or principally for infringement.

Factors considered by the court

The claimant shall demonstrate on the balance of probabilities that:

- he is the patent holder; and
- the patent is infringed or there is an actual threat of infringement.

In addition, one of the following conditions shall be fulfilled also on the balance of probabilities:

- a risk exists that the enforcement of claims will be made impossible or rather difficult without the measure;
- the adoption of a temporary measure is necessary to avoid irreparable harm; or
- a temporary measure does not have more detrimental consequences for the alleged infringer than would exist for the patent holder if the measure was rejected.

There are no additional conditions for the grant of such order.

Recurring penalty payments

Penalties²² for non-compliance are generally included in the operative part of the order for the temporary measure.

However, since the temporary nature of the order aims to forbid future infringement and has the same effect as a final judgment aiming to forbid future infringement, such measure may be deemed as a regulatory temporary measure, and will be subject to stricter rules²³ compared to a non-regulatory temporary measure.

The standard of proof that damages will be “difficult or impossible to recover” should be subject to strict consideration²⁴. Therefore any possibility for damages to be compensated will usually fail to meet this this standard.

On the other hand, a threat of insolvency for the claimant will usually contribute to the fulfilment of the standard of proof²⁵.

The amount of the penalty is requested by the claimant. However, the Court has a discretion to determine the penalty according to circumstances of the case. If the penalty is included in the order, it may amount to maximum of EUR 10 000 for natural persons or to maximum of EUR 500 000 for legal entities.

If the penalty is not included in the order decided by the Court, it may be proposed before the competent County Court (Enforcement department), which may issue a separate penalty order which may amount to a maximum of EUR 10 000 for natural persons or maximum of EUR 100 000 for legal entities.

Provisional and precautionary measures against intermediaries

Any persons involved in activities²⁶ constituting patent infringement may be subject to temporary measures²⁷.

In proceedings against a person whose services have been used to infringe the patent, and the existence of such infringement has already been established in proceedings against the third party, the infringement shall be assumed to exist²⁸.

Liability for indirect infringement is also confirmed through case law²⁹.

Circumstances justifying an order for precautionary seizure

What constitutes circumstances likely to endanger the recovery of damages and therefore trigger an order for precautionary measures depends on the case. The damage

22 Arts. 22 and Art. 226 ZIZ

23 Decision of Constitutional Court of Republic of Slovenia, No. Up-275/97 of July 16th, 1998 and Decision of the Court of Appeal of Ljubljana, Reg. No. II Cp 2386/2012 of September 26th, 2012, including reversibility.

24 Decision of the Court of Appeal of Ljubljana, Reg. No. II Cp 3463/2012 of January 9th, 2013

25 Decision of the Court of Appeal of Maribor, Np. I Cpg 207/2013 of June 12th, 2013

26 Any production, use, offering for sale, sale or import may constitute a patent infringement (Art. 18 ZIL-1)

27 Arts. 121 and 123 ZIL-1

28 Art. 121 Sect. 3 ZIL-1

29 Decision of the Court of Appeal of Ljubljana, No. V Cpg 723/2015 of December 23rd, 2015

should be clear, and at a level that would be difficult or impossible to recover³⁰.

The claimant should seek to demonstrate more than a mere pecuniary interest. Circumstances which could lead to liquidation of the claimant (insolvency procedure) or circumstances in which the claimant cannot continue to operate (owing to the infringement), may contribute to the fulfilment of such standard of proof³¹.

Assessment of required evidence

The Court is free to decide what evidence it will consider. However, the courts do not generally consider evidence beyond that available in the court files when deliberating on grant of a temporary measure³². The possibility of hearing both parties is not excluded³³.

What constitutes “sufficient degree of certainty” (as referred to in Art. 9.3 ED) is at the discretion of the Court. In general, it means that it must be more probable that the claims are well-founded than not.

Conditions justifying *ex parte* order

The claimant who seeks a temporary measure without prior notification to the defendant shall (apart from other conditions) show probable grounds for the belief that any delay is likely to cause irreparable damage. In that event, the defendant shall be given notice after the execution of the order. See “Circumstances justifying an order for precautionary seizure” above.

Protections available to the defendant

The allegedly infringing party may claim compensation for damage caused by an unfounded application for a temporary measure, or where the temporary measure is later proven unjustified³⁴. Compensation will follow the general terms of civil law (*damnum emergens, lucrum cessans*) and Art. 121a ZIL-1. See also Part VIII Damages below.

Liability of the applicant is objective (no-fault liability).

Non-compliance with an order

The competent authority is the Court, which may impose pecuniary penalties under provisions of ZIZ. The penalties may be included in a temporary measure or as a separate order of the Court (see “Recurring penalty payments” above).

Penalties are enforceable and non-compliance may result in imprisonment. Where the penalty is imposed in a separate order, and is not complied with, it may be increased by 50% if there is continued infringement.

Where the penalty is included in the order and is not complied with, it may be increased for each non-compliance until it reaches a figure ten times the original penalty.

Appeal/review

See Part II “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

ZIL-1, Arts. 1, 18, 121, 123

ZIZ, Arts. 9, 22, 267, 268, 277 and 279

Courts Act, Art. 103

Decision of Constitutional Court of the Republic of Slovenia, No. Up-275/97 of July 16th, 1998

Decision of Supreme Court of the Republic of Slovenia, No. III Ips 21/2011 as of November 15th, 2011 (on penalties)

Decision of the Court of Appeal of Ljubljana, Reg. No. II Cp 2386/2012 of September 26th, 2012

Decision of the Court of Appeal of Ljubljana, Reg. No. II Cp 3463/2012 of January 9th, 2013

Decision of the Court of Appeal of Maribor, Np. I Cpg 207/2013 of June 12th, 2013

Decision of the Court of Appeal of Ljubljana, No. II Cp 211/2012 of February 1st, 2012

³⁰ Decision of the Court of Appeal of Ljubljana, No. II Cp 211/2012 of February 1st, 2012

³¹ Decision of the Court of Appeal of Maribor, No. I Cps 207/2013 as of June 12th, 2013, Decision of Higher Court of Ljubljana, No. I Cp 1853/2011 as of June 8th, 2011

³² Decision of the Court of Appeal of Ljubljana, No. I Cp 1740/2009 as of June 3rd, 2009

³³ Decision of the Court of Appeal of Koper, No. Cp 697/2009 as of August 25th, 2009

³⁴ Art. 279 ZIZ

Decision of the Court of Appeal of Maribor, No. I Cps 207/2013 as of June 12th, 2013
 Decision of the Court of Appeal of Ljubljana, No. I Cp 1853/2011 as of June 8th, 2011
 Decision of the Court of Appeal of Ljubljana, No. I Cp 1740/2009 as of June 3rd, 2009
 Decision of the Court of Appeal of Koper, No. Cp 697/2009 as of August 25th, 2009
 Decision of the Court of Appeal of Ljubljana, No. V Cpg 723/2015 as of December 23rd, 2015
 Decision of the Court of Appeal of Ljubljana, No. I Cpg 374/2014 as of March 6th, 2014
 Decision of the Court of Appeal of Ljubljana, No. I Cpg 227/2013 as of April 19th, 2013

V Corrective measures

Titles of the orders

The final judgment (*sodba*) for patent infringement may relate to the following exhaustive list³⁵ of claims:

- a) the infringement already commenced and future infringements to be prohibited;
- b) the infringing objects to be recalled (*odpoklic predmetov*) from the channels of commerce, taking account of the interests of *bona fide* third parties;
- c) the situation caused by the infringement to be rectified (restitution);
- d) the infringing objects to be irrevocably removed (*odstranitev predmetov*) from the channels of commerce;
- e) the infringing objects to be destroyed (*uničenje predmetov*);
- f) the means of infringement that are owned by the infringer and intended for or used exclusively for principally for infringement to be destroyed (*uničenje sredstev kršitve*);
- g) the infringing objects be surrendered to the claimant against reimbursement of the costs of their production;
- h) the judgment be published (see Part X Publication of judicial decisions).

Claims (orders) under b), d), e) and f) match the corrective measures under Art. 10 ED.

Other available measures in Slovenia

A final judgment may only include the measures as provided for in Art. 121 Sect. 1 ZIL-1. No other measures can be ordered.

Basic procedural framework

The District Court of Ljubljana may issue an order for corrective measures in main proceedings on the merits.

Final judgments are subject to a separate enforcement procedure under the ZIZ. The enforcement procedure is conducted by the Enforcement department of the County Court, which issues an enforcement order upon the request of the claimant (after the judgment becomes final and time limit for voluntary execution expires). Enforcement is executed by bailiffs or by the imposition of penalties.

In deciding on the claim for corrective measures the Court shall take into account all the circumstances of the case, in particular it applies a proportionality test as between the seriousness of the infringement and the effect of the corrective measure, as well as the interests of the claimant in having his rights protected effectively (Art. 121 Sect. 2 ZIL-1).

Bona fide interests of third parties shall also be considered when deliberating on the grant of the measure under Art. 121 Sect. 1b ZIL-1.

The claimant may ask for two of the abovementioned measures in parallel.

There is no special rule applicable in respect of “particular reasons” (as referred to in Art. 10.2 ED), apart from criteria taken into account by the Court as listed above.

Assessment of proportionality for ordering remedies

Whether ordering corrective measures is proportional is assessed at the discretion of the Court.

³⁵ Art. 121 Sect. 1 of ZIL-1

Evidence of destruction

Enforcement of an order for destruction must be requested by the claimant.

Should the defendant not execute the judgment in due time, the court may empower the claimant to perform the destruction (by himself or through a third party) at the expense of the defendant. If destruction (due to its nature) cannot be performed by any person other than the defendant, the Court may force the defendant to comply with the order by the means of imposing pecuniary penalties (see above).

During the enforcement procedure the defendant may object by claiming that destruction has already been performed. His objection must be supported by evidence equivalent to that in civil procedures, i.e. any evidence that can materially and reliably prove the existence of destruction. The competent County Court (enforcement department) will deliberate on such objection.

Non-compliance with an order

Enforcement shall be requested to the County Court by the claimant, should the defendant not comply with the order.

Who actually enforces the order against the defendant depends on several factors.

Appeal/review

The judgment may be appealed pursuant to Art. 333 ZPP, within 15 days after the judgment is served, to the Court of Appeal of Ljubljana. Appeals may be filed owing to a wrongful assessment of the facts, breach of material law or breach of procedure. For the latter, there is a distinction between absolute breach (i.e. certain types of breach which automatically constitute violation of procedure and as result of which the judgment is illegal) and relative breaches of procedure (i.e. a procedural breach which on the fact of the case, substantially influence the legality of the judgment). The Court of Appeal of Ljubljana may reject the appeal (for formal reasons) or dismiss the appeal as unfounded (for substantive reasons). If the appeal is granted, the Court of Appeal may set aside the first instance judgment and return the case for deliberation to the District Court or overrule the first instance judgment by a second instance judgment.

In some procedural situations, a second instance judgment (overruling the first instance judgement) may be obligatory.

For appeals of enforcement procedures, the higher courts in the jurisdiction of the County Court that decided the enforcement procedure will be competent. Appeals in the enforcement procedure mostly relate to the non-existence of conditions for enforcement (security). The issue mostly concerns the question whether enforcement (the order for security) is allowable or not. The appeal in enforcement procedure must not interfere with the *res judicata* status of the decision issued on the merits, if such decision constitutes grounds for enforcement.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

Art. 121 ZIL-1

Art. 333 ZPP

Judgment of Supreme Court of the Republic of Slovenia, No. III Ips 63/2013 as of June 17th, 2014

Judgment of Supreme Court of the Republic of Slovenia, No. III Ips 21/2011 as of November 15th, 2011

VI Injunctions

Title of the order

Prepoved nadaljnega kršenja (prohibition of infringement)

Basic procedural framework

Permanent injunctions may be granted in the final judgment (*sodba*) of a patent dispute to prohibit future infringements to be prohibited (Art. 121 Sect. 1a of ZIL-1).

The District Court of Ljubljana has exclusive jurisdiction for patent matters.

Final judgments are subject to a separate enforcement procedure under ZIZ. The enforcement procedure is conducted by the County Court's Enforcement Department which issues an enforcement order upon the request of the claimant (after the judgment becomes final and the time limit for voluntary execution has expired). Enforcement is executed by bailiffs or through the imposition of penalties.

Injunctions against intermediaries

See Part IV "Provisional and precautionary measures against intermediaries".

Compulsory licence as a defence

The grant of a compulsory licence is theoretically possible under the procedural option of raising a preliminary question of law (Art. 13 ZPP) or a counterclaim (Art. 183 ZIL-1), should the conditions under Art. 125. ZIL-1 be satisfied. This has however not been seen in practice to date.

Court's discretion if finding of infringement

A request for a permanent injunction must be included in the claimant's requests when filing the action. In civil proceedings, the court shall not grant any relief other than what has been claimed by the parties to the litigation³⁶. Injunctions for the prohibition of further infringement (if claimed) must be granted should the infringement be established.

For certain other measures possible under a judgment³⁷ the Court may weigh proportionality between an order and the infringement.

Non-compliance with an order

See Part V "Non-compliance with an order".

Appeal/review

See Part V "Appeal/review".

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

ZIL-1, Arts. 18, 183, 121, 123 and 125

ZPP, Arts. 2, 13 and 333

Decision of the Court of Appeal of Ljubljana, No. I Cpg 227/2013 of April 19th, 2013

Decision of the Court of Appeal of Ljubljana, No. V Cpg 723/2015 of December 23rd, 2015

VII Alternative measures

Title of the order

Art. 12 ED was not specifically implemented in Slovenia, however see below under "Basic procedural framework".

Basic procedural framework

The District Court of Ljubljana has exclusive jurisdiction.

In procedures on the merits, damages may always be claimed independently or in addition to claims under Art. 121 Sect. 1 ZIL-1 (which include measures under Arts. 10 and 11 ED). It is therefore at the discretion of the claimant to accept payment (recovery of damages) instead of filing (or persisting with) claims under Art. 121 Sect. 1 ZIL-1. The Court itself may not order payment of compensation instead of deciding the claimant's other claims (Art. 2 of ZPP, see above).

Legal basis and case law

ZIL-1, Arts. 121, 125 and 127

ZIZ, Arts. 39 and 274

ZPP, Art. 2

³⁶ Art. 2 Sect. 1 ZPP

³⁷ See Part V "Titles of the orders" (b) to (f)

VIII Damages

Calculation methods available in Slovenia

In patent infringement cases, the general bases for recovery of damages are governed by the Code of Obligations, meaning the claimant is entitled to recover for his direct loss (diminution in value of his assets/property as a consequence of infringement) and future profits (profits to be achieved in the future by exploitation of the patent if not infringed).

However, damages may be also calculated on the basis of an “agreed” or “regular” licence fee. An “agreed licence” may correspond to any of the agreements between parties (e.g. for the periods which do not correspond to infringement or in relation to other similar patents that are subjected to licence agreements between parties and they are not being infringed), while the “regular licence fee” is determined on the basis of usual or market-standard licence fees for exploitation of a certain type of invention/patent³⁸.

Pecuniary damages shall be claimed by the claimant (in EUR), while the calculation (applying the abovementioned criteria) shall be the subject of the claimant’s submissions to the Court.

Generally damages calculations of the claimant is reviewed by an expert (in economics) appointed by the Court.

Basic procedural framework

Calculation of damages is a part of the main infringement proceedings.

Methods of calculation

The claimant will generally apply the calculation method that would maximise the claimed sum and/or the one that would be easier to prove according to the facts of the case. The claimant may also present both methods within his submissions and claim a certain sum which is justifiable through both methods.

The Court may not propose a method which is not presented by the claimant, nor may it grant any damages above the claimed sum.

In a case confirmed by the Judgment of Supreme Court of the Republic of Slovenia, No. III Ips 126/2007 as of June 16th, 2009 (relating to a trade mark) the damages (in terms of lost profits) were calculated by means of the number of infringing items being sold multiplied by the wholesale price per item from which an “appropriate licence fee” was calculated. Therefore, mixing of methods is possible, should this be in line with the submissions of the claimant and in accordance with substantive law.

Evidence of lack of knowledge

Any liability for damages shall require evidence of the defendant’s infringement, the fact of damage, causality and fault (intent or negligence). It is for the defendant to prove that damage occurred without intention or negligence on his part. Other elements of damage liability shall be demonstrated/proven by the claimant.

Having taken the claimant’s financial situation into consideration the Court may order the defendant to pay a sum lower than the amount of damages requested if the damage was not inflicted intentionally or as a result of gross negligence, or if the defendant is in a weak financial situation and payment of the full compensation would entail undue hardship for him³⁹.

If the defendant caused the damage when acting for the benefit of the claimant (e.g. as his agent, contractor, etc.) the Court may levy reduced compensation. In doing so, the Court shall take the diligence shown by the defendant in the defendant’s own matters into consideration⁴⁰.

Non-compliance with an order

The competent judicial authority in case of non-compliance is the County Court.

All final judgments (including those for the damages) are enforced under provisions of ZIZ at the request of the claimant and following an enforcement order of the competent County Court.

38 Art. 121.a ZIL-1

39 Art. 170 Sect. 1 Code of Obligations

40 Art. 170 Sect. 2 Code of Obligations

Pecuniary claims may be enforced by various means, which usually include freezing defendant's bank accounts, seizure and sales of movable property, real estate, etc. The ZIZ includes extensive possibilities on enforcement and provides a detailed procedural framework for enforcing pecuniary claims. The imposition of penalties are usually associated with non-pecuniary claims.

Appeal/review

The defendant may appeal the judgment. Appeals are deliberated by the Court of Appeal of Ljubljana. The period for filing an appeal is 15 days after the judgment is served.

The defendant may also contest the order on enforcement, however the grounds are very limited (e.g. damages already having been paid after the judgment, damage claims under a final judgment not falling due (absence of maturity of the debt), or absence of identity between defendant or the claimant named in the original judgment. Objections are deliberated by the County Court which issues the enforcement order. The period for filing a request is eight days after enforcement order is served.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

Code of Obligations Art. 170
ZIL-1, Art. 121.a
ZPP, Arts. 2 and 7
Judgment of Supreme Court of the Republic of Slovenia,
No. III Ips 126/2007 as of June 16th, 2009

IX Legal costs

Overview of assessment of costs

The award of costs is strictly determined on the basis of ZPP (Arts. 151-173).

"Legal costs and other expenses" are constituted by: court fees, attorney fees, fees of the experts, translators, etc.

Costs are decided in the infringement action.

Attorneys' fees are awarded on the basis of Attorneys' Tariff pursuant to the Attorneys Act (Official Gazette of RS, No. 18/93 w/ amendments).

Legal basis and case law

ZPP, Arts. 151-173
Attorneys Act (Official Gazette of RS, No. 18/93 with amendments)

X Publication of judicial decisions

Title of the order

Objava sodbe (publication of the judgment)

Basic procedural framework

According to the case law⁴¹, the claimant may request for the recitals (*uvod*) and operative parts of the judgment (*izrek, tenor*) to be published. Recitals include data on parties, name of the court issuing decision, name(s) of the judge(s), type of procedure, value of the dispute. The *tenor* (operative part) includes the decision of the Court, listing the claims which were decided in the case.

Publication must take place in the public media (general or specific/professional). The Court allows such publication that is in line with the extent (nature) of infringement. Specific media that are not relevant to the infringement are usually excluded.

The competent authority to grant the order for District Court Ljubljana which deals with the proceedings on the merits.

Publication shall correspond to the scope and gravity of infringement and should aim to remedy the consequences of infringement⁴².

41 Judgment of the Supreme Court of the Republic of Slovenia, No. III Ips 21/2008 as of May 17th, 2011

42 Judgment of the Supreme Court of the Republic of Slovenia, No. III Ips 21/2008 as of May 17th, 2011

Non-compliance with an order

Publication may be enforced as a non-pecuniary claim under provisions of the ZIL. See Part V “Non-compliance of an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place.

Legal basis and case law

ZIL-1, Art. 121 Sect. 1g

ZPP, Art. 333

Judgment of the Supreme Court of the Republic of Slovenia, No. III Ips 21/2008 as of May 17th, 2011

Judgment of the Court of Appeal of Ljubljana,

No. V Cpg 1681/2015 as of July 13th, 2016

XI Other appropriate sanctions

Not applicable for patent matters.

XII Additional options

Other available options in Slovenia

Criminal measures

Intentional and infringing commercial use of the invention the subject of a valid patent (or SPC) constitutes a criminal offence under Art. 234 of the Slovenian Criminal Code. The criminal procedure under the provisions of Criminal Procedure Act (Official Gazette of RS, No. 63/94 w/ amendments) are applicable. Such procedures may lead to dismissal of the case, criminal conviction or declaration of innocence.

The competent authorities are the police, state prosecutor and the criminal courts.

Border measures

The procedures under the EU Customs Regulation 608/2013 are applicable. The proceedings for the implementation of the customs measures are initiated at the request of the right holder or *ex officio*.

The competent authority is the Financial Administration (General Customs Directorate).

Non-compliance with an order

Criminal measures

Imprisonment up to three years is provided for, and infringing products are seized.

Border measures

Customs authorities have jurisdiction for the implementation of measures which may include:

- detention of infringing goods;
- confiscation of goods (applicable until a final decision of a court, should an infringement lawsuit be filed within detention period)
- destruction of the goods (after a court’s decision establishing infringement becomes final);
- release of the goods (if the right holder is not successful in an infringement action).

Destruction of confiscated goods shall also be possible without a court decision if the owner of the goods does not respond to the notification by the customs authority on temporary detention of goods or if so agreed upon between the owner of the goods and the right holder.

Legal basis and case law

Criminal measures

Art. 234 of the Slovenian Criminal Code (Official Gazette of RS, No. 55/08 with amendments)

(National) Regulation implementing Regulation (EU) No. 952/2013 (Official Gazette of RS, No. 29/16)

Criminal Procedure Act (Official Gazette of RS, No. 63/94 with amendments)

Border measures

EU Regulation 608/2013

Commission Implementing Regulation (EU) No. 1352/2013

Regulation (EU) No. 952/2013

(National) Regulation on implementing Regulation (EU)

No. 952/2013 (Official Gazette of RS, No. 29/16)

Slovakia

I Evidence

Title of the order

Dokazovanie (evidence)

Basic procedural framework

The District Court Banská Bystrica (hereinafter “the Court”) is competent for all industrial property matters at first instance.

The Court may order the defendant to present evidence in separate proceedings before proceedings on the merits have been initiated as a provisional measure as well as in the main proceedings on the merits. It is even possible that such provisional measure is issued after the main proceedings on the merits are terminated.

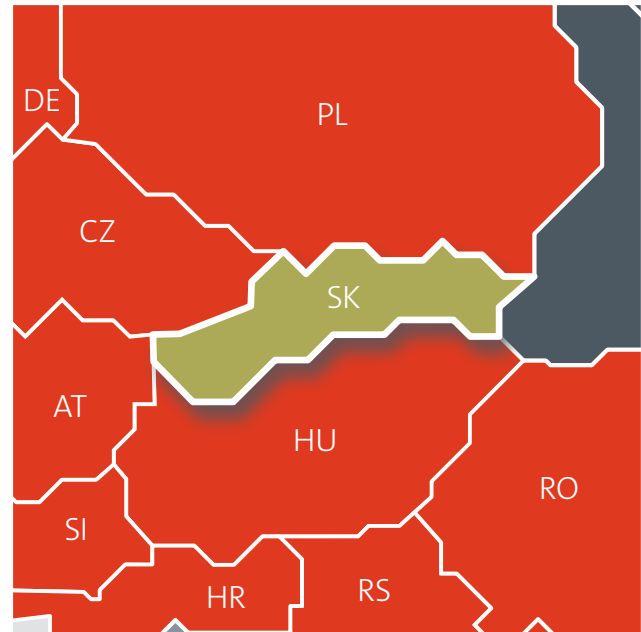
The Court is also responsible for enforcing the order.

Provision of evidence by third parties

The Court may order a third party to present a specific document under Section 189 of the Slovak Code of Civil Litigation (hereinafter CCL) in the main proceedings on the merits. Furthermore, under Section 210 of the CCL, the Court may order a party to the proceedings or a third party to submit evidence to a court-appointed expert. Before commencement of main proceedings on the merits, the claimant may request the preservation of evidence or subject-matter of evidence (see Part II Measures for preserving evidence).

Assessment of evidence in support of the application

“Reasonably available evidence” (as referred to in Art. 6.1 ED) means any evidence in the public domain that may be obtained by the applicant party at reasonable cost proportionate to the value of the claim.



SK

Protection of confidential information

The requesting party may request that the court order the confidential information is exempt from public inspection and is only made available to the court or the court-appointed expert.

Non-compliance with an order

In case of non-compliance the competent judicial authority is the Court.

The Court may impose a fine for non-compliance with the order. The amount is determined by the court taking into account the nature of the breach (individual assessment on a case-by-case basis).

Fines of up to EUR 500 or, in the case of repeated non-compliance, up to EUR 2 000 may be imposed. The Court may also impose recurring fines.

Appeal/review

Neither the order to present evidence nor the decision imposing a penalty for failure to submit evidence may be appealed.

Admissibility of evidence

All evidence that is relevant to the request may be adduced. Any evidence including evidence from foreign proceedings is admissible except evidence which was obtained contrary to law.

Evidence obtained in proceedings of a court of another country is admissible in civil proceedings before the Slovak courts. However, it must be submitted in Slovak or accompanied by a translation from the foreign language (an exception is evidence filed in Czech, which is admissible). The Slovak court will assess each piece of evidence individually. If it deems necessary, the Slovak court may request the taking of evidence by a foreign court through the Slovak Ministry of Justice and if the requested court is in the EU Member State, under EU Regulation 1206/2001. This seldom happens.

Legal basis and case law

Sects. 189 and 210, Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended
Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendment of some acts, as amended
Slovak Supreme Court Decision 2 Obo 110/2008
Slovak Supreme Court Decision 5 Obo 46/2007

II Measures for preserving evidence

Titles of the orders

Zabezpečenie dôkazu a zabezpečenie dôkazného prostriedku (securing evidence and securing subject matter of evidence)¹
Zabezpečenie dôkazného prostriedku vo veciach práva duševného vlastníctva (securing subject matter of evidence in matters relating to intellectual property rights)²

Further available measures

There are no further available measures to preserve evidence, but the general wording of the provision on provisional measures allows other measures such as physical seizure of infringing goods, tools and materials used for production and promotion of the goods as well as documents related to infringing goods to be ordered as a

provisional measure, although it is not common practice. See Part IV “Provisional and precautionary measures”.

Basic procedural framework

The Court is competent to issue such an order.

In general, should there be a concern that it will not be possible to secure the evidence later or only with great difficulty the court may on the application of the claimant, order and secure such evidence before (in separate proceedings before the proceedings on the merits), during, and even after the main proceedings on the merits.

Ex parte requests

In general, it is necessary to prove and substantiate the likelihood of patent infringement and the necessity to secure the evidence. A subjective opinion of the claimant shall not substantiate the request, only objective facts will do.

The court decides without the other party being heard and without an oral hearing. *Inter partes* proceedings are not usual for these proceedings in Slovakia.

The person in possession of the subject matter of evidence may file an appeal.

Protection available to defendant

If required by the circumstances, the Court may require the applicant to deposit with the Court a refundable security for damages or other injury that may be caused by the order for securing the evidence. The amount of the security and time-limit in which it shall be paid by the claimant is determined by the Court according to circumstances of the case, especially the manner of the procedure, and the nature and extent of the evidence to be secured.

When deciding on the amount of a refundable security, the court shall take various factors into account:

- the seriousness of the financial or other damage, which may be suffered by the defendant;
- the claimant’s assets, provided that in imposing an obligation to deposit a security shall not be a substantial impediment to the efficient enforcement of a right.

¹ Section 345 of Slovak Civil Procedure Code

² Section 346 of Slovak Civil Procedure Code

If the security is not paid, the court shall not order the measure and suspend the proceedings. If the judge concludes that the security is insufficient to secure compensation for damage or other prejudice likely to be caused by the order, the judge may determine a higher amount of security.

The claimant may be obliged to compensate for any damage caused to any person as a consequence of the measure. Compensation must be sought in separate litigation against the claimant and all types of damages may be sought such as actual damages, lost profits or immaterial harm.

There is no “equivalent assurance” (as referred to in Art. 7.2 ED) foreseen under the Slovak Civil Procedure Code. The claimant is liable for damage caused to anyone as a result of the order if the claimant is not successful in the main proceedings.

Period to initiate proceedings on the merits

The court shall determine the period within which to initiate proceedings on the merits. According to general court practice, it is usually within 30 days.

Witness identity protection

Under Slovak law, there are no provisions to protect witnesses’ identity in civil proceedings. This is only applicable under the Slovak Criminal Procedure Code.

Non-compliance with an order

In case of non-compliance the competent judicial authority is the Court. If the person in possession of the evidence fails to deposit it with the court or other appropriate custodian, the Court shall enforce recovery of the evidence through a bailiff.

Non-compliance with the order may result in fines of up to EUR 500 or, in the case of repeated non-compliance, up to EUR 2 000. The Court may also impose recurring fines.

Appeal/review

The person in possession of the evidence may file an appeal to the appellate court (for patent cases, the Regional Court Banská Bystrica). The claimant will receive notice of the appeal and have an opportunity to respond. However, an appeal does not have a suspensive effect on the Court’s decision. An appeal must be filed before the Regional Court in Banská Bystrica within 15 days from receipt of the order.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Sects. 345 – 353, Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended

Act No. 256/1998 Coll., on protection of witness and on changes and amendments of other acts, as amended

III Right of information

Title of the order

Právo na informácie (right of information)³

Persons obliged to provide information

In Slovakia it is not required that the person possesses, uses or provides the infringing goods or services on a commercial scale, i.e. the commercial aspect is not required.

Types of information to be provided

The national provision corresponds to Art. 8.2 ED, there is no other information to be provided.

Competent authority

The Court is competent to issue this order in main proceedings on the merits.

Non-compliance with an order

The private executor⁴ will be competent in case of non-compliance.

The entitled person shall apply for enforcement by the imposition of recurring penalty payments. The application for enforcement shall be filed with the Court which subsequently appoints a private executor who takes steps towards enforcement of the order and imposes recurring penalty payments. In total, the penalty payments may amount up to EUR 30 000 for non-compliance with the order.

Appeal/review

Under Slovak court practice, an order to provide information may only be granted as part of the judgment on the merits so the decision may be appealed within 15 days from the receipt of the judgment. The appeal will be sent to the other party for observations and the appellate court will then decide on the appeal.

An appeal must be filed before the Regional Court Banská Bystrica within 15 days from receipt of the judgment.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended
Sect. 32a, Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended

⁴ Private enforcement agent (bailiff)

⁵ Sections 324-342 Slovak Civil Procedure Code

⁶ Sections 343-344 Slovak Civil Procedure Code

IV Provisional and precautionary measures

Titles of the orders

Neodkladné opatrenia (provisional measures)⁵
Zabezpečovacie opatrenie (precautionary seizure)⁶

Basic procedural framework

In patent matters, the Court is competent to order such measures.

The order may be issued before the commencement of proceedings on the merits and in main proceedings on the merits.

The motion for a preliminary measure shall in general be filed without undue delay after the claimant becomes aware of the infringement or the threat of infringement, otherwise it is likely to be refused because the threat is no longer imminent or has been tolerated for too long. Within three months is generally regarded as an acceptable period for the filing the motion.

The private executor is responsible for enforcing the measure.

In ordering a provisional measure prior to commencement of main proceedings, the Court shall require the claimant to file a request for commencement of main proceedings within a specified period, usually 30 days from receipt of the decision. The Court may also decide that the provisional measure shall last only for a specified period.

Factors considered by the court

The key requirements are a *prima facie* justification of the claim, both in terms of existence of the patent and the threat of infringement, and an urgent need to temporarily regulate the relationship between the parties, the likelihood of harm to the claimant caused by the alleged infringement or at least the imminent threat of such harm.

Recurring penalty payments

The decision on the provisional measures itself does not contain any penalty payments. Penalties are imposed in

separate proceedings which must be initiated by the claimant before the District Court Banská Bystrica. The Court then appoints a private executor who imposes recurring penalty payments. In total, the penalty payments may amount up to EUR 30 000 for non-compliance with the provisional measure.

Provisional and precautionary measures against intermediaries

Provisional measures may be ordered against a third party.

Circumstances justifying an order for precautionary seizure

The claimant must justify the likelihood that the recovery of damages (i.e. the enforcement of a future decision) is endangered by specific circumstances as a result of which it is necessary to seize the assets of the defendant. The (high) probability of risk to the recovery of damages is examined by the Court on case-by-case basis. For example, if the conduct of the defendant indicates that assets are being transferred.

Assessment of required evidence

The claimant for a provisional measure must present all relevant facts and evidence justifying the motion and justification of harm or imminent harm (material or immaterial). However, the standard of proof is lower than in main proceedings. Since the Court must deliver a decision on the motion without undue delay (within 30 days), requirement for promptness prevails over the requirement to assess all factual findings and it is sufficient for the claimant to demonstrate a high probability of infringement.

The Court will assess the presented evidence as to whether it meets the condition of a high likelihood of infringement. In patent matters, judges will often require a statement by a court-appointed expert confirming the likelihood of infringement, i.e. that the allegedly infringing product falls within the scope of the patent.

Conditions justifying *ex parte* order

Under the Slovak Civil Procedure Code, the court at first instance decides on all provisional applications without hearing the other party. *Inter partes* proceedings are not held in practice (even though it is rare that the hearing of the other party may take place).

Irreparable harm for the claimant constitutes any damage that cannot be repaired with remedies following main proceedings on the merits such as monetary compensation or an injunction.

Protections available to the defendant

In order to obtain compensation for any damage likely to be caused by a provisional measure, the Court may *ex officio* but also on defendant's request impose upon the claimant a duty to lodge an adequate refundable security. When deciding on the amount of the security, the Court shall take into consideration the damage that may be suffered by the defendant as well as the financial standing of the claimant so that the amount of deposit would not constitute an impediment to effective enforcement of the claimant's claim.

Under Section 340 of the Code of Civil Litigation, the obligation of the claimant in such a case is defined broadly as compensating for the damage or injury suffered by the defendant and any third party. It refers to any damage or injury caused by the enforcement of the provisional measure.

Slovak case law on damages consisting of lost profits is relatively strict and requires that the profits would have been obtained by the defendant with high likelihood bordering on certainty. Financial assessment of the damage is generally carried out by a court-appointed expert and must be claimed in a separate action.

Non-compliance with an order

See Part III "Non-compliance with an order".

Appeal/review

See Part II "Appeal/review".

The appellate court then decides generally without an oral hearing within three months.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Sects. 324 to 340, Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended

Sect. 34, Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended

V Corrective measures

Title of the order

Opatrenia k náprave (remedial measures)
Stiahnutia z obchodnej siete (recall from the channels of commerce)
Definitívne odstránenie (removal from the channels of commerce)
Zničenie (destruction)

Other available measures

Apart from the measures mentioned in Art. 10.1 ED, the Court may impose that the goods, materials or tools by which the patent is infringed or threatened, are secured in such a way which prevents further infringement or imminent infringement⁷.

Basic procedural framework

The Court is competent to issue such an order. The Court or private executor is responsible for enforcing the measures.

The Court may order recall and/or destruction of infringing goods and of materials, tools and devices used exclusively or predominantly for infringing activities within proceedings on the merits after concluding that the goods are infringing. There are no express provisions in the Slovak Civil Procedure Code regarding what factors should be taken into account by the Court when exercising its discretion to order these measures. In general the Court shall take into consideration proportionality and the legitimate interests of third parties, in particular consumers and *bona fide* persons that have acted in good faith.

There are no detailed procedures for the corrective measures. Under court practice, if recall is ordered, compliance is deemed to be sufficient if the defendant

contacts its direct suppliers. The defendant is not obliged to remove infringing goods from third parties.

The applicant may ask for two corrective measures in parallel.

Corrective measures should generally be conducted at the defendant's expense of the defendant unless there are specific circumstances that would justify otherwise.

Assessment of proportionality for ordering remedies

An assessment of proportionality is carried out by the Court which shall take into account all relevant circumstances, such as undesirable economic consequences, including loss of profits suffered by the claimant, unjustified enrichment and intentional infringement by the defendant, and possibly also other non-economic considerations, such as moral injury caused to the claimant by the defendant.

Evidence of destruction

Where the Court grants an order for destruction, the defendant is responsible for destroying the goods. Therefore, the destruction is not carried out by the private executor.

The defendant is not *per se* obliged to prove the destruction. Only where the claimant claims that the defendant has not complied with the destruction order and initiates an enforcement procedure for non-compliance, the defendant must prove that the goods have been destroyed, otherwise the private executor will impose recurring penalty payments upon the defendant.

Non-compliance with an order

See Part III "Non-compliance with an order".

Appeal/review

An appeal procedure against the judgment on the merits may be conducted in respect of corrective measures.

See Part III "Appeal/review".

⁷ Section 33 (2) Patent Act

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended
Sect. 33, Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended

VI Injunctions

Title of the order

Zdržovací nárok (cease and desist claim)

Basic procedural framework

The Court is competent for issuing a permanent injunction.

The claimant must apply for enforcement by the private executor by imposing fines.

Injunctions against intermediaries

The claimant may apply for a permanent injunction against intermediaries.

Compulsory licence as a defence

There is no express provision of Slovak law or case law justifying a grant a compulsory licence as a defence.

Court's discretion if finding of infringement

Under Slovak court practice, in order to obtain an injunction, the claimant must not only prove infringement, but also threat of continued infringement. For example, if the claimant only submits evidence of a one-off transaction with the infringing goods, but with no threat of continued infringement, the Court may refuse to grant a permanent injunction.

If the above conditions are satisfied, the Court will generally grant the injunction if infringement is established. However, the Court always has the discretion to take into account specific circumstances and to reject the grant of a permanent injunction.

Non-compliance with an order

See Part III "Non-compliance with an order".

Appeal/review

Appeal proceedings against a judgment on merits may be conducted with regard to injunctions.

See Part III "Appeal/review".

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended

Sect. 32, Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended

VII Alternative measures

Title of the order

Alternatívne opatrenia (alternative measures)

There is no provision implementing Article 12 ED in Slovak law but such approach may be adopted by the Court within its general discretion to take into account all relevant circumstances of each individual case.

Basic procedural framework

The Court is competent to issue alternative measures. However it is not often applied in Slovakia.

The basis for calculation of the pecuniary compensation would likely be lost profits of the claimant and unjustified enrichment of the defendant.

Non-compliance with an order

See Part III “Non-compliance with an order”.

Non-compliance may result in seizure from bank accounts or seizure movable or immovable assets.

Appeal/review

Appellate proceedings against judgment on merits are possible in respect of alternative measures. An appeal must be filed before the Regional Court in Banská Bystrica within 15 days from receipt of the written judgment.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended

Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended

VIII Damages

Calculation methods available in Slovakia

Both methods set out in Art. 13.1 ED are available in Slovakia.

The general rule is that only actual damages and lost profits are compensated for and their amount must be proven, the justification for which expert opinions are often used.

Compensation for other harm (immaterial) may be requested as a lump sum and decided by the Court.

A royalty calculation may also apply in IP infringement cases if the damages cannot be calculated by any alternative method.

Basic procedural framework

The determination of damages may be part of the main patent infringement proceedings as well as subsequent separate proceedings. The same court decides in both circumstances.

The claimant may request information as per Art. 8 ED as part of the judgment on the merits and then seek damages pursuant to the information so obtained in subsequent separate proceedings.

Methods of calculation

The claimant may choose between different calculation methods, however, the royalty calculation is commonly used where it is not otherwise possible to determine the amount of damages.

Requesting lost royalties is practical for claimants because it is easier to establish than to satisfy the burden to demonstrate lost profits or unjustified enrichment as required by Slovak case law (a standard of high probability bordering on certainty).

When determining the lump sum, the Court considers all relevant circumstances such as whether the defendant knew or should have known about the infringement, the scope and type of infringement, unfair profits earned by the defendant and any moral injury to the claimant.

Evidence of lack of knowledge

The provision in Art. 13.2 ED relating to the payment of damages where the defendant did not knowingly engage in an infringing activity was not implemented into Slovak law. However, the defendant will be liable for damages provided that the claimant claims compensation for damages and can prove the damage suffered. Nevertheless, the Court may always invoke accepted principles of morality and reject the compensation claim where it considers that claim to be contrary to those principles.

Non-compliance with an order

See Part VII “Non-compliance with an order”.

Appeal/review

Appellate proceedings against judgment on merits can be conducted in respect of order to pay damages.

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended
Sect. 32, Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended
Civil Code, Act No. 40/1964 Coll., as amended

IX Legal costs

Overview of assessment of costs

The Court does not assess reasonable and proportionate costs (as referred to in Art. 14 ED), but applies the Decree of the Ministry of Justice on fees and remuneration of attorneys-at-law on the basis of full or partial success on the merits. The Court has discretion to award costs on a different basis but such discretion is seldom exercised by the Court.

The Court will award the costs necessary for substantiating the claim or defence against the unsuccessful party.

Legal costs and other expenses comprise legal fees, expenses of parties and attorneys, court fees, costs of obtaining evidence (including translation fees), costs of interpreting and translation (provided the Court considers these costs necessary for substantiating the claim or defence) and VAT.

Slovak court practice on legal costs is somewhat restrictive. For example pre-litigation warning letters sent by lawyers are not recoverable in subsequent litigation. In practice however, when seeking non-financial claims such as injunctions, the amounts recovered through a costs award represent only a small portion of the legal fees actually incurred by the successful party.

Costs are awarded in a separate procedure after the final judgment on the merits cannot be further appealed.

Legal basis and case law

Sect. 251 – 264, Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended
Decree of the Ministry of Justice No. 655/2004 Coll., on fees and remuneration of attorneys at law, as amended
Act. No. 71/1992 Coll. On court fees and the fee for extract from the criminal record

X Publication of judicial decisions

Title of the order

Zverejnenie rozsudku (publication of judgment)⁸

Basic procedural framework

The Court is competent to issue the order for publication of the judgement. The Court will consider all relevant circumstances including whether the claimant was fully successful, whether the infringement occurred knowingly and whether the claimant suffered immaterial injury.

Under Section 341(3) of the Slovak Civil Procedure Code, the Court shall determine the scope, form and manner of publication as well as who bears the expense of publication, or the amount of prepayment which shall be paid to the claimant. The Court must take into consideration the value of such publication for the claimant. The publication of only the claims is insufficient and a corresponding part of the substantive decision must also be published.

The law does not prescribe any specific media in which the publication must take place. Case law allows publication in newspapers, particularly in trade journals, and on the internet.

⁸ Section 341(3) of the Slovak Civil Procedure Code

Non-compliance with an order

See Part III “Non-compliance with an order”.

Appeal/review

Appellate proceedings against judgment on merits can be conducted in respect of measures for the dissemination of the information concerning the decision.

See Part III “Appeal/review”.

Non-compliance with UPC-issued order

According to Art. 82(3) UPCA, any decision of the UPC shall be enforced under the same conditions as a decision given in the Contracting Member State where the enforcement takes place. The procedure to enforce UPC orders has yet to be implemented in Slovak law.

Legal basis and case law

Sect. 341(3), Slovak Civil Procedure Code, Act No. 160/2015 Coll., as amended
Patent Act, Act No. 435/2001 Coll. On Patents, Supplementary Protection Certificates and on amendments of some acts, as amended

XI Sanctions

Name and type of sanctions

Priestupky a iné správne delikty (Administrative Offences and so-called “Other administrative offences”)⁹

Section 22 of the Act No. 486/2013 Coll. on Enforcement of IP Rights by Customs (hereinafter Act No. 486/2013), as amended provides for a list of acts which constitute administrative offences or so-called “other administrative offences”.

A person who imports, exports, owns, manufactures, offers, sells, stores, transports or keeps a product which infringes on an intellectual property right commits an administrative offence or so-called “other administrative offence”.

If one of the listed acts is committed by a natural person not conducting business, such act constitutes an administrative offence. A fine amounting to between EUR 50 and 6 800 (based on which particular act has been committed) and forfeiture of the goods may be imposed.

If one of the listed acts is committed by a legal person or by a natural person conducting business, such act constitutes an “other administrative offence”. A fine amounting to between EUR 500 to 135 000 (depending on which particular act has been committed) and forfeiture of the good may be imposed.

The customs office shall conduct administrative proceedings for both administrative offences and “other administrative offences”.

Non-compliance with an order

The locally competent customs office is competent in case of non-compliance with the orders.

The order imposing a penalty is enforced by means of direct payments or collection from bank account or movable or immovable assets.

Appeal/review

The perpetrator may file an appeal within 15 days to the locally competent appellate customs office.

Legal basis and case law

Sects. 22 - 34, Act No. 486/2013 Coll. on Enforcement of IP Rights by Customs, as amended

XII Additional options

Other available options in Slovakia

Criminal proceedings

Under Section 282 of the Penal Code, Act No. 300/2005 Coll., as amended, patent infringement is a criminal offence provided that the infringement is intentional.

⁹ Section 22 et seq. Act No. 486/2013 Coll. on Enforcement of IP Rights by Customs

The district court (competence is based *loci delicti*) is competent in criminal proceedings and will apply the criminal procedures as per the Code of Criminal Procedure.

The following sanctions may be imposed by the district court: forfeiture, imprisonment of up to eight years, penalty of up to EUR 331 930.

Border measures

The locally competent customs office is responsible for customs seizures.

The customs office acts on the basis of the administrative procedure on seizure and subsequent destruction of infringing goods under respective EU Regulation and Act No. 486/2013 Coll. on Enforcement of IP Rights by Customs.

Non-compliance with an order

In criminal proceedings, in case of non-compliance with an order imposing imprisonment, the infringer is delivered to the prison by the police. In case of non-compliance with an order imposing a penalty, imprisonment is imposed upon the infringer.

In case of non-compliance with an order of the customs office, it may impose sanctions such as destruction of goods or penalties.

Legal basis and case law

Sect. 282, Penal Code, Act No. 300/2005 Coll., as amended
Code of Criminal Procedure, Act No. 301/2005 Coll., as amended
Act No. 486/2013 Coll. on Enforcement of IP Rights by Customs, as amended

SK

San Marino

I Evidence

Title of the order

There is no specific name provided for the production of evidence in the legislation¹.

Basic procedural framework

The competent authority to issue such an order is the Law Commissioner, the civil first instance judge (*Commissario della Legge*). The order may be issued both in separate proceedings and in the main proceedings on the merits.

The bailiff together with court-appointed experts are responsible for enforcing the order.

Provision of evidence by third parties

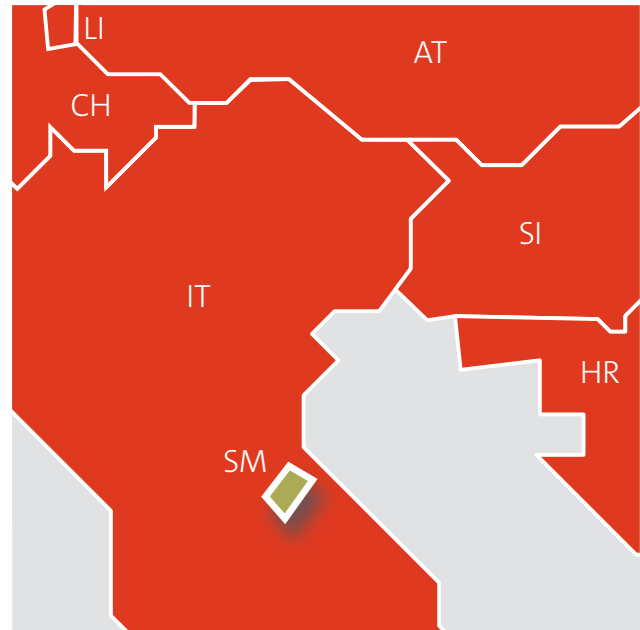
If the specified evidence lies in the control of a third party, the competent judicial authority, upon application by the claimant, may order the third party to present such evidence in the same proceedings. The *actio ad exhibendum* in ordinary civil procedure and court-ordered inspection with description (*ispezione giudiziale con descrizione*) pursuant to Arts. 118.1 and 118.8 of the Industrial Property Consolidation Act, Law No. 79/2005 (hereinafter “Law No. 79/2005”).

Assessment of evidence in support of the application

It is for the judge to decide pursuant to the rules of Ordinary Civil Law.

Protection of confidential information

Nothing is provided for in the legislation nor is there any jurisprudence available regarding the measures to be taken to protect confidential information.



SM

Non-compliance with an order

The Law Commissioner is competent to decide in case of non-compliance.

In the case of a court-ordered inspection with description, the order is implemented without delay through the bailiff and court-appointed experts.

In case of *actio ad exhibendum*, upon application by the party the judge will apply an ordinary civil enforcement procedure against the opposing party.

Recurring or non-recurring penalty payments may be imposed in case of non-compliance.

Appeal/review

The order for presentation of evidence may be appealed.

The competent judicial authority will be either the Law Commissioner or the Judge of Civil Appeals (*Giudice delle Appellazioni Civili*) depending on the party's preference according, also to the stage of the proceedings.

The period for filing the request will be 10 days according to Law No. 79/2005; and 30 days in general civil procedural law.

¹ Law 25 May 2005 No. 79 as amended; Ordinary Civil Procedure

Admissibility of evidence

Evidence obtained in other national criminal, administrative or other civil proceedings is admissible in civil proceedings.

Evidence obtained in proceedings before a court of another country is also admissible in civil proceedings before national courts, at the judge's discretion.

Legal basis and case law

Arts. 111 to 121 of Law No. 79/2005
Judgment 13 December 2013 in civil case No. 96/2010

II Measures for preserving evidence

Title of the order

Descrizione (description)
Sequestro (seizure)

Further available measures

“*Diffida*” (or “*Inibitoria*”), i.e. an order not to do something, provided for in Art. 118 of Law No. 79/2005. See also Part VI Injunctions below.

Basic procedural framework

The competent authority to issue such an order is Law Commissioner, both in separate proceedings before proceedings on the merits and in the main proceedings on the merits.

The bailiff and court-appointed experts are responsible for carrying out the order. They may use technical means of verification, such as photographic evidence. Interested parties may also be authorised to attend.

Ex parte requests

For an order *ex parte* the judge must be convinced that delay is likely to cause irreparable damage or that the evidence may be hidden or destroyed. In the order the judge shall set a hearing date, which shall take place a maximum 15 days later, and at which all parties must be present. At this hearing, the court may confirm, amend or revoke the measures outlined in the order.

The order must be served on the other party within eight days. The term is three times longer if service of the order has to take place abroad.

Protection available to defendant

The judge may require upon the claimant to deposit a sum of money as compensation for any damage likely to be suffered by the opposing party.

It is for the judge to determine the appropriate compensation likely to be suffered by the opposing party according to the rules of civil law and taking into account all the circumstances of the case.

Period to initiate proceedings on the merits

Should the order be granted in preliminary proceedings, the main action on the merits must be filed within a maximum of 30 days. If the action is not filed, the order shall be revoked, and the defendant may file a separate action to compensate for any damage suffered.

Witness identity protection

There is no guidance in the legislation as to the protection of witness' identity.

Non-compliance with an order

Both the description and seizure orders are implemented directly by a bailiff and court-appointed experts, acting under the control of the judicial authority. Therefore the issue of non-compliance cannot arise.

The procedure is based upon Arts. 118 and 119 of Law No. 79/2005 and subsequent amendments.

Appeal/review

The order may be appealed to the Judge of Civil Appeals (*Giudice delle Appellazioni Civili*), within 30 days from the first instance decision.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Arts. 118 – 120 of Law No. 79/2005

Art. 115 of Law 25 January 1991 No. 8, as amended (Law on Copyright Protection)

Civil case No. 243/2010

III Right of information

Title of the order

There is no specific name for such an order. It is granted pursuant to the general civil procedures.

Persons obliged to provide information

Only persons listed in Art. 8.1 ED are obliged to provide information.

Types of information to be provided

Only types of information listed in Art. 8.2 ED are to be provided.

Competent authority

The competent authority to issue such an order is the Law Commissioner.

Non-compliance with an order

If someone provides false information to a judge criminal sanctions will follow. If there are other acts of non-compliance, general civil law sanctions will apply.

Appeal/review

The order may be appealed to the Judge of Civil Appeals (*Giudice delle Appellazioni Civili*), within 30 days from the first instance decision.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Law No. 79/2005

IV Provisional and precautionary measures

Title of the order

Misure cautelari (precautionary measures)

Basic procedural framework

The competent authority to issue such an order is Law Commissioner at first instance or the Judge of Civil Appeals at second instance.

At first instance, the measures are generally requested at the initial stage, before proceedings on the merits are filed. The measures may also be requested in main proceedings.

The bailiff together with court-appointed experts are responsible for enforcing the measures.

For orders granted in preliminary proceedings, the period to initiate proceedings on the merits is 30 days (or 90 days if the order has to be served abroad).

Factors considered by the court

The court will consider factors such as “*fumus boni juris*” and “*periculum in mora*” (see especially Art. 119.1 Law No. 79/2005), i.e. is there a *prima facie* case and risk of damage if there is a delay until the end of main proceedings.

Recurring penalty payments

The conditions for issuing an order for recurring penalty payments are set out in Art. 118.6 of Law No. 79/2005.

The judge must be convinced that there are “serious reasons” to issue an order for recurring penalty payments. It is for the judge to determine which sum may have a deterrent effect. There are no guidelines; general criteria are used by the judge.

Provisional and precautionary measures against intermediaries

The claimant may apply for such measures if the intermediary is knowingly participating in the alleged infringement of the IP right.

Circumstances justifying an order for precautionary seizure

There is no guidance in the law as to what circumstances would justify an order for a precautionary seizure. The judge will apply the general principles of law and issue the order on a case-by-case basis.

Assessment of required evidence

The judge will assess the evidence on a case-by-case basis.

Conditions justifying *ex parte* order

There is no guidance as to what constitutes “appropriate cases” (as referred to in Art. 9(4) ED). It is for the judge to decide.

Damage which cannot be repaired at a later stage for example if evidence may be hidden or destroyed) may constitute “irreparable harm”.

Protections available to the defendant

There is no guidance on this issue, it is for the judge to decide.

Non-compliance with an order

The competent judicial authority is Law Commissioner. The procedure is indicated in Arts. 118 to 120 Law No. 79/2005.

Recurring or non-recurring penalty payments may be imposed. There are no maximum amounts provided for in the law. It is at the discretion of the judge.

Appeal/review

The order may be appealed according to the procedure laid down in Art. 119.11 of Law No. 79/2005.

The request must be filed before the Chief Judge of the San Marino Court, who will assign the case to a different Law Commissioner. If the measure was ordered by a judge on appeal, the case will be assigned to a different appellate judge.

The period for filing the request for appeal is 10 days.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Articles 118-120 of Law No. 79/2005
Civil case No. 7/2008

V Corrective measures

Title of the order

Ordine di distruzione (destruction)

Other available measures in San Marino

The infringing goods, and in appropriate cases, the materials and implements mainly used in the creation or manufacturing of the goods, may be assigned to the claimant.

Basic procedural framework

The competent authority to issue such an order is Law Commissioner at first instance or the Judge of Civil Appeals at second instance, depending on the stage of proceedings.

The order may be issued in the main proceeding on the merits.

The bailiff and court-appointed experts according to the general enforcement procedures are responsible for enforcing the order.

It is for the judge to decide what factors are taken into account when considering whether to issue the measure. There are no legislative guidelines to this effect. The judge will apply general criteria.

Arts. 120 and 121 Law No. 79/2005 do not explicitly refer to recall from the channels of commerce or to the definitive removal from the channels of commerce. However it cannot be excluded that a judge may order these measures in a future judgment given the wide discretionary powers the judge has in applying the most appropriate corrective measures.

The goods may not be removed nor destroyed if they belong to persons using them in good faith for personal or private use (Art. 121.1 of Law No. 79/2005).

The claimant may not request two measures in parallel.

Assessment of proportionality for ordering remedies

The judge will decide on the most appropriate measure according to the circumstances of the case. Any measure ordered must be proportionate to the damage likely to be suffered.

Evidence of destruction

The bailiff shall draft a report to be submitted to the judge, according to the general enforcement procedure.

Non-compliance with an order

It is for the bailiff or the court-appointed experts to implement the order, and thus non-compliance is impossible. The procedure is based on Law No. 79/2005 and general civil procedure.

Appeal/review

The order for a corrective measure may not be appealed, only the judgment may be according to the procedural rules.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Arts. 120 and 121 of Law No. 79/2005
Civil case No. 7/2008

VI Injunctions

Title of the order

Diffida (permanent injunction)

Basic procedural framework

The competent authority to issue such an order is Law Commissioner at first instance or the Judge of Civil Appeals at second instance, depending on the stage of proceedings.

The bailiff is responsible for enforcing the injunction.

Injunctions against intermediaries

The claimant may apply for an injunction against intermediaries, if the intermediary knowingly participated in the infringing activity.

Compulsory licence as a defence

There is no case-law on whether such a defence is possible.

Court's discretion if finding of infringement

The permanent injunction is automatically issued if there is a finding of infringement and it is requested by the claimant.

Non-compliance with an order

If the defendant does not comply with the order, recurring or non-recurring penalty payments may be imposed in civil proceedings.

The case may be transferred before a criminal court. Imprisonment and/or fines may be imposed.

Appeal/review

The injunction order may be appealed to the Judge of Civil Appeals within 30 days.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Law No. 79/2005

Arts. 202, 259 and 366 of the Criminal Code

Judgment 28 December 2016 in civil case No. 7/2008;

For recurring penalties: see decree 22 September 2014 and 30 March 2015 in civil case No. 366/2014

For applicability of Art. 259 of Criminal Code: see criminal proceedings No. 1241/10, first instance judgment on 11 October 2013 and second instance judgment on 23 June 2014.

VII Alternative measures

Title of the order

Pagamento alla parte lesa di un indennizzo pecuniario
(pecuniary compensation to the damaged party)

Basic procedural framework

The competent authority to issue such an order is the Law Commissioner and the Judge of Civil Appeals, depending on the stage of the proceedings.

It is for the judge to decide the basis of calculation for pecuniary compensation should be calculated, taking into account the infringer's behaviour and the aim of not causing him/her disproportionate harm.

In San Marino the circumstances provided for by the law are exactly the same as those provided for in Art. 12 ED.

Non-compliance with an order

The competent judicial authority is the Law Commissioner, and the general enforcement procedure is applicable. Recurring or non-recurring penalty payments may be imposed in case of non-compliance.

Appeal/review

The order for pecuniary compensation may be appealed to the Judge of Civil Appeals within 30 days.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Art. 121.3 Law No. 79/2005

VIII Damages

Calculation methods available in San Marino

Art. 120.4 Law No. 79/2005 provides for the methods to be used by the judge in the calculation of damages. The judge shall take into the account the:

- a) lost profits of the claimant;
- b) diminution of market value of the infringed products;
- c) undue advantage of the defendant to the detriment of the right holder and of his/her successors.

Basic procedural framework

The determination of the amount of damages is a part of the main patent infringement proceedings.

The judge shall take into account the evidence submitted by the claimant, including loss of profits, diminution in value of the claimant's business, any undue benefit derived by the defendant from the infringement.

Methods of calculation

If the claimant requests damages as a lump sum he/she may not also request supplementary compensation on the basis of different calculations. However, the judicial authorities can mix and match different calculation methods.

There are no judgments concerning patents on this issue. However, and in general, in the case of infringement of intellectual property rights the judge shall apply the criteria set out in Art. 120.4 and 5 Law No. 79/2005. This article allows for damages, if requested by a party, calculated as a global sum, if there is relevant evidence. It also provides for the payment of a sum for each subsequent infringing act and for any delay in the execution of the judgment.

Evidence of lack of knowledge

The judge will decide this according to the circumstances and evidence in the case.

Non-compliance with an order

See Part VII “Non-compliance with an order”.

Appeal/review

The order to pay damages may be appealed to the Judge of Civil Appeals within 30 days.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Art. 120 Law No. 79/2005
Ordinary Civil Law
Arts. 112 to 117 Law 25 January 1991 No. 8
Judgment 28 December 2016 in civil case No. 7/2008

IX Legal costs

Overview of assessment of costs

It is for the judge to evaluate the request for costs.

Legal costs constitute costs for legal assistance and other expenses such as the costs for court-appointed experts, for the eventual publication of the judgment, as well as taxes and expenses for the proceedings.

Costs are decided as part of the infringement action or in a separate procedure.

National rules govern minimum and maximum costs for the payment of attorneys’ fees. The relevant tariff is adopted through a decree issued by the government upon proposal of the Order of Lawyers and Notaries Public and ratified by Parliament.

Legal basis and case law

Art. 40 of Law 20 February 1991 No. 28
Decree No. 96 of 15 July 1996 and subsequent amendments

X Publication of judicial decisions

Title of the order

Pubblicazione dell'ordinanza cautelare
Pubblicazione della sentenza

Basic procedural framework

The competent authority to issue such an order is Law Commissioner.

It is for the claimant to decide if he wishes to request such measure in the same proceedings or in separate proceedings.

Publication of the precautionary measure or the judgment may take place in one or more newspapers, both national or foreign ones. If requested, the judge may also order the publication of the measure or the judgment on an internet site in the relevant industry sector. The judge decides on the size of publication.

The judge must consider whether disseminating the information compensates effectively for the damage caused.

Non-compliance with an order

Non-compliance will not arise since it is for the claimant to publish the order or the judgment.

Appeal/review

The order may be appealed within 10 days to the same Law Commissioner who dealt with the case for publication of a precautionary measure or within 30 days to the Judge of Civil Appeals when it relates to a judgment.

Non-compliance with UPC-issued order

San Marino is not party to the UPC Agreement.

Legal basis and case law

Arts. 87.2 and 118.11 Law No. 79/2005
Judgment 28 December 2016 in civil case No. 7/2008

XI Other appropriate sanctions

Name and type of sanctions

Criminal sanctions

Non-compliance with an order

The competent judicial authority is the criminal judge.

San Marino criminal procedure provides for an initial procedure called “instruction of the case”, followed by a public hearing and subsequent judgment.

The sanctions of imprisonment or fines may be imposed as provided for in the Criminal Code.

Appeal/review

It is possible to appeal the first instance judgment.

The decision on criminal sanctions may be appealed to the Judge of Criminal Appeals within 30 days.

Legal basis and case law

Criminal Code, Arts. 202 and 306

For applicability of Art. 259 Criminal Code, see judgments in proceedings No. 1241/10, first instance judgment on 11 October 2013 and second instance judgment on 23 June 2014

XII Additional options

Other available options in San Marino

See Part XI “Other appropriate sanctions”.

Turkey

I Evidence

Titles of the orders

Karşı yanının elindeki delillerin ibrazı kararı (decision to present the evidence in possession of the other side);

Delil tespiti kararı (decision on determination of evidence);

Sınai mülkiyet hakkının kullanılması ile ilgili belgelerin mahkemeye sunulması kararı (decision to submit documents to the court relating to the use of industrial property right).

Basic procedural framework

The competent authority to issue such an order is the specialised IPR Court¹.

Karşı yanının elindeki delillerin ibrazı kararı (decision to present evidence in possession of the other party)" is available in main proceedings on the merits, according to Section 220 Code of Civil Procedure (hereinafter CCP).

Delil tespiti kararı (decision on determination of evidence) is available in separate proceedings, before the proceedings on the merits have been initiated, and as an interim protection measure according to Section 400 et seq. CCP. This order is enforced by a court-appointed expert or under supervision of the judge or bailiff at the judge's discretion.

Sınai mülkiyet hakkının kullanılması ile ilgili belgelerin mahkemeye sunulması kararı (decision to submit documents to the court related to the use of an industrial property right) is available in both main proceedings and/or preliminary proceedings according to Section 150/(3) of the Code of Industrial Property (hereinafter CIP). This order is directed at the defendant. Before the main proceedings, the judge may decide that the books and documents in the defendant's possession may be examined by a court-appointed expert. It is likely that if defendant did not present his evidence in the main proceedings the Court could decide on the basis of the applicant's allegations. The official responsible for enforcing the order is the judge who issued the order and/or a court-appointed expert.



Provision of evidence by third parties

If the specified evidence lies in the control of a third party, the IPR Court may, upon application by the applicant, order that third party to present such evidence in main proceedings (Section 221 CCP).

Assessment of evidence in support of the application

The IPR Court will consider any documents and information supporting the fact that the requested evidence is necessary for the litigation of the case.

Protection of confidential information

The court may order that only redacted copies of the relevant parts of the documents be submitted, such as commercial books (Section 219/(2) CCP).

Non-compliance with an order

The competent authority in case of non-compliance is the IPR Court.

TR

¹ In Turkey, patent infringement actions may be brought before the specialised IPR Courts which are intellectual and industrial rights civil courts based in Ankara, Istanbul and Izmir, as well as the general civil courts of first instance where specialised IPR Courts do not exist, depending on the domicile of the claimant or on the place where infringement has occurred. For the purposes of this country profile, these competent courts will be referred to as the "IPR Court", unless otherwise specified.

In interim proceedings for obtaining and preserving evidence (Section 400 CCP), evidence may be obtained without notification to the other party where there is a necessity to protect the rights of the claimant (Section 403 CCP). The Court may decide to keep a list of the products recorded in a book or to keep them sealed and stored if necessary (Section 406 CCP). The Court and the authorised enforcement officer may seek the assistance of persons such as security forces or locksmiths if necessary to access the evidence.

For non-compliance of the order, the provision of one to six months of disciplinary imprisonment provided for in Article 398 CCP was annulled by the Constitutional Court². The annulment decision of the Constitutional Court entered into force on 21.11.2019. However, since the legislator did not conclude a new regulation on this issue, no sanction or punishment exists in the current legislation that may be imposed on those who do not comply with the order.

In main proceedings (Section 220 CCP), if it is established that the document is in the possession of the defendant, the court will set a time limit to submit said document. If it is not established that the document is in the defendant's possession, the Court will require that the defendant confirms on oath that such a document is not in his possession, or that the whereabouts of the document are unknown. Where an order to present evidence in main proceedings (Section 220 CCP) is not complied with, the court may in some circumstances, accept the other party's statement with respect to the contents of the document.

It is not regulated in the CIP how to impose sanctions if the defendant does not comply with the decision to submit documents pursuant to Section 150/(3).

Penalty payments are not foreseen.

Appeal/review

An order for the presentation of evidence issued in main proceedings (Section 220 CCP) cannot be appealed or reviewed.

In the event that an order is made in preliminary proceedings pursuant to Section 150/(3) CIP, the opposing party may file a request to review the order if it is issued *ex parte*. A review shall be filed before the same court or judge within one week of implementation of the measure. An appeal against the decision on review shall be filed before the Court of

Appeal (District Court) within two weeks from the notification of the decision. The relevant chamber of the Court of Appeal may not be specialised on IPR.

Admissibility of evidence

Evidence obtained in other national criminal, administrative or other civil proceedings is admissible.

Evidence from abroad, namely official documents prepared by foreign state authorities, are subject to approval by the competent authority of the state or the relevant Turkish consular authority where the document is issued (Section 224 CCP). The party relying on the document written in a foreign language must also submit a translation to the court. However, the court may request an official translation of the document of its own motion or upon request of the other party (Section 223 CCP).

Turkey is not a member state of the EU, and therefore EU Regulation 1206/2001 is not applicable. However, Turkey has concluded bilateral agreements for legal assistance with many countries for the execution of letters rogatory and it is also a party to the 1954 Convention on Civil Procedure and the 1970 Convention on the Taking of Evidence Abroad in Civil or Commercial Matters which are the most important international treaties on this subject.

Legal basis and case law

Code of Civil Procedure:

- Section 219 and 220 (order to present evidence in main proceedings)
- Section 221 (order for the third party to present evidence)
- Section 223 (documents written in foreign languages)
- Section 224 (obligation of foreign authorities to be approved by competent (Turkish) authorities)
- Sections 389 to 399 (interim injunctions)
- Sections 400 to 406 (determination of evidence and other interim protection measures)

Section 150/3 Code of Industrial Property (decision to submit documents related to the use of an industrial property right to court)

Decision No: 2014/6288, 2015/302 of 23rd Chamber of Supreme Court, 20 January 2015 (obligation of the parties to submit documents)

² Decision dated 11/7/2018, No. 2018/1 E. 2018/83 K.

II Measures for preserving evidence

Titles of the orders

Delillerin tespiti (determination of evidence)
İhtiyati tedbir (preliminary injunction)
Delillerin muhafazası (protection of evidence)
Ürün ve üretim araçlarına el konulması ve saklanması
(confiscation and preservation of infringing goods and means of production)³

Further available measures

The court may decide to keep the list of products recorded in a book or keep them sealed and stored if necessary (Section 406 CCP). See also Part I “Non-compliance with an order”.

Basic procedural framework

The competent authority to issue such orders is IPR Court.

The orders may be issued both in separate proceedings before proceedings on the merits and in main proceedings on the merits. The official responsible for enforcing the order is a competent judge of the IPR Court and/or a court-appointed expert or enforcement officer under the supervision of the judge or bailiff. This shall be at the judge’s discretion.

Ex parte requests

To grant an *ex parte* order, the court will expect to be provided with information substantiating that “there is a necessity to protect the rights of the claimant” such as circumstances and actions of the defendant demonstrating the likelihood of alteration of evidence and/or allegedly infringing products.

The opposing party may review an *ex parte* measure. An appeal is possible of the decision of review. See also Part I “Appeal/review”.

Protection available to defendant

The claimant requesting a precautionary measure must provide a guarantee to compensation for possible damage that the opposing party and/or third parties may incur from those measures.

The judge has discretion to set the amount and form of the guarantee. However, where the parties decide on the form of the guarantee by agreement, it is ordered accordingly.

In practice, the courts usually find it sufficient to require the deposit of a cash amount sufficient to cover the loss that may be incurred by the other party, or to submit an equivalent bank guarantee.

The judge may decide to reduce, increase, replace or abolish the guarantee where the circumstances requiring the guarantee change.

The amount of compensation to be paid subsequently to a defendant shall be determined by the actual loss due to the grant of an unjustified precautionary measure.

Period to initiate proceedings on the merits

Within two weeks from the date that the claimant requests the measure, proceedings on the merits must be initiated. Should this not be the case, the measure will automatically lapse.

Witness identity protection

Witness protection measures are only relevant for criminal proceedings.

However where deemed necessary a judge may decide to send a witness a questionnaire to have the witness’ responses in writing instead of being heard orally (Section 246 CCP).

Non-compliance with an order

See Part I “Non-compliance with an order”.

³ Section 159; para. (2)-b CIP

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Turkey is not party to the UPC Agreement.

Legal basis and case law

CCP, Sections 400 to 406 (determination of evidence and other interim protection measures)

CCP, Sections 389 to 399 (preliminary injunctions)

CIP, Section 159; para (2)-b (confiscation and preservation of the alleged infringing goods and means of production)

Decision No. 2013/12901, of 11th Chamber of Supreme Court, of 24 September 2013 (related to decision of preliminary injunction in infringement of patent right - “approximate proof principle”)

Decision No. 2014/15793, 2015/5239 of 11th Chamber of Supreme Court, 15 April 2015

III Right of information

There is no specific order or procedure in Turkish legislation regarding “right of information”.

However, the abovementioned orders and procedures in the Turkish legislation which equate to Arts. 6 and 7 ED (see Parts I and II above), are also applicable to the right to information. In particular the “decision to submit documents relating to the use of the industrial property right to the court” (Art. 150/3 CIP) may be applied *mutatis mutandis* in both preliminary and main proceedings for the right to information.

IV Provisional and precautionary measures

Titles of the orders

Geçici Hukuki Korumalar (interim legal protections)

İhtiyati tedbir (preliminary injunction)

Diğer Geçici Hukuki Korumalar (other interim legal protections)

Basic procedural framework

The competent authority to issue such orders is the IPR Court.

The orders may be issued both in separate proceedings before proceedings on the merits and/or in main proceedings on the merits.

An enforcement officer with or without a court-appointed expert is responsible for enforcing the measures. However, the court may also appoint an enforcement officer to enforce the measure, provided that it is stated in its decision.

Enforcement of an interim injunction may also involve police officers, village headmen⁴ as well as local officials who are obliged to assist and to carry out the enforcement of the orders.

In terms of protecting the rights of the defendant, two separate periods have been provided for in Turkish law. The first is that the claimant must request the enforcement of a preliminary injunction by the court within one week. Otherwise, even if a lawsuit is filed within the statutory timeframe, the injunction will automatically lapse.

The second period applies in relation to initiating proceedings on the merits. If a precautionary measure has been issued before the main action has been filed, the claimant may have two weeks to commence main proceedings, starting from the date on which the preliminary injunction is enforced. Failing this, the measure will automatically be revoked.

Factors considered by the court

Section 159 CIP provides that in order for a preliminary injunction to be granted, the claimant must prove that the relevant acts in question are infringing or threaten to infringe the patent. Additionally, the following conditions must be satisfied:

- a formal request for an injunction must be submitted;
- a declaration of the reasons for the need for an injunction must be provided;
- the main patent claims must be shown to be valid and that infringement is highly likely.

⁴ Headmen are the government representatives at the lowest level. Village headmen have some *sui generis* powers in the Turkish legal system.

What should be considered here is the “principle of approximate proof”. Section 390/III CCP expresses this as follows: “[the claimant] should approximately prove he/she is in [his/her] right[s] with respect to the merits of the case”. “Approximate proof” should include the entitlement, the validity of the patent and that the acts of the defendant constitute infringement.

Recurring penalty payments

Turkish legislation does not provide recurring penalty payments even where there is continuation of the infringement.

Nevertheless, the court may decide to accept a guarantee from the defendant which is intended to ensure compensation of the claimant for continuation of the defendant’s alleged infringing acts. This is referred to as “*tersine teminat*” (reverse guarantee) in Turkish practice.

Provisional and precautionary measures against intermediaries

Intermediaries are obliged to obey a granted interlocutory measure regardless whether they are party to the proceedings. It is possible to take precautionary measures directly against service providers where the alleged infringers are unavailable.

Circumstances justifying an order for precautionary seizure

Turkish civil law does not foresee the confiscation of goods (except the seizure of allegedly infringing products) or the freezing of bank accounts of an alleged infringer. However, this possibility is provided for under the concept of “precautionary lien” under the Enforcement and Bankruptcy Law, Section 257.

Assessment of required evidence

What constitutes “reasonably available evidence” (as referred to in Art. 9.3 ED) is any documentation and information that demonstrates the following:

- the claimant has a registered and valid patent;
- The defendant’s acts which may constitute an infringement (i.e. documents proving such activities, such as products, advertisements, invoices, brochures, promotional images)

- that the acts of the defendant in fact constitute an infringement. In Turkish practice, there is no need for the claimant to submit a claim construction chart, and the comparison of the claims and the accused product of the defendant is usually assessed by a court-appointed expert.

To satisfy the court with a “sufficient degree of certainty” (as also referred to in Art. 9.3 ED) the claimant should provide:

- Evidence that the patent is considered to be valid (if there is evidence that the patent is not novel, or there is a pending revocation case the patent may not be considered valid);
- Evidence that infringement is highly likely (such as the evidence of a court-appointed expert report demonstrating that the defendant’s product infringes the claimant’s patent).

Conditions justifying *ex parte* order

See Part II “*Ex parte* requests”.

What constitutes “irreparable harm” (as is referred to in Art. 9.4 ED) is foreseen in Section 390 Para. 2 CCP, but the court will have a discretion in its assessment. It is defined as, “...cases where the rights of the claimant must be immediately protected”. This definition covers any situation where there is a risk of delay. In practice, it is generally considered to cover a harm arising when there is a risk of alteration or replacement of the alleged infringing products or the place where they are located.

Protection available to the defendant

See Part II “Protection available to the defendant”.

Non-compliance with an order

See Part I “Non-compliance with an order” pursuant to Section 400 CCP.

Appeal/review

See Part I “Appeal/review”.

Non-compliance with UPC-issued order

Turkey is not party to the UPC Agreement.

Legal basis and case law

CCP, Section 389-399 (preliminary injunctions);
CCP, Section 406 (other interim protection measures);
CIP, Section 159
Decision No: 2013/12901, of 11th Chamber of Supreme Court, of 24 September 2013 (related with decision of preliminary injunction in infringement of patent right - “approximate proof principle”)
Decision No: 2014/15793, 2015/5239 of 11th Chamber of Supreme Court, of 15 April 2015

V Corrective measures

Title of the order

Ticaret kanallarından geri çekme (recall from the channels of commerce)

Ticaret kanallarından kesin kaldırma (definitive removal from the channels of commerce)

İmha (destruction)

Other available measures

The claimant may also request the transfer of infringing products or equipment that is used to produce the products to the claimant upon payment of adequate compensation.

In addition, to prevent continuation of the infringement, the IPR Court may also order other corrective measures, in particular that the form of the products and equipment be modified or, if this is not possible, their destruction.

These corrective measures are not exhausting. The IPR Court may also decide on any other corrective measure necessary for the prevention of infringement (Section 149 CIP).

Basic procedural framework

The competent authority to issue such orders is IPR Court. An enforcement officer (with or without an court-appointed expert, at the judge’s discretion) is responsible for enforcing the measures.

Removal from the channels of commerce is possible both in separate preliminary proceedings or in main proceedings on the merits. Definitive removal from the channels of commerce and destruction measures are possible only in main proceedings on the merits.

The law⁵ provides the judge with a wide discretion regarding the granting of corrective measures namely: “any corrective measure necessary for the elimination of the continuation of the infringement”.

The claimant may request two measures in parallel, but there should be no conflict between them.

Where the defendant has requested legal aid and it has been accepted by the Court, the Court may decide that the measures shall not be carried out at the expense of the defendant.

Assessment of proportionality for ordering remedies

The criteria set out in the legislation and jurisprudence on the application of the principle of proportionality can be summarised as follows:

- a) necessity to stop the act of infringement;
- b) proof of the merits of his case by the claimant according to the approximate principle of proof;
- c) necessity for corrective measures;
- d) seriousness of the infringement;
- e) striking a balance between the legal interests of the claimant and rights of the other parties;
- f) whether third parties would suffer from the grant of corrective measures.

Evidence of destruction

The IPR Court’s decision shall prescribe how destruction is to be carried out and this will be recorded in an expert report as proof of destruction. The competent authority is the enforcement officer.

⁵ Section 391 CCP

The principal form of evidence provided is an expert report of a person who attended the destruction with the enforcement officer.

Non-compliance with an order

If a corrective measure is ordered by the IPR Court as a preliminary measure, see Part I “Non-compliance with an order”.

If the corrective measure is ordered by the IPR Court in its final decision on the merits, enforcement of the decision is subject to Section 343 Enforcement and Bankruptcy Law. The claimant must make a formal request for enforcement of the order to the Enforcement Office of the Criminal Enforcement Court, which may issue a sentence of up to three months imprisonment.

Appeal/review

If the corrective measure is ordered by the court in a preliminary proceeding, see Part I “Appeal/review”.

If the corrective measure is ordered by the court in a final decision on the merits, an appeal is possible by filing a petition. The petition shall be filed before the Court of Appeal (District Court) within two weeks of notification of the written decision.

Non-compliance with UPC-issued order

Turkey is not party to the UPC Agreement.

Legal basis and case law

CCP, Sections 389 to 399 (preliminary injunctions), 406 (other interim protection measures), 147-162 (proceedings on the merits)

CIP, Section 159 (preliminary injunctions)

Enforcement and Bankruptcy Law (Section 343)

Decision No. 2012/13261, 2013/14366 of 11th Chamber of Supreme Court, of 5 July 2013 (unfair competition provisions are applied cumulatively in addition to intellectual property law);

Decision No: 2013/12901, of 11th Chamber of Supreme Court, of 24 September 2013, (preliminary injunction decision in patent infringement “approximate proof principle”) Decision No: 2014/15793, 2015/5239 of 11th Chamber of Supreme Court, of 15 April 2015

VI Injunctions

Title of the order

*Tecavüz filerinin durdurulması*⁶ (permanent injunction)

Basic procedural framework

The competent authority to issue a permanent injunction is the IPR Court. To enforce the injunction, it is sufficient for the claimant to apply to the Enforcement Office⁷ with a petition for the execution of the decision.

Injunctions against intermediaries

Intermediaries are obliged to comply with a precautionary injunction or final decision of a court awarded to the claimant irrespective of whether or not they are party to the proceedings. It is also possible to obtain a decision against service providers directly in case of the unavailability of defendants who make use of their services.

Compulsory licence as a defence

It is possible for the holder of a dependent patent or of patents accepted as standard essential patents in the relevant sector to justify the grant of a compulsory licence as a defence.

Court’s discretion if finding of infringement

If there is a finding of infringement, but the claimant has not specifically requested an injunction, the court has discretion as to whether an injunction will be granted. The main factors assessed by the court are dependent patents and standard.

However, the court must grant an injunction where infringement is established and if the claimant has expressly requested it.

⁶ Section 149/(1)-b CIP

⁷ The Enforcement Office is an official department of Ministry of Justice established by the Execution (Enforcement) and Bankruptcy Law in order to ensure that decisions made by the civil courts are complied with.

Non-compliance with an order

See Part V “Non-compliance with an order” in relation to an order granted after main proceedings.

Appeal/review

See Part V “Appeal/review” in relation to an order granted after main proceedings.

Non-compliance with UPC-issued order

Turkey is not party to the UPC Agreement.

Legal basis and case law

CCP, Sections 294-307

CIP, Section 149

Enforcement and Bankruptcy Law No. 2004

VII Alternative measures

There are no alternative measures provided for in Turkish law that could correspond to the provisions of Article 12 ED.

VIII Damages

Calculation methods available in Turkey

The claimant may claim compensation for tangible and intangible damage, provided that the defendant, knowingly or having reasonable grounds to know, engaged in an infringing activity.

According to established case law, intangible damage (e.g. moral damages) may occur and compensation for this may be awarded to the claimant.

A claimant may claim for three types of damages, i.e. actual damages, lost profit and damage to reputation.

Actual damages constitute the diminution in value of the claimant’s assets resulting from the infringement.

Lost profit is calculated according to one of three methods set forth in Art. 151 CIP, at the request of the claimant:

- (i) potential income that would have been obtained by the patent owner had there been no competition by the defendant;
- (ii) revenue obtained by the defendant by exploiting the invention; or
- (iii) licence analogy, i.e. a lump sum representing the royalties that would have been payable if a licence had been granted.

Basic procedural framework

Determination of damages is part of the main patent infringement proceedings.

Methods of calculation

Lost profit is calculated according to one of three abovementioned methods, and stipulated in Art. 151 CIP, depending on the choice of the claimant.

Mixing and matching different calculation methods is not permitted. However, the claimant may change the method of calculation by amending the claim.

The most frequently applied method in Turkey is the “revenue obtained by the defendant using the invention”. The “licence analogy method” is also applied by the courts.

Notwithstanding the method selected by the claimant the courts shall take various factors into consideration in calculating the loss of revenue such as:

- economic importance of the invention;
- the remaining term of the patent; and
- the number and type of licences relating to the patent.

However, if the claimant has not exploited the invention, damages may only be based on the licensing method (lump sum).

Evidence of lack of knowledge

The courts will apply the following criteria in particular when deciding whether a recovery of lost profit shall only be awarded if the defendant not knowingly infringe:

- whether the infringer is a producer;
- whether the price of the products was the ordinary commercial price;
- whether the products were invoiced, etc.

Non-compliance with an order

See Part V “Non-compliance with an order” in relation to an order granted after main proceedings.

Appeal/review

See Part V “Appeal/review” in relation to an order granted after main proceedings.

Non-compliance with UPC-issued order

Turkey is not party to the UPC Agreement.

Legal basis and case law

CIP, Sections 149 to 151

Enforcement and Bankruptcy Law No. 2004

Decision No. 2010/10672, 2012/2762 of 11th Chamber of Supreme Court, 27 February 2012 (in the calculation of lost profit, the claimant may change the choice of the method of calculation only by amending the claim)

Decision No.: 2010/10928, 2012/2386 of 11th Chamber of Supreme Court, 21 February 2012 (the infringement acts after the date on which the case was filed may not be taken into account in the calculation of damages; the claimant must file an additional case in respect of further infringements)

Decision No. 2012/14674, 2013/13300 of 11th Chamber of Supreme Court, 25 June 2012 (in the calculation of lost profit, the economic importance of the right, the reputation and position of the defendant in the market, as well as the extent of the infringement must be taken into account)

Decision No. 2004/14760, 2005/302 of 11th Chamber of Supreme Court, 14 December 2005 (unfair competition provisions are applied cumulatively in addition to intellectual property law)

IX Legal costs

Overview of assessment of costs

Article 321/2 CCP states “[If] the Defendant did not cause the case to be lodged by his own conduct and behaviour and, if he accepted the claim of the claimant at the first hearing of the proceedings, he will not be condemned to pay the costs of the proceedings.”

Therefore, the defendant is not obliged to pay the costs of the proceedings if he did not cause the case to be initiated

by his own conduct and behaviour, and if he had accepted the result of the claim in the first hearing of the main proceedings.

Article 140 CCP provides that the first or pre-trial hearing is the hearing before the examination and discussion of the evidence, which ends with the invitation of the parties to seek an amicable settlement or mediation.

Three types of costs are provided for in the CCP. These cover the expenses for the proceedings, attorneys’ fees, and litigation fees (e.g. judicial tax) incurred by the parties during the proceedings.

Costs are decided in the infringement action on the merits.

Attorney fees are determined by the Minimum Attorneys Fee Tariff (i.e. “MAFT”). It is collected from the defendant and paid to the claimant depending upon the success of the lawsuit.

Legal basis and case law

CCP, Arts. 140 and 321/2

Enforcement and Bankruptcy Law No. 2004

X Publication of judicial decisions

Titles of the orders

Hükmün ilanı (publication of the judgement)

Hükmün ilgililere tebliği (notification of the judgment to relevant parties)

Basic procedural framework

The IPR Court is competent to grant the order in the main infringement action on the merits. It is at the judge’s discretion whether to publish all or a part of the judgment. The court decides on this issue where there is justifiable cause or benefit to the parties, such as the elimination of any negative public opinion following the infringement or the lawsuit.

Publication of the judgment shall be carried out in daily newspapers and any other similar media at the discretion of the judge. The form and scope of the publication shall be determined within the decision. The right to publish lapses by the claimant within three months of the decision becoming final.

The court sends the decision or the text of the publication directly to the press or relevant journal specified by the court in its decision.

Non-compliance with an order

See Part V “Non-compliance of an order”.

Appeal/review

See Part V “Appeal/review”.

Non-compliance with UPC-issued order

Turkey is not party to the UPC Agreement.

Legal basis and case law

CCP, Section 301
CIP, Section 149/(1)-g(3)
Enforcement and Bankruptcy Law No. 2004

XI Other appropriate sanctions

None available.

There are no criminal measures or proceedings for patent infringement acts. In Turkish law, there is a criminal sanction only in case of trade mark infringement and infringement of intellectual and artistic works.

XII Additional options

Other available options in Turkey

Section 57 Customs Act No. 4458 specifically regulates the interim seizure procedure at the customs offices. Unlike the Customs Act, the CIP has no special provisions with regard to interim seizures by customs. However, Section 159 CIP which deals with preliminary injunctions provides that a court may order the seizure and preservation of any products which allegedly infringe a patent at any place they are located, including customs offices, free ports and zones.

The competent authorities are the Customs Administration and the IPR Court pursuant to Section 57 Customs Act. The seizure of allegedly infringing products or the suspension of customs procedures may be implemented by the customs

authority upon request by the right holder or his representative. Where no request has been made, the customs authorities may *ex officio* seize the goods or suspend customs procedures to allow the right holder to make a request. For this to occur there should be clear evidence showing that the goods indeed allegedly infringe the patent. *Ex officio* seizure is limited to three working days.

A request for a preliminary injunction must be filed with the IPR Court by the right holder within three working days for perishable goods, and 10 working days for other commodities, effective from the date on which the order of suspension or seizure issued by the relevant customs office was notified to the right holder. The decision for seizure or suspension made by the customs office will otherwise automatically lapse.

However should there exist just cause, upon the request of the right holder, the customs office may grant additional time of up to 10 working days. Where the court issues a preliminary injunction, the customs office will take appropriate action.

Depending on the content of the decision, the goods are destroyed or essentially altered. If the conditions set out in Customs Regulation 36 exist, the customs office may decide on a destruction.

Non-compliance with an order

See Part V “Non-compliance with an order”.

Legal basis and case law

CIP, Section 159/(2)-b.
Customs Act No. 4458, Section 57
Customs Regulation 36

Questionnaire

I Evidence

A. Introduction

Art. 6.1 ED provides that, on application by a party which has presented reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, the competent judicial authorities may order that such evidence be presented by the opposing party, subject to the protection of confidential information.

Under Art. 6.2 ED where there is infringement on a commercial scale the communication of banking, financial or commercial documents can be ordered and are subject to the protection of confidential information.

B. Questions

1. Indicate the name of the order or procedure to present evidence in your legislation (in your language).
2. (i) Which judicial authority is competent to issue such an order?

(ii) In which proceedings (e.g. in separate proceedings before the proceedings on the merits have been initiated, in the main proceedings on the merits, etc.)?

(iii) Who is the official responsible for enforcing the order (e.g. bailiff, court-appointed lawyer, etc)?
3. If the specified evidence lies in the control of a third party may the competent judicial authority, upon application by the party, order that third party to present such evidence? If yes, in which proceedings?
4. In relation to Art. 6.1 ED, what constitutes “reasonably available evidence” sufficient to support [the applicant party’s] claims?
5. In relation to both Art. 6.1 and Art. 6.2 ED, what measures may be taken to ensure the protection of confidential information?
6. In case of non-compliance with the order, please indicate:

(i) The competent judicial authority

(ii) The procedure

(iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
7. Can the order for the presentation of evidence be appealed or reviewed?
 - If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?

Note: the following questions are not directly related to Article 6 of the Enforcement Directive.

8. Is evidence obtained in criminal, administrative or other civil proceedings admissible in civil proceedings?
9. Is evidence obtained in proceedings before a court of another country admissible in civil proceedings before your national court and vice-versa? *For EU member states, please differentiate between evidence obtained in proceedings of another EU member state versus non-EU member state.*
10. Does the EU Regulation 1206/2001 or other existing bilateral judicial cooperation agreements your country may have affect any of the above responses? If yes, how?
11. For EU member states, is there anything to add with regard to the EU Regulation 1206/2001 on the taking of evidence?
12. Please list the relevant national legal basis and, if applicable, important jurisprudence.

II Measures for preserving evidence

A. Introduction

Art. 7.1 ED stipulates that the competent judicial authority may order prompt and effective provisional measures to preserve relevant evidence subject to the protection of confidential information. Furthermore, it provides that these measures may include

- a detailed description of infringing goods (with or without samples), or
- a physical seizure of the infringing goods or materials used in their production/distribution and documents relating thereto.

Those measures shall be taken, if necessary without the other party having been heard, in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed.

Where measures to preserve evidence are adopted without the other party having been heard, a review shall take place, upon request of the parties affected, with a view to deciding, within a reasonable period of time after the notification of the measures, whether they shall be modified, revoked or confirmed.

Art. 7.2 ED provides that the measures to preserve evidence may be subject to an adequate security or an equivalent assurance to ensure adequate compensation for any prejudice suffered by the defendant.

According to Art. 7.3 ED, if the applicant does not, within a reasonable period, institute proceedings on the merits, the measures to preserve evidence may be revoked or cease to have effect. The period is determined by the law of the member states, or in absence of such a determination, within a period not exceeding 20 working days or 31 calendar days, whichever is the longer.

In case of revocation or lapse of effects of the measure due to any act or omission by the applicant, or in case no infringement or threat of infringement had been found, the judicial authorities shall order, upon request of the defendant, the applicant to provide appropriate compensation (Art. 7.4 ED).

Art. 7.5 ED provides that measures to protect witnesses' identity may be taken.

B. Questions

1. Indicate the name of the above mentioned underlined provisional measures to preserve evidence in your language.
2. Are there any other measures than the two mentioned in Art. 7.1 ED that may be ordered under your legislation?
3. (i) Which judicial authority is competent to issue such an order?

(ii) In which proceedings (e.g. in separate proceedings before the proceedings on the merits have been initiated, in the main proceedings on the merits, etc.)?

(iii) Who is the official responsible for enforcing the order (e.g. bailiff, court-appointed lawyer, etc)?
4. If a measure is ordered without the other party having been heard, what is the level of evidence to show that a delay is likely to cause irreparable harm to the right holder or to show a demonstrable risk of evidence being destroyed?
5. In relation to Art. 7.1 para 2 ED, what is the procedure to review the adopted measures with the other party being heard?
6. In relation to Art. 7.2 ED, how is the adequate security determined by the competent authority?
7. What – if any - “equivalent assurances” are foreseen in your legislation?
8. What is the period to initiate proceedings on the merits (Art. 7.3 ED)?
9. In relation to Art. 7.4 ED, how is the “appropriate compensation” calculated?
10. In relation to Art. 7.5 ED, what measures are available to protect witnesses’ identity?
11. In case of non-compliance with the order, please indicate:

(i) The competent judicial authority

(ii) The procedure

(iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
12. Can the order for a provisional measure to preserve evidence be appealed or reviewed?
 - If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
13. Would the authority and the procedure indicated under question 11 be different if the Unified Patent Court (UPC) ordered the provisional and precautionary measures and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
14. Please list the relevant national legal basis and, if applicable, important jurisprudence.

III Right of information

A. Introduction

Art. 8.1 ED provides that the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right are provided by the infringer and/or any other person that was:

- in possession of the infringing goods on a commercial scale,
- using the infringing services on a commercial scale,
- providing on a commercial scale services used in infringing activities,
- indicated by a one of these persons as being involved in the production, manufacture or distribution of the infringing goods or provision of the infringing services.

Art. 8.2 ED provides that such information shall comprise the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods and services, and the intended retailers and wholesalers, information about the quantities that were produced, manufactured, delivered, received or ordered, and the price obtained for these good and services.

According to Art. 8.3 ED, the right of information stated in paragraphs 1 and 2 shall apply without prejudice to other statutory provisions which, among others, grant the right holder rights to receive fuller information.

B. Questions

1. Indicate the name of this order or procedure in your legislation.
2. Are persons other than those listed in Art. 8.1 ED obliged to provide information in your legislation? If so, please list them.
3. In relation to Art. 8.3 ED, is there any information other than that listed in Art. 8.2 ED to be provided in your legislation (e.g. prime costs and profits obtained by manufacturing, offering for sale, marketing, using, etc. the infringing product)? If yes, please indicate.
4. Which judicial authority is competent to order the provision of this information?
5. In case of non-compliance (including alleged false information) with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
6. Can the order for the provision of information be appealed or reviewed?
 - If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?

7. Would the authority and the procedure indicated under question 5 be different if the Unified Patent Court (UPC) issued the order to present the information and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
8. Please list the relevant national legal basis and, if applicable, important jurisprudence.

IV Provisional and precautionary measures

A. Introduction

Art. 9.1 ED provides that the competent judicial authorities may, at request of the applicant, issue against the alleged infringer certain provisional measures.

Art. 9.1(a) ED sets out conditions to issue an interlocutory injunction in order to prevent any imminent infringement of an IP right, or to forbid the continuation of the alleged infringements or to make such continuation subject to the lodging of guarantees in favour of the right holder. The continuation can be forbidden on a provisional basis and can be subject to a recurring penalty payment. Art. 9.1(a) ED mentions the possibility to issue an interlocutory injunction, under the same conditions, against an intermediary.

Art. 9.1(b) ED provides for the order the seizure or delivery up of the goods suspected of infringing an IP right to prevent their entry into commerce.

In case of infringement committed on a commercial scale, if the injured party demonstrates circumstances likely to endanger the recovery of damages, Art. 9.2 ED envisages the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets. In this latter case, the same paragraph specifies that the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information.

Art. 9.3 ED specifies that competent authority may require that the applicant provide any reasonably available evidence in order to satisfy the competent judicial authority with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed, or that such infringement is imminent.

As stated in Art. 9.4 ED, in appropriate cases, provisional measures indicated in Art. 9.1 and 9.2 ED can be issued without the defendant having been heard, in particular where any delay would cause irreparable harm to the right holder. The same paragraph envisages the possibility of a review of the order, upon request of the defendant with a view to deciding, within a reasonable time after notification of the measures, whether those measures shall be modified, revoked or confirmed.

Revocation, upon request of the defendant, may take place, according to Art. 9.5 ED if the applicant does not institute, within a reasonable period, proceedings leading to a decision on the merits of the case.

Art. 9.6 ED provides that judicial authorities may make the abovementioned provisional measures subject to the applicants' lodging of adequate security or assurance, in order to ensure compensation for possible prejudice suffered by the defendant.

Art. 9.7 provides that in case of revocation or lapse of effects of the measure due to any act or omission by the applicant, or in case no infringement or threat of infringement had been found, the judicial authorities shall have the authority to order the applicant to provide appropriate compensation.

B. Questions

1. Indicate the name of the abovementioned underlined measures in your legislation.
2. (i) Which judicial authority is competent to issue such orders?

(ii) In which proceedings (e.g. in separate proceedings before the proceedings on the merits have been initiated, in the main proceedings on the merits, etc.)?

(iii) Who is the official responsible for enforcing the measures (e.g. bailiff, court-appointed lawyer, etc)?
3. What factors are taken into account by the court when exercising its discretion in ordering the abovementioned measures?
4. In relation to Art. 9.1(a) ED, what are the conditions to issue an order of recurring penalty payment in case of continuation of the infringement?
5. How are the levels of these penalty payments determined?
6. In relation to Art. 9.1(a) ED, in your legislation, is the right holder in the position to apply for a provisional and precautionary measure against intermediaries?
7. According to Art. 9.2 ED, in your legislation, when is a circumstance considered likely to endanger the recovery of damages and therefore able to trigger an order for precautionary measures?
8. In relation to Art. 9.3 ED, what constitutes in your legislation, “reasonably available evidence” capable to satisfy the competent authority with a “sufficient degree of certainty”?
9. In relation to the previous question, what constitutes a “sufficient degree of certainty”?
10. Please describe what constitutes “appropriate cases” mentioned in Art. 9.4 ED.
11. In relation to Art. 9.4 ED what constitutes “irreparable harm” for the right holder in your legislation?
12. In relation to Art. 9.5 ED, what is the period to initiate proceedings on the merits?
13. In relation to Art. 9.6 ED, how is the adequate security determined?
14. Are there any equivalent assurances foreseen in your legislation?
15. In relation to Art 9.7 ED, how is “appropriate compensation” calculated?
16. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?

17. Can the order for provisional or precautionary measures be appealed or reviewed?
- If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
18. Would the authority and the procedure indicated under question 16 be different if the Unified Patent Court (UPC) ordered the provisional and precautionary measures and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
19. Please list the relevant national legal basis and, if applicable, important jurisprudence.

V Corrective measures

A. Introduction

Art. 10.1 ED provides that the competent judicial authorities may order, at request of the applicant, that appropriate corrective measures be taken with regard to infringing goods, and in appropriate cases, to materials and implements mainly used in the creation or manufacturing of those goods. Such measures shall include:

- (a) “recall from the channels of commerce”
- (b) “definitive removal from the channels of commerce” or
- (c) “destruction”.

Art. 10.2 ED states that the measures under Art. 10.1 ED are to be carried out at the expense of the person infringing the patent right, unless there are particular reasons not to do so.

Art. 10.3 ED provides that there needs to be proportionality between the seriousness of the infringement and the ordered remedies.

B. Questions

1. Please indicate:
 - (i) The name of the abovementioned corrective measures
 - (ii) Any other measures than the measures provided for in Art. 10.1(a)-(c) ED that may be ordered under your legislation.
2. (i) Which judicial authority is competent to issue such an order?
 - (ii) In which proceedings (e.g. in separate proceedings before the proceedings on the merits have been initiated, in the main proceedings on the merits, etc.)?
 - (iii) Who is the official responsible for enforcing the measures (e.g. bailiff, court-appointed lawyer)?

3. What factors are taken into account by the court when exercising its discretion in ordering the abovementioned measures?
4. In relation to Art. 10.1 ED, describe the procedures in your legislation for:
 - The recall from the channels of commerce
 - The definitive removal from the channels of commerce
 - The destruction of infringing goods, materials and implements carried out under your legislation
 - Other corrective measures outlined in B1(ii) above.
5. May the applicant ask for two of the abovementioned measures in parallel?
6. In relation to Art. 10.2 ED, what are the “particular reasons” in your legislation not to carry out the measures at the expense of the infringer?
7. How is “proportionality” mentioned in Art. 10.3 ED assessed?
8. In case of destruction, what evidence must be presented to prove implementation of the order? Which authority is involved?
9. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
10. Can the order for corrective measures be appealed/reviewed?
 - If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
11. Would the authority and the procedure indicated under question 9 be different if the Unified Patent Court (UPC) ordered the preventive measures and possibly provided for penalty payments in the event that a party fails to comply with the order? If so, how?
12. Please list the relevant national legal basis and, if applicable, important jurisprudence.

VI Injunctions

A. Introduction

Art. 11 ED provides that once a judicial decision is issued, the competent judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement.

Art. 11 ED furthermore clarifies that where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance.

Art. 11 ED also stipulates that right holders may apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right.

B. Questions

1. Indicate the name of the injunction in your legislation.
2. Which judicial authority is competent for issuing an injunction?
3. Is the right holder responsible for enforcing the injunction or does the procedure involve a court-appointed official e.g. bailiff?
4. Is the right holder in the position to apply for an injunction against intermediaries in your legislation?
5. Is it possible to bring forward aspects justifying the grant of a compulsory licence as a defence in infringement proceedings?
6. Once infringement is established, does it automatically follow that a permanent injunction is (automatically) issued, or does the court have a discretion?
7. If the court has a discretion, what factors are taken into account?
8. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
 - *For EU member states:* Which sanctions, beyond the mentioned recurring penalty payment are foreseen in case of non-compliance with the order?
9. Can the injunction order be appealed/reviewed?
 - If yes, describe:
 - (i) The procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
10. Would the authority and the procedure indicated under question 7 be different if the Unified Patent Court (UPC) ordered the injunction and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
11. Please list the relevant national legal basis and, if applicable, important jurisprudence.

VII Alternative measures

A. Introduction

Art. 12 ED provides that in appropriate cases and at the request of the person liable to be subject to the measures provided for in Arts. 10 and 11 ED, the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in Arts. 10 and 11 ED if that person acted unintentionally and without negligence, if execution of the measures in question would cause him/her disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

B. Questions

1. Indicate the name of alternative measures available in your language.
2. Which judicial authority is competent to issue these measures?
3. Are alternative measures as laid out in Art. 12 ED frequently applied by the judicial authorities in your country?
4. What is the basis for calculation for the pecuniary compensation?
5. What “appropriate cases” are provided for in your legislation? And in what circumstances would these be ordered - if any - in addition to the circumstances specified in Art. 12 ED?
6. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
7. Can the order be appealed/reviewed?
 - If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
8. Would the authority and the procedure indicated under question 6 be different if the Unified Patent Court (UPC) ordered the alternative measures and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
9. Please list the relevant national legal basis and, if applicable, important jurisprudence.

VIII Damages

A. Introduction

Art. 13.1 ED stipulates that the competent judicial authorities order the infringer, who knowingly or with reasonable grounds to know, engaged in an infringing activity, to pay appropriate damages to the actual prejudice suffered by him/her as a result of the infringement.

Two approaches are set out for the calculation of damages:

- (i) Under (a) it is specified that judicial authorities shall take into account all appropriate aspects, such as the negative economic consequences (including lost profits, any unfair profits made by infringer) and, in appropriate cases, elements other than economic factors (such as the moral prejudice caused to the right holder by the infringement).
- (ii) As an alternative, (b) provides that the judicial authority may set the damages as a lump sum on the basis of certain elements (such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question).

Art. 13.2 ED, on the other hand, stipulates that where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity. The judicial authorities may order the recovery of profits or the payment of damages in this situation.

B. Questions

1. Which calculation methods as indicated in Art. 13.1(a) and (b) ED - or any others – to determine damages are available in your country?
2. Is the determination of the amount of damages ordered for the successful party the subject of separate proceedings or is it part of the main patent infringement proceedings?
3. If the determination of the amount of damages can be the subject of separate proceedings, which judicial authority is competent to decide on such a claim? Is it the same judicial authority that decided on the claim for patent infringement?
4. If there are separate proceedings may the successful party request information as per Art. 8 ED either in advance or during those proceedings, i.e. in order to calculate damages or infringer's profits, can the successful party request disclosure?
5. Can the right holder choose between different calculation methods to determine damages available in your legislation?
6. Is it possible in your legislation for the judicial authorities to mix and match different calculation methods to determine damages?
7. Which of the calculation methods to determine damages available in your legislation is generally applied by the courts in patent infringement cases?
8. In relation to Art. 13.1(b) ED, briefly describe in which way elements (such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the patent) are generally taken into account in the calculation of the lump sum?
9. In relation to Art. 13.2 ED, how is it determined whether the infringer did not “with reasonable grounds” knowingly engage in the infringing activity?

10. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
11. Can the order to pay damages be appealed or reviewed?
 - If yes, describe the:
 - (i) Procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
12. Would the authority and the procedure indicated under question 10 be different if the Unified Patent Court (UPC) ordered the payment of the damages and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
13. Please list the relevant national legal basis and, if applicable, important jurisprudence.

IX Legal costs

A. Introduction

Art. 14 ED provides that reasonable and proportionate legal costs and other expenses incurred by the successful party shall in general be borne by the unsuccessful party.

B. Questions

1. How is “reasonable and proportionate” assessed?
2. What constitutes “legal costs and other expenses”?
3. Are costs decided in a separate procedure or in the infringement action?
4. In your country, are legal costs awarded on a flat-rate scheme or according to national rules governing minimum costs of assistance of attorneys?
5. Please list the relevant national legal basis and, if applicable, important jurisprudence.

X Publication of judicial decisions

A. Introduction

Art. 15 ED provides that the competent judicial authorities may order, at request of the applicant and at expense of the infringer, appropriate measures for the dissemination of the information concerning the decision including displaying and publishing it or for other additional and appropriate to circumstances publicity measures.

B. Questions

1. Indicate the type and name of the measures for the dissemination of the information concerning the decision available under your legislation.
2. In terms of implementation of the measure, what is required (e.g. one sentence, the entire judgment)?
3. Which judicial authority is competent to give the order for such measures and in which proceedings?
4. What factors are considered by the judicial authorities when deciding whether to issue an order for the dissemination of information?
5. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
6. Can the order in relation to measures for the dissemination of the information concerning the decision be appealed or reviewed?
 - If yes, describe:
 - (i) The procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Which judicial authority is competent to carry out the appeal/review?
7. Would the authority and the procedure indicated under question 6 be different if the Unified Patent Court (UPC) ordered the publication and possibly provide for penalty payments in the event that a party fails to comply with the order? If so, how?
8. Please list the relevant national legal basis and, if applicable, important jurisprudence.

XI Other appropriate sanctions

A. Introduction

Art. 16 ED provides that in addition to the civil and administrative measures, procedures and remedies laid down by this Directive, member states can also apply other appropriate sanctions.

B. Questions

1. Indicate the type and name of any other appropriate sanctions in patent cases available under your legislation.
2. In case of non-compliance with the order, please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure
 - (iii) Sanctions (recurring or non-recurring penalty payments, imprisonment, other)?
3. Can an order for such other sanctions be appealed or reviewed?
 - If yes, describe:
 - (i) The procedure
 - (ii) Indicate the period for filing a request for an appeal/review of the order.
 - Before which judicial authority can the appeal/review be brought?
4. Please list the relevant national legal basis and, if applicable, important jurisprudence.

XII Additional options

1. What other options in your legislation are available to a patent right holder in order to enforce his/her patent rights? (e.g. criminal proceedings, border measures etc.).
2. If so, for each of the above options please indicate:
 - (i) The competent judicial authority
 - (ii) The procedure.
3. Please indicate the sanctions for non-compliance.
4. Please list the relevant national legal basis and, if applicable, important jurisprudence.

**DIRECTIVE 2004/48/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 29 April 2004**

**on the enforcement
of intellectual property rights**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Economic and Social Committee ¹,

After consulting the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 251 of the Treaty ²,

¹ OJ C 32, 5.2.2004, p. 15.

² Opinion of the European Parliament of 9 March 2004 (not yet published in the Official Journal) and Council Decision of 26 April 2004.

Whereas:

- (1) The achievement of the Internal Market entails eliminating restrictions on freedom of movement and distortions of competition, while creating an environment conducive to innovation and investment. In this context, the protection of intellectual property is an essential element for the success of the Internal Market. The protection of intellectual property is important not only for promoting innovation and creativity, but also for developing employment and improving competitiveness.
- (2) The protection of intellectual property should allow the inventor or creator to derive a legitimate profit from his invention or creation. It should also allow the widest possible dissemination of works, ideas and new know-how. At the same time, it should not hamper freedom of expression, the free movement of information, or the protection of personal data, including on the Internet.
- (3) However, without effective means of enforcing intellectual property rights, innovation and creativity are discouraged and investment diminished. It is therefore necessary to ensure that the substantive law on intellectual property, which is nowadays largely part of the *acquis communautaire*, is applied effectively in the Community. In this respect, the means of enforcing intellectual property rights are of paramount importance for the success of the Internal Market.

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- (4) At international level, all Member States, as well as the Community itself as regards matters within its competence, are bound by the Agreement on Trade-Related Aspects of Intellectual Property (the "TRIPS Agreement"), approved, as part of the multilateral negotiations of the Uruguay Round, by Council Decision 94/800/EC¹ and concluded in the framework of the World Trade Organisation.
- (5) The TRIPS Agreement contains, in particular, provisions on the means of enforcing intellectual property rights, which are common standards applicable at international level and implemented in all Member States. This Directive should not affect Member States' international obligations, including those under the TRIPS Agreement.
- (6) There are also international conventions to which all Member States are parties and which also contain provisions on the means of enforcing intellectual property rights. These include, in particular, the Paris Convention for the Protection of Industrial Property, the Berne Convention for the Protection of Literary and Artistic Works, and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations.

¹ OJ L 336, 23.12.1994, p. 1.

- (7) It emerges from the consultations held by the Commission on this question that, in the Member States, and despite the TRIPS Agreement, there are still major disparities as regards the means of enforcing intellectual property rights. For instance, the arrangements for applying provisional measures, which are used in particular to preserve evidence, the calculation of damages, or the arrangements for applying injunctions, vary widely from one Member State to another. In some Member States, there are no measures, procedures and remedies such as the right of information and the recall, at the infringer's expense, of the infringing goods placed on the market.
- (8) The disparities between the systems of the Member States as regards the means of enforcing intellectual property rights are prejudicial to the proper functioning of the Internal Market and make it impossible to ensure that intellectual property rights enjoy an equivalent level of protection throughout the Community. This situation does not promote free movement within the Internal Market or create an environment conducive to healthy competition.

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- (9) The current disparities also lead to a weakening of the substantive law on intellectual property and to a fragmentation of the Internal Market in this field. This causes a loss of confidence in the Internal Market in business circles, with a consequent reduction in investment in innovation and creation. Infringements of intellectual property rights appear to be increasingly linked to organised crime. Increasing use of the Internet enables pirated products to be distributed instantly around the globe. Effective enforcement of the substantive law on intellectual property should be ensured by specific action at Community level. Approximation of the legislation of the Member States in this field is therefore an essential prerequisite for the proper functioning of the Internal Market.
- (10) The objective of this Directive is to approximate legislative systems so as to ensure a high, equivalent and homogeneous level of protection in the Internal Market.
- (11) This Directive does not aim to establish harmonised rules for judicial cooperation, jurisdiction, the recognition and enforcement of decisions in civil and commercial matters, or deal with applicable law. There are Community instruments which govern such matters in general terms and are, in principle, equally applicable to intellectual property.

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- (12) This Directive should not affect the application of the rules of competition, and in particular Articles 81 and 82 of the Treaty. The measures provided for in this Directive should not be used to restrict unduly competition in a manner contrary to the Treaty.
- (13) It is necessary to define the scope of this Directive as widely as possible in order to encompass all the intellectual property rights covered by Community provisions in this field and/or by the national law of the Member State concerned. Nevertheless, that requirement does not affect the possibility, on the part of those Member States which so wish, to extend, for internal purposes, the provisions of this Directive to include acts involving unfair competition, including parasitic copies, or similar activities.
- (14) The measures provided for in Articles 6(2), 8(1) and 9(2) need to be applied only in respect of acts carried out on a commercial scale. This is without prejudice to the possibility for Member States to apply those measures also in respect of other acts. Acts carried out on a commercial scale are those carried out for direct or indirect economic or commercial advantage; this would normally exclude acts carried out by end-consumers acting in good faith.

- (15) This Directive should not affect substantive law on intellectual property, Directive 95/46/EC of 24 October 1995 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data ¹, Directive 1999/93/EC of the European Parliament and of the Council of 13 December 1999 on a Community framework for electronic signatures ² and Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ³.
- (16) The provisions of this Directive should be without prejudice to the particular provisions for the enforcement of rights and on exceptions in the domain of copyright and related rights set out in Community instruments and notably those found in Council Directive 91/250/EEC of 14 May 1991 on the legal protection of computer programs ⁴ or in Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society ⁵.

¹ OJ L 281, 23.11.1995, p. 31. Directive as amended by Regulation (EC) No 1882/2003 (OJ L 284, 31.10.2003, p. 1).

² OJ L 13, 19.1.2000, p. 12.

³ OJ L 178, 17.7.2000, p. 1.

⁴ OJ L 122, 17.5.1991, p. 42. Directive as amended by Directive 93/98/EEC (OJ L 290, 24.11.1993, p. 9).

⁵ OJ L 167, 22.6.2001, p. 10.

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- (17) The measures, procedures and remedies provided for in this Directive should be determined in each case in such a manner as to take due account of the specific characteristics of that case, including the specific features of each intellectual property right and, where appropriate, the intentional or unintentional character of the infringement.
- (18) The persons entitled to request application of those measures, procedures and remedies should be not only the rightholders but also persons who have a direct interest and legal standing in so far as permitted by and in accordance with the applicable law, which may include professional organisations in charge of the management of those rights or for the defence of the collective and individual interests for which they are responsible.
- (19) Since copyright exists from the creation of a work and does not require formal registration, it is appropriate to adopt the rule laid down in Article 15 of the Berne Convention, which establishes the presumption whereby the author of a literary or artistic work is regarded as such if his name appears on the work. A similar presumption should be applied to the owners of related rights since it is often the holder of a related right, such as a phonogram producer, who will seek to defend rights and engage in fighting acts of piracy.

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- (20) Given that evidence is an element of paramount importance for establishing the infringement of intellectual property rights, it is appropriate to ensure that effective means of presenting, obtaining and preserving evidence are available. The procedures should have regard to the rights of the defence and provide the necessary guarantees, including the protection of confidential information. For infringements committed on a commercial scale it is also important that the courts may order access, where appropriate, to banking, financial or commercial documents under the control of the alleged infringer.
- (21) Other measures designed to ensure a high level of protection exist in certain Member States and should be made available in all the Member States. This is the case with the right of information, which allows precise information to be obtained on the origin of the infringing goods or services, the distribution channels and the identity of any third parties involved in the infringement.
- (22) It is also essential to provide for provisional measures for the immediate termination of infringements, without awaiting a decision on the substance of the case, while observing the rights of the defence, ensuring the proportionality of the provisional measures as appropriate to the characteristics of the case in question and providing the guarantees needed to cover the costs and the injury caused to the defendant by an unjustified request. Such measures are particularly justified where any delay would cause irreparable harm to the holder of an intellectual property right.

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- (23) Without prejudice to any other measures, procedures and remedies available, rightholders should have the possibility of applying for an injunction against an intermediary whose services are being used by a third party to infringe the rightholder's industrial property right. The conditions and procedures relating to such injunctions should be left to the national law of the Member States. As far as infringements of copyright and related rights are concerned, a comprehensive level of harmonisation is already provided for in Directive 2001/29/EC. Article 8(3) of Directive 2001/29/EC should therefore not be affected by this Directive.
- (24) Depending on the particular case, and if justified by the circumstances, the measures, procedures and remedies to be provided for should include prohibitory measures aimed at preventing further infringements of intellectual property rights. Moreover there should be corrective measures, where appropriate at the expense of the infringer, such as the recall and definitive removal from the channels of commerce, or destruction, of the infringing goods and, in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods. These corrective measures should take account of the interests of third parties including, in particular, consumers and private parties acting in good faith.

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- (25) Where an infringement is committed unintentionally and without negligence and where the corrective measures or injunctions provided for by this Directive would be disproportionate, Member States should have the option of providing for the possibility, in appropriate cases, of pecuniary compensation being awarded to the injured party as an alternative measure. However, where the commercial use of counterfeit goods or the supply of services would constitute an infringement of law other than intellectual property law or would be likely to harm consumers, such use or supply should remain prohibited.
- (26) With a view to compensating for the prejudice suffered as a result of an infringement committed by an infringer who engaged in an activity in the knowledge, or with reasonable grounds for knowing, that it would give rise to such an infringement, the amount of damages awarded to the rightholder should take account of all appropriate aspects, such as loss of earnings incurred by the rightholder, or unfair profits made by the infringer and, where appropriate, any moral prejudice caused to the rightholder. As an alternative, for example where it would be difficult to determine the amount of the actual prejudice suffered, the amount of the damages might be derived from elements such as the royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question. The aim is not to introduce an obligation to provide for punitive damages but to allow for compensation based on an objective criterion while taking account of the expenses incurred by the rightholder, such as the costs of identification and research.

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- (27) To act as a supplementary deterrent to future infringers and to contribute to the awareness of the public at large, it is useful to publicise decisions in intellectual property infringement cases.
- (28) In addition to the civil and administrative measures, procedures and remedies provided for under this Directive, criminal sanctions also constitute, in appropriate cases, a means of ensuring the enforcement of intellectual property rights.
- (29) Industry should take an active part in the fight against piracy and counterfeiting. The development of codes of conduct in the circles directly affected is a supplementary means of bolstering the regulatory framework. The Member States, in collaboration with the Commission, should encourage the development of codes of conduct in general. Monitoring of the manufacture of optical discs, particularly by means of an identification code embedded in discs produced in the Community, helps to limit infringements of intellectual property rights in this sector, which suffers from piracy on a large scale. However, these technical protection measures should not be misused to protect markets and prevent parallel imports.
- (30) In order to facilitate the uniform application of this Directive, it is appropriate to provide for systems of cooperation and the exchange of information between Member States, on the one hand, and between the Member States and the Commission on the other, in particular by creating a network of correspondents designated by the Member States and by providing regular reports assessing the application of this Directive and the effectiveness of the measures taken by the various national bodies.

- (31) Since, for the reasons already described, the objective of this Directive can best be achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.
- (32) This Directive respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union. In particular, this Directive seeks to ensure full respect for intellectual property, in accordance with Article 17(2) of that Charter,

HAVE ADOPTED THIS DIRECTIVE:

CHAPTER I

Objective and scope

Article 1

Subject-matter

This Directive concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights. For the purposes of this Directive, the term "intellectual property rights" includes industrial property rights.

Article 2

Scope

1. Without prejudice to the means which are or may be provided for in Community or national legislation, in so far as those means may be more favourable for rightholders, the measures, procedures and remedies provided for by this Directive shall apply, in accordance with Article 3, to any infringement of intellectual property rights as provided for by Community law and/or by the national law of the Member State concerned.

2. This Directive shall be without prejudice to the specific provisions on the enforcement of rights and on exceptions contained in Community legislation concerning copyright and rights related to copyright, notably those found in Directive 91/250/EEC and, in particular, Article 7 thereof or in Directive 2001/29/EC and, in particular, Articles 2 to 6 and Article 8 thereof.

3. This Directive shall not affect:
- (a) the Community provisions governing the substantive law on intellectual property, Directive 95/46/EC, Directive 1999/93/EC or Directive 2000/31/EC, in general, and Articles 12 to 15 of Directive 2000/31/EC in particular;
 - (b) Member States' international obligations and notably the TRIPS Agreement, including those relating to criminal procedures and penalties;
 - (c) any national provisions in Member States relating to criminal procedures or penalties in respect of infringement of intellectual property rights.

CHAPTER II

Measures, procedures and remedies

Section 1

General provisions

Article 3

General obligation

1. Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by this Directive. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.
2. Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

Article 4

Persons entitled to apply for the application of the measures, procedures and remedies

1. Member States shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in this Chapter:
 - (a) the holders of intellectual property rights, in accordance with the provisions of the applicable law,
 - (b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by and in accordance with the provisions of the applicable law,
 - (c) intellectual property collective rights management bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law,
 - (d) professional defence bodies which are regularly recognised as having a right to represent holders of intellectual property rights, in so far as permitted by and in accordance with the provisions of the applicable law.

Article 5

Presumption of authorship or ownership

For the purposes of applying the measures, procedures and remedies provided for in this Directive,

- (a) for the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for his name to appear on the work in the usual manner;
- (b) the provision under (a) shall apply *mutatis mutandis* to the holders of rights related to copyright with regard to their protected subject matter.

Section 2

Evidence

Article 6

Evidence

1. Member States shall ensure that, on application by a party which has presented reasonably available evidence sufficient to support its claims, and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, the competent judicial authorities may order that such evidence be presented by the opposing party, subject to the protection of confidential information. For the purposes of this paragraph, Member States may provide that a reasonable sample of a substantial number of copies of a work or any other protected object be considered by the competent judicial authorities to constitute reasonable evidence.

2. Under the same conditions, in the case of an infringement committed on a commercial scale Member States shall take such measures as are necessary to enable the competent judicial authorities to order, where appropriate, on application by a party, the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

Article 7

Measures for preserving evidence

1. Member States shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support his claims that his intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information. Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto. Those measures shall be taken, if necessary without the other party having been heard, in particular where any delay is likely to cause irreparable harm to the rightholder or where there is a demonstrable risk of evidence being destroyed.

Where measures to preserve evidence are adopted without the other party having been heard, the parties affected shall be given notice, without delay after the execution of the measures at the latest. A review, including a right to be heard, shall take place upon request of the parties affected with a view to deciding, within a reasonable period after the notification of the measures, whether the measures shall be modified, revoked or confirmed.

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2. Member States shall ensure that the measures to preserve evidence may be subject to the lodging by the applicant of adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered by the defendant as provided for in paragraph 4.
 3. Member States shall ensure that the measures to preserve evidence are revoked or otherwise cease to have effect, upon request of the defendant, without prejudice to the damages which may be claimed, if the applicant does not institute, within a reasonable period, proceedings leading to a decision on the merits of the case before the competent judicial authority, the period to be determined by the judicial authority ordering the measures where the law of a Member State so permits or, in the absence of such determination, within a period not exceeding 20 working days or 31 calendar days, whichever is the longer.
 4. Where the measures to preserve evidence are revoked, or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by those measures.
 5. Member States may take measures to protect witnesses' identity.

Section 3

Right of information

Article 8

Right of information

1. Member States shall ensure that, in the context of proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order that information on the origin and distribution networks of the goods or services which infringe an intellectual property right be provided by the infringer and/or any other person who:

- (a) was found in possession of the infringing goods on a commercial scale;
- (b) was found to be using the infringing services on a commercial scale;

- (c) was found to be providing on a commercial scale services used in infringing activities; or
 - (d) was indicated by the person referred to in point (a), (b) or (c) as being involved in the production, manufacture or distribution of the goods or the provision of the services.
2. The information referred to in paragraph 1 shall, as appropriate, comprise:
- (a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers;
 - (b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

3. Paragraphs 1 and 2 shall apply without prejudice to other statutory provisions which:
- (a) grant the rightholder rights to receive fuller information;
 - (b) govern the use in civil or criminal proceedings of the information communicated pursuant to this Article;
 - (c) govern responsibility for misuse of the right of information; or
 - (d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit to his own participation or that of his close relatives in an infringement of an intellectual property right; or
 - (e) govern the protection of confidentiality of information sources or the processing of personal data.

Section 4

Provisional and precautionary measures

Article 9

Provisional and precautionary measures

1. Member States shall ensure that the judicial authorities may, at the request of the applicant:
 - (a) issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightholder; an interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right; injunctions against intermediaries whose services are used by a third party to infringe a copyright or a related right are covered by Directive 2001/29/EC;

(b) order the seizure or delivery up of the goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.

2. In the case of an infringement committed on a commercial scale, the Member States shall ensure that, if the injured party demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his bank accounts and other assets. To that end, the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information.

3. The judicial authorities shall, in respect of the measures referred to in paragraphs 1 and 2, have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the rightholder and that the applicant's right is being infringed, or that such infringement is imminent.

4. Member States shall ensure that the provisional measures referred to in paragraphs 1 and 2 may, in appropriate cases, be taken without the defendant having been heard, in particular where any delay would cause irreparable harm to the rightholder. In that event, the parties shall be so informed without delay after the execution of the measures at the latest.

A review, including a right to be heard, shall take place upon request of the defendant with a view to deciding, within a reasonable time after notification of the measures, whether those measures shall be modified, revoked or confirmed.

5. Member States shall ensure that the provisional measures referred to in paragraphs 1 and 2 are revoked or otherwise cease to have effect, upon request of the defendant, if the applicant does not institute, within a reasonable period, proceedings leading to a decision on the merits of the case before the competent judicial authority, the period to be determined by the judicial authority ordering the measures where the law of a Member State so permits or, in the absence of such determination, within a period not exceeding 20 working days or 31 calendar days, whichever is the longer.

6. The competent judicial authorities may make the provisional measures referred to in paragraphs 1 and 2 subject to the lodging by the applicant of adequate security or an equivalent assurance intended to ensure compensation for any prejudice suffered by the defendant as provided for in paragraph 7.

7. Where the provisional measures are revoked or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by those measures.

Section 5

Measures resulting from a decision on the merits of the case

Article 10

Corrective measures

1. Without prejudice to any damages due to the rightholder by reason of the infringement, and without compensation of any sort, Member States shall ensure that the competent judicial authorities may order, at the request of the applicant, that appropriate measures be taken with regard to goods that they have found to be infringing an intellectual property right and, in appropriate cases, with regard to materials and implements principally used in the creation or manufacture of those goods. Such measures shall include:

- (a) recall from the channels of commerce,
- (b) definitive removal from the channels of commerce, or
- (c) destruction.

2. The judicial authorities shall order that those measures be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

3. In considering a request for corrective measures, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account.

Article 11

Injunctions

Member States shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Where provided for by national law, non-compliance with an injunction shall, where appropriate, be subject to a recurring penalty payment, with a view to ensuring compliance. Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC.

Article 12

Alternative measures

Member States may provide that, in appropriate cases and at the request of the person liable to be subject to the measures provided for in this Section, the competent judicial authorities may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in this Section if that person acted unintentionally and without negligence, if execution of the measures in question would cause him disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

Section 6

Damages and legal costs

Article 13

Damages

1. Member States shall ensure that the competent judicial authorities, on application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in an infringing activity, to pay the rightholder damages appropriate to the actual prejudice suffered by him as a result of the infringement.

When the judicial authorities set the damages:

- (a) they shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement;

or

- (b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

2. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, Member States may lay down that the judicial authorities may order the recovery of profits or the payment of damages, which may be pre-established.

Article 14

Legal costs

Member States shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity does not allow this.

Section 7

Publicity measures

Article 15

Publication of judicial decisions

Member States shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part. Member States may provide for other additional publicity measures which are appropriate to the particular circumstances, including prominent advertising.

CHAPTER III

Sanctions by Member States

Article 16

Sanctions by Member States

Without prejudice to the civil and administrative measures, procedures and remedies laid down by this Directive, Member States may apply other appropriate sanctions in cases where intellectual property rights have been infringed.

CHAPTER IV

Codes of conduct and administrative cooperation

Article 17

Codes of conduct

Member States shall encourage:

- (a) the development by trade or professional associations or organisations of codes of conduct at Community level aimed at contributing towards the enforcement of the intellectual property rights, particularly by recommending the use on optical discs of a code enabling the identification of the origin of their manufacture;
- (b) the submission to the Commission of draft codes of conduct at national and Community level and of any evaluations of the application of these codes of conduct.

Article 18

Assessment

1. Three years after the date laid down in Article 20(1), each Member State shall submit to the Commission a report on the implementation of this Directive.

On the basis of those reports, the Commission shall draw up a report on the application of this Directive, including an assessment of the effectiveness of the measures taken, as well as an evaluation of its impact on innovation and the development of the information society. That report shall then be transmitted to the European Parliament, the Council and the European Economic and Social Committee. It shall be accompanied, if necessary and in the light of developments in the Community legal order, by proposals for amendments to this Directive.

2. Member States shall provide the Commission with all the aid and assistance it may need when drawing up the report referred to in the second subparagraph of paragraph 1.

Article 19

Exchange of information and correspondents

For the purpose of promoting cooperation, including the exchange of information, among Member States and between Member States and the Commission, each Member State shall designate one or more national correspondents for any question relating to the implementation of the measures provided for by this Directive. It shall communicate the details of the national correspondent(s) to the other Member States and to the Commission.

CHAPTER V

Final provisions

Article 20

Implementation

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by ...^{*}. They shall forthwith inform the Commission thereof.

When Member States adopt these measures, they shall contain a reference to this Directive or shall be accompanied by such reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

2. Member States shall communicate to the Commission the texts of the provisions of national law which they adopt in the field governed by this Directive.

^{*} Twenty-four months after the date of adoption of this Directive.

Article 21

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Article 22

Addressees

This Directive is addressed to the Member States.

Done at Strasbourg, 29.4.2004.

For the European Parliament
The President
P. COX

For the Council
The President
M. McDOWELL

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