

Bird & Bird

Survey on IP Litigation in major European Countries

Belgium, England & Wales,
France, Germany,
The Netherlands, Italy, Spain

and introduction to the
Unified Patent Court

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GENERAL INTRODUCTION

This report will focus on the most important topics that need to be examined when an owner of an intellectual property right (“**IPR**”) is confronted with an infringement (or potential infringement) that arises in more than one European jurisdiction or a putative defendant wishes to challenge the validity of an IPR again in more than one European jurisdiction.

When contemplating a legal action to enforce (or challenge) IPRs in Europe, good knowledge of the various judicial systems in each national jurisdiction is a key asset for making the right decision. Even when an IP owner has a Community Design or EU Trademark right that should offer him the same degree of protection throughout the European Union, it is well known that the enforcement of that right can vary from one country to another. Despite the introduction of EU-wide rights (such as the EU Trademark and the Community Design) and the fact that substantive IPR laws have now been harmonized to a large degree in the EU member states (and for the time being in the UK), the procedural law governing matters such as the speed, availability of interim relief, disclosure of documents, submission of evidence and arguments at trial and recovery of costs of a legal action still vary from country to country. While the EC Directive 2004/48 of 30 April 2004 (“**Enforcement Directive**”) has brought some degree of harmonization as regards the procedural law and thereby the enforcement of IPRs in EU member states (and for the time being in the UK), differences remain and must be kept in mind when making decisions about IPR enforcement in Europe.

This report was made by experienced and specialised members of the IP group within Bird & Bird LLP. Because of their importance, particular attention will be given to the IP litigation systems in England and Wales and Germany. In addition, the jurisdictions of Belgium, France, Italy, the Netherlands and Spain will be covered. For the sake of convenience, these jurisdictions will be dealt with in alphabetical order.

This report will not give an exhaustive description of all legal and strategic considerations that can be encountered in the course of an IPR dispute in Europe. It is not a combination of theoretical knowledge from various countries. Rather, this document is based on the in-depth experience of the authors, who represent IP owners on a daily basis throughout the courts in Europe.

Since many strategic issues are raised by the enforcement of European patents, many topics will be dealt with from the patent perspective. Where useful and necessary, parallels will be drawn – or distinctions will be made – with the situation where a trademark (national or EU Trademark (“**EUTM**”)) or design (national design right or Community Design (“**CD**”)) is at stake.

Following the UK’s withdrawal from the EU, as of the end of the transitional period on 1 January 2021 EUTMs and CDs were in effect converted into UK national rights and the EU Regulation 1215/2012 on jurisdiction and the recognition and enforcement of judgments (“**Brussels Regulation**”) is no longer applicable to litigation in the English courts.

CHAPTER 1: OVERVIEW OF THE SURVEYED JURISDICTIONS

The main differences in the conduct of an intellectual property litigation amongst the various jurisdictions

In the following chapters, an overview will be given for each jurisdiction about trial format, timing of proceedings, the most important steps in a litigation, and how appeal proceedings are organized.

Amongst all the differences in these national procedural systems, there are three aspects that are shared amongst all the examined jurisdictions, except in each case for one country. These three aspects will be described here below.

Pre-trial proceedings are non-existent or very limited in the jurisdictions the subject of this survey, except for the courts in England and Wales, where the rules provide for “Case Management Conferences” to take place at the outset of the action and also closer to the trial to enable the court to make directions as regards pre-trial issues such as disclosure of documents, the number and expertise of expert witnesses and the timing and conduct of the trial. Similar case management could occur also within the context of the upcoming Unified Patent Court (UPC). Whereas all EU jurisdictions have, since the implementation of the Enforcement Directive provided for pre-trial procedures to obtain evidence, these procedures do not interact with the main proceedings and are not dealt with by the judge who will ultimately hear the case on the merits. So, these do not constitute “pre-trial” proceedings in the sense of this report.

Appeal proceedings are available as of rights and also *de novo* in the jurisdictions subject of this survey, and as such allow the parties to try their entire dispute a second time before more experienced and senior judges. This is only not the case again for the courts in England and Wales, where first, permission is needed either from the trial Judge or the Court of Appeal and second, the appeal itself is a review rather than a *do novo* re-hearing and as such is in principle limited to issues of law or a first instance decision that is clearly unreasonable: new evidence can only be adduced in exceptional circumstances. In the future UPC, requests, facts and evidence which have not been submitted during first instance proceedings may be disregarded by the Court of Appeal.

Finally, the only jurisdiction the subject of this survey where proceedings on validity and infringement are **bifurcated** is Germany. In the other jurisdictions the validity and the infringement of the IPR in issue are dealt with simultaneously before the same court. In such jurisdictions, it is common for a defendant who is sued for infringement to counterclaim for revocation of the IPR on the grounds that the right is invalid. As the counterclaim for revocation is heard at the same time as the claim for infringement, it is easier for a defendant to run a “squeeze” argument between infringement and validity, e.g., if the right is construed broadly enough to encompass the alleged infringement, the breadth of the right is such that it may be invalid.

1.1 General conduct of a typical trial including the basic steps, timing of proceedings and average time frame of a hearing

BELGIUM

Trial format

The format of a Belgian IP trial is the same as that for other commercial proceedings in Belgium. Matters are introduced by way of a writ of summons (or petition), which sets out the grounds and motives for initiating an action. At an introductory hearing, counsel for the parties will appear for the first time in order to discuss a schedule for the submission and exchange of written pleadings, in view of the hearing date which will also be fixed during this hearing. There is no real pre-trial hearing, but, if necessary, a party can request to be heard by the court at any time in the course of the proceedings to enable it to obtain an order in relation to a preliminary matter (e.g., obtaining an interim measure to safeguard one's interests prior to the hearing).

A claimant has mainly two options to commence an infringement or invalidity action: he can choose for ordinary proceedings on the merits, or for a fast-track action. The advantage of a fast-track action is that a judgment on the merits can be obtained in a much shorter timeframe. The disadvantage is that no damages can be claimed via these proceedings. In case of urgency, a claimant can additionally seek a preliminary injunction, which can normally be obtained in a matter of weeks or months. In the most urgent of cases, such preliminary injunction can be obtained *ex parte* (without hearing a defendant) in a matter of hours or days.

In all types of proceedings, written pleadings have to be submitted at specific dates set by the court. These written pleadings contain the arguments and refer to the evidence and will be explained during an oral trial hearing. Typically, such hearing lasts for a maximum of three to four hours, but in more complex cases two or three hearings may be obtained.

It was previously very common, especially in complex patent matters, to have experts appointed by the courts, often specialised patent attorneys, whose role was to advise the court on issues of validity and/or infringement of the patent at issue. Subsequent to the reorganisation of the IP landscape and a change of the law on expert appointments, courts are now more inclined and better armed to address even complex patent matters themselves.

Evidence can be brought forward by all means available. Additionally, parties will often hire experts to substantiate their arguments by an expert report which will then be submitted to the court for further guidance. Witness evidence is rarely offered. Cross-examination of a witness is possible but since the witness may not submit his testimony in writing in advance, such cross-examination cannot be prepared in great detail.

Litigation timetable

There is no time limit within which an action for IP infringement must be made. The concept of "*rechtsverwerking*", "*forclusion*"¹ has not been accepted by Belgian law, and therefore – apart from extreme exceptions amounting to an abuse of right or a single exception in trademark law – one cannot be said to have waived rights by not launching proceedings at an earlier date. However, statutes of limitations apply. In patent law, no damages for patent infringement can be claimed for acts that occurred more than five years before the lodging of the infringement claim.

IP litigation in Belgium takes as much time as the parties (or their lawyers) need to prepare the case. A judgment can be obtained within 12 to 18 months after the start of proceedings, or even sooner depending on the complexity of the matter, especially in fast-track proceedings.

Both infringement and damages are usually decided upon in one proceedings, although parties often ask for an expert (auditor) appointment, in order to determine the precise scope of the damages and infringement.

¹ Forfeiture of right by failing to sue an alleged infringer in time.

Appeals

The same trial format applies to the appeal proceedings before the one of the Courts of Appeal. However, in practice, these appeal proceedings will take more time than the first instance proceedings. In some courts, significantly more time.

First instance judgments are, in principle, immediately enforceable. For instance, even if a defendant appeals a first instance judgment where an infringement is established, that party would be enjoined from further commercialising the infringing product already pending the appeal proceedings.

In the event of an unfavourable outcome arising from the first instance proceedings, parties always have the right to lodge an appeal. The deadline for lodging such an appeal expires 1 month after the date of service of the judgment, although this term will be longer where the defendant has its registered office in a foreign country. Such second instance proceedings are “*de novo*” in that the parties can either appeal a very specific element of the first instance decision, but also and most often argue the entire case all over again, even substantiated by new arguments and new evidence.

All decisions on the merits, preliminary injunction decisions or *ex parte* orders can be appealed. Not certain decisions for interim measures if they do not render judgment on any matter but rather decide on procedural matters. Furthermore, an appeal can be lodged even if the entire case has not yet been decided upon in the first instance decision (termed a “partial judgment”). By filing an appeal against a partial judgment, the entire matter moves to the appellate stage (“*devolutive werking*”, “*effet dévolutif*”), which means that the parties will lose an instance with regard to the part that had not yet been decided upon in first instance.

Following these appeal proceedings, the decision will in principle be final. Only an appeal before the Supreme Court could still be launched.

Supreme Court Appeals

The Supreme Court will only decide on issues of law, or rather the correct application thereof. It will not decide on the facts of the case and is therefore less suitable or relevant for IP matters. The powers of the Belgian Supreme Court are also limited to voiding (“*verbreken*”, “*casser*”) an appeal judgment for reasons of law, and to remand it to another Appeal Court where it will be heard again.

ENGLAND AND WALES

It should be noted that the information contained herein is in relation to proceedings brought in the courts of England and Wales (and all references herein to the English courts are to the courts of England and Wales). There are separate courts in Scotland and N. Ireland.

There are three levels of court relevant to an IPR action in England: the High Court, the Court of Appeal and the Supreme Court. The Supreme Court of England and Wales replaced the House of Lords as the final court of appeal in England on 1 October 2009. The Supreme Court now has jurisdiction on all points of law for all civil and criminal cases in England. The final appeal hearings and judgments of the House of Lords took place on 30 July 2009. Within the High Court, there are three main divisions: Family, Chancery and Kings Bench. All IPR actions are allocated to the Chancery Division. Within the Chancery Division, there are two courts which between them have exclusive jurisdiction over all patents (and registered design) matters: the Patents Court and the Intellectual Property Enterprise Court (IPEC).

The procedural rules governing the conduct of litigation in the High court and the Court of Appeal is contained in the Civil Procedure Rules 1998 (“**CPR**”). The CPR are divided into different Parts and there are also Practice Directions (“**PD’s**”) which accompany the Parts. CPR Part 63 and Practice Direction 63 relate specifically to IP litigation. The procedural rules governing the conduct of appeals to the Supreme Court is contained in a set of Practice Directions made by the Supreme Court itself. All IPR actions before the courts of England are therefore governed by the Civil Procedure Rules 1998 and its PDs. CPR Part 63 and Practice Direction 63 relate specifically to IP litigation. General guidance applicable to all matters in the Chancery Division is set out in the Chancery Guide. In addition, patent actions brought in the Patents Court and the IPEC are also governed by the guidance set out in the Patent Courts Guide and the IPEC Guide.

We have set out below the procedural steps and formal timetable of a typical patent action and for comparison a typical non-patent action.

Procedural steps and formal timetable of a typical High Court patent action

PATENT INFRINGEMENT		PATENT REVOCATION	
<i>STEPS</i>	<i>TIMING</i>	<i>STEPS</i>	<i>REVOCATION</i>
Claim Form²	Within 4 months after issue	Claim Form	Within 4 months after issue
Particulars of Infringement	At the same time as Claim Form or within 14 days	Grounds of Invalidity	At the same time as Claim Form or within 14 days
Acknowledgement of Service³	14 days after service of Claim Form	Acknowledgement of Service	14 days after service of Claim Form
Defence & Counterclaim plus Grounds of Invalidity⁴	42 days after service of Claim Form	Defence	28 days after service of Grounds of Invalidity
Application for first Case Management Conference (“CMC”)⁵	14 days after service of Defence	Application for first Case Management Conference	14 days after service of Defence
Reply and Defence to Counterclaim	21 days after service of Defence and Counterclaim	Reply	21 days after service of Defence
Notice to Admit Facts	21 days after service of Reply and Defence to Counterclaim	Notice to Admit Facts	21 days after service of Reply
Admissions	21 days after service of Notice to Admit Facts	Admissions	21 days after service after Notice to Admit Facts
Disclosure	As set by Judge at first CMC	Disclosure	As set by Judge at first CMC

² Different time limits apply where the Claim Form is served out of the jurisdiction.

³ Different time limits apply where the Claim Form is served out of the jurisdiction.

⁴ Special rules apply where the Claim Form is served out of the jurisdiction, where the defendant disputes the Court’s jurisdiction or where the Claimant applies for summary judgment before the Defence is filed.

⁵ A case management conference or “directions hearing” is an opportunity for judges to give directions in relation to how a case is managed and set out a timetable of steps to be taken in preparation for trial. The parties are encouraged to try to agree proposals as to the management of proceedings between themselves.

[Notice of Experiments in Chief]	[As set by Judge at first CMC]	[Notice of Experiments in Chief]	[As set by Judge at first CMC]
[Admissions (of facts to which experiments relate)]	[21 days after Notice of Experiments in Chief]	[Admission (of facts to which experiments relate)]	[21 days after Notice of Experiments in Chief]
[Further CMC/PTR]	[As set by Judge at first CMC]	[Further CMC/PTR]	[As set by Judge at first CMC]
[Repetition of Experiments in Chief, Notice of Experiments in Reply, Admissions and Repetition of experiments in Reply]	[As set by Judge at first CMC]	[Repetition of Experiments in chief, Notice of Experiments in Reply, Admissions and Repetition of experiments in Reply]	[As set by Judge at CMC]
Notification of Names of Experts	4 months before trial	Notification of Names of Experts	4 months before trial
Exchange of Expert's Reports and Witness Statements	2 months before trial	Exchange of Experts' Reports and Witness Statements	2 months before trial
Skeleton Arguments	2-3 days before trial	Skeleton Arguments	2-3 days before trial
Trial	9-15 months after commencement	Trial	9-15 months after commencement
Judgment	2-6 weeks after trial	Judgment	2-6 weeks after trial

Procedural steps and formal timetable of a typical non-patent action

	TRADEMARK INFRINGEMENT	TRADEMARK REVOCAION	COPYRIGHT INFRINGEMENT	DESIGN RIGHT INFRINGEMENT
STEPS	TIMING			
Claim Form⁶	Within 4 months after issue	Within 4 months after issue	4 months after issue	4 months after issue
Particulars of Claim	At the same time as Claim Form or within 14 days	At the same time as Claim Form or within 14 days	At the same time as Claim Form or within 14 days	At the same time as Claim Form or within 14 days
Acknowledgement of Service⁷	14 days after service of Claim Form	14 days after service of Claim Form	14 days after service of Claim Form	14 days after service of Claim Form
Defence (and Counterclaim for Trademark Infringement actions)⁸	28 days after service of Particulars of Claim	28 days after service of Particulars of Claim	28 days after service of Particulars of Claim	28 days after service of Particulars of Claim or 42 days after service of Claim Form in a claim for infringement of a UK or Community registered design right
Allocation and Application for first Case Management Conference	At least 14 days after service of allocation questionnaire by court	At least 14 days after service of allocation questionnaire by court	At least 14 days after service of allocation questionnaire by court	At least 14 days after service of allocation questionnaire by court
Defence to Counterclaim	14 days after service of Counterclaim	Not applicable	Not applicable	Not applicable

⁶ Different time limits apply where the Claim Form is served out of the jurisdiction.

⁷ Different time limits apply where the Claim Form is served out of the jurisdiction.

⁸ Special rules apply where the Claim Form is served out of the jurisdiction, where the defendant disputes the Court's jurisdiction or where the Claimant applies for summary judgment before a Defence is filed.

Reply	At the same time as filing allocation questionnaire	At the same time as filing allocation questionnaire	At the same time as filing allocation questionnaire	At the same time as filing allocation questionnaire in case of unregistered design rights or 21 days after service of Defence in case of UK or Community registered design rights
Disclosure	As set by Judge at first CMC	As set by Judge at first CMC	As set by Judge at first CMC	As set by Judge at first CMC
[Further CMC/PTR]	[As set by Judge at first CMC]	[As set by Judge at first CMC]	[As set by Judge at first CMC]	[As set by Judge at first CMC]
Notification of Names of Experts	4 months before trial	4 months before trial	4 months before trial	4 months before trial
Exchange of Experts' Reports and Witness Statements	2 months before trial	2 months before trial	2 months before trial	2 months before trial
Skeleton Arguments	2-3 days before trial	2-3 days before trial	2-3 days before trial	2-3 days before trial
Trial	6-12 months after commencement	6-12 months after commencement	9-12 months after commencement	9-12 months before commencement
Judgment	2-6 weeks after trial	2-6 weeks after trial	2-6 weeks after trial	2-6 weeks after trial

Although it is difficult to be precise, given that the length of trials will depend on the complexity of the case before the court, typical lengths for patent and non-patent trials are set out below:

- Patent Cases: 3 – 10 days
- Trademark Cases: 3 – 5 days
- Copyright Cases: 3 – 5 days
- Design Right Cases: 3 – 5 days

Intellectual Property Enterprise Court

In October 2010, the Patents County Court (PCC) was reformed following a wide-ranging review of civil litigation costs in order to improve access to justice at proportionate costs. In October 2013, the PCC was renamed the IPEC. The name change was intended to reflect that the fact that it has jurisdiction to IP actions more generally and not merely patent actions. It is the aim of the reformed IPEC to serve as a forum for resolving IP disputes of lower value and in particular disputes between small and medium size enterprises.

IPEC Procedure

Although not unique to the IPEC, a key feature is its focus on the principle of a cost-benefit analysis at all stages. It places a very strong emphasis on active case management, proportionality and streamlined procedures to reduce costs when compared to the Patents Court / Chancery Division / High Court.

For example, the statement of case is intended to set out concisely both the facts and the arguments upon which the party serving it relies, i.e., it should contain both a party's legal arguments and its evidence. The relevant Practice Direction then provides that 'where possible, the Court will determine the claim solely on the basis of the parties' statements of case and oral submissions. The default position is no disclosure, witness or expert evidence, further written submissions or skeleton arguments.

Accordingly, the statement of case has critical importance in the IPEC alongside the case management conference. Although the Court retains broad discretion as to what evidence can be used, it will only allow evidence (i) in relation to 'specific and identified issues' and (ii) 'if it is satisfied that the benefit of the further material in terms of its value in resolving those issues appears likely to justify the cost of producing and dealing with it'.

Similarly, although amendments are permitted in order to allow the Court to adjudicate on the real dispute between the parties, they must also satisfy a strict cost-benefit test. Interim applications should, wherever possible, be dealt with on paper or by telephone or video conference rather than being in person with oral arguments. Finally, the trial itself should last no longer than two days.

Costs

The IPEC's system for the award of litigation costs is also integral to its regime. Although the general rule in English litigation that the loser pays the winners costs is retained, this recoverability is subject to a strict cap. This is to ensure that parties know their potential liability for litigation costs before commencing an action.

IP litigation is split between a liability trial and then, if required, a subsequent quantum trial. In the IPEC, the cap on costs recovery for the liability claim is set at a maximum of £60,000. The only exceptions to these caps are if one party has behaved in a manner that constitutes an abuse of process or if the claim concerns revocation of a patent or registered design already certified as valid by a court in earlier proceedings. The Costs Practice Direction contains a scale setting out the amounts that can be recovered at each stage of litigation.

Damages

To further differentiate the IPEC from the Patents Court / Chancery Division / High Court, claims are now subject to a limit on damages (or an account of profits) that can be claimed from, set at £500,000. A claimant with a higher value claim can limit its claim to this amount although a defendant will be able to contend that such a case should be transferred to the High Court.

Forum and transfers

There is no 'line in the sand' dividing an action that should be started in the IPEC from one that must be brought in the Patents Court / Chancery Division / High Court. Apart from the damages limit, each Court has the same jurisdiction to hear claims and order remedies. Therefore, the aims and principles of the two forums should be considered when choosing which is most suitable for a particular claim and guidelines have been issued to assist this decision. In particular, the size of the parties and their financial resources must be considered: if both are SMEs and can only afford to enforce or defend the relevant IP in the IPEC then this is likely to be the appropriate forum. However, if one party is a larger undertaking then other factors such as the complexity and nature of the claim (which will impact the evidence required and length of the trial) should be considered. These factors now need to be considered for every IP dispute: if an action is begun in the IPEC but the defendant contends that the Patents Court / Chancery Division / High Court is the appropriate forum then it can apply for a transfer to this venue, and vice versa.

Summary of the key characteristics of the IPEC

- Streamlined proceedings so that, wherever possible, the IPEC will determine the claim solely on the basis of the statements of case and oral submissions.
- IPEC cases generally will not have any standard disclosure and there will be no automatic entitlement to adduce further factual or expert evidence or to cross-examine.
- The court will set the timetable for trials and will endeavour to ensure that they last no more than two days, with strictly controlled cross-examination and equal time allocated to the parties as far as possible.
- There is a damages cap at £500,000.
- The maximum total costs recoverable will be no more than £60,000. Additional sums may be awarded where a party has behaved unreasonably. Costs recovery is further limited by maximum amounts which can be recovered for each stage of the action.

The Shorter Trial Scheme and the Flexible Trial Scheme

There are also 3 procedural frameworks applicable to patent cases in the Patents Court under which the conventional procedure can be streamlined or shortened:

- 1 the Shorter Trials Scheme (STS), designed to cases which can be fairly tried without extensive disclosure, witness or expert evidence,
- 2 the Flexible Trials Scheme (FTS), which allows parties by agreement to adapt trial procedure to suit their particular case,
- 3 the Streamlined Procedure, designed to cater for technically simple cases for which the full armoury of the Court's evidence gathering procedures is not deemed necessary for a satisfactory determination.

Appeals

There is no right of appeal to the Court of Appeal from a final decision of the Patents Court or the IPEC. Permission is often granted by the lower court in patent actions. If permission is refused by the first instance court, then the appealing party has the right to apply to the Court of Appeal for permission.

There are two important aspects of an appeal to the Court of Appeal. First, itself is by way of a review rather than a rehearing; second, it is difficult to adduce fresh evidence on an appeal other than in exceptional circumstances. The fact that the appeal is by way of a review rather than a re-hearing means that the Court of Appeal is reluctant to interfere with the first instance decision unless the appellant can show that the judge has misunderstood the law or has come to decision that is clearly unreasonable.

Supreme Court Appeals

There is no right to appeal to the Supreme Court from a decision of the Court of Appeal. Permission must be obtained from either the Court of Appeal or the Supreme Court itself. Generally, permission to appeal to the Supreme Court is rarely given in IPR actions.

FRANCE

General principles

Trials related to IP matters must adhere to the general rules of the French Civil Procedure. Consequently, the general principles of civil procedure apply.

Principle of an adversarial process

The principle of an adversarial process implies that each party must be able to discuss the facts and legal arguments that his opponent(s) raises against him. The process involves the following steps:

- 1 The claimant notifies the defendant of its claims and relevant evidence, within the prescribed time period.
- 2 The parties exchange their briefs and exhibits with each other, within the prescribed time period (each argument and exhibit raised by a party must be sent to the other party before the closure of proceedings).
- 3 The measures implemented to obtain evidence (for example, expert appointment) are conducted in the presence of the parties and their counsel.
- 4 When the judge automatically raises a legal argument or when the facts are legally reclassified, the parties will be informed beforehand to enable them to argue these points.

Principle of compulsory representation before the courts

Before the civil First Instance Courts and Courts of appeal, it is mandatory that the parties are represented by a lawyer registered with the Bar(s) of said Court or Court of appeals.

Representation is also mandatory before the French Supreme Court.

Principle of a written procedure

All the arguments and exhibits exchanged between the parties must be written.

Only the hearing is a public debate, delimited by the written arguments exchanged between the parties prior to the closure of proceedings.

Trial Format

Writ of summons (“*assignation*”)

This is a written document which initiates the civil procedure, and which contains the arguments set forth by the claimant to enforce his rights. This document sets out the parameters for all of the debates which will take place between the two parties. It is written by the claimant and served on the defendant by a public officer (“*Commissaire de justice*”). The issue of the writ of summons brings the matter to the court. Since 1 July 2021, a draft writ of summons must be sent to the court to obtain a date for the first case management hearing. This date is then indicated on the final writ of summons served on the adverse party.

Briefs (“*conclusions*”)

The written documents in which each party presents its arguments and the relevant exhibits and responds to the arguments put forward by the other party. There are often several exchanges of briefs before the closure of the debates.

Court conferences (“audiences de la mise en état”)

The meetings scheduled by a judge (“*Juge de la mise en état*”) where the deadlines will be set for the filing of the briefs or the disclosure of evidence, and rules will be established on the challenges relating to the communication or exceptions raised by the parties. In the conference the judge will also warrant that the trial proceeds within a reasonable timeframe. In recent years, the court conferences tend to become “virtual”, with the parties only allowed to provide their comments/requests in writing prior to the court conference which is “virtually” held by the judge in the absence of the parties. Counsels of the parties may attend the court conferences only if allowed by the judge when complex and/or much discussed matters are to be decided by the judge.

Timing of proceedings

The timing of the trial depends on the applicable rules and practices relating to the courts and judges, and on the volume of arguments raised by the parties. However, the judge has the ability to control the timing of proceedings and the existence of any delay because the judge can penalise a party who raises an argument simply in order to delay the proceedings.

The timing of the proceedings will also depend on the IPR involved. A complex technical patent should take more time to be analysed, whereas a question of trademark infringement, usually less technical, should be decided on more quickly.

With reference to proceedings brought before the Paris First Instance Court, a practice has been set up in relation to the consultation between lawyers:

- For trademarks and designs matters: usually 2 exchanges of written briefs (including the writ of summons) followed by the pleading audience which occurs 12 to 18 months after the writ of summons has been issued.
- For patents: usually 3 exchanges of written briefs (including the writ of summons) followed by the final oral pleading (when the case is argued) which occurs 18 to 30 months after the draft writ of summons is filed with the court.

Closure of Proceedings

Pronounced by the judge when all arguments have been exchanged between the two parties. After the closure, no further arguments or evidence can be adduced by the parties.

Final hearing

The final hearing occurs before a single judge or before the full Bench division, which is composed of three judges. The arguments of the parties are put forward by their lawyers. The claimant’s lawyer puts forward his arguments first, and then the defendant’s lawyer will raise his arguments. The judge(s) may direct questions to the lawyers, and also to the parties (who are under no obligation to attend the hearing).

Before the Paris courts, judges often request the lawyer to “plead by observations”, i.e., one of the judges has read the file and produced a report which is passed to the other judges, and the lawyers are requested to outline only the very significant facts or arguments of their case.

The average time frame of a hearing depends on the IPR involved: it can last from 20 minutes for a non-complex trademark matter, to a full day (up to 3 days) for a matter connected to patents.

The court’s decision is given one to three months later.

Appeals

First instance decisions may be appealed within 1 month following the service of the decision to the other party (3 months for parties domiciled abroad), save for interim decisions which may be appealed within 15 days. Timing and rules of procedure are generally the same as before the first instance courts, although the parties are subject to more constraining schedules to file their briefs.

Appeal courts fully review the dispute, including all factual and legal arguments, although no new formal claims may be presented during appeal proceedings.

Supreme Court Appeals

Appeal decisions may be subject to a further appeal before the French Supreme Court within 2 months.

It should be highlighted that the French Supreme Court will only confirm or remand the appeal decision. This court will not examine the facts but will examine the application of the legal rules. Should the Supreme Court remand the appeal decision, the dispute may be sent to a different appeal court to issue a final decision.

GERMANY

Patent Trial Format

Infringement proceedings

Infringement proceedings are governed by the common German Civil Procedural Rules as stipulated in the German Code of Civil Procedure (*Zivilprozessordnung, ZPO*)⁹. The litigation commences with a written procedure, by submission of the complaint, stating the facts for the infringement allegation. When the prepayment of court costs has been received the court orders the service of the complaint to the defendant and determines whether to order an early first hearing (*früher erster Termin*) or a written procedure (*schriftliches Vorverfahren*). If the complaint is filed by a party that is not domiciled within the European Union or does not have assets in Germany, the defendant may prior to the proceedings request the deposit of a security payment covering the defendants' risk with respect to reimbursement for the litigation costs, according to section 110 German Civil Procedural Code. However, this provision is inapplicable in the event that the enforcement of the courts' decision on the litigation costs is ensured by cross-national treaties, which applies for many industrial countries (e.g., Japan, Switzerland), but not for the United States and even the UK since their exit from the European Union.

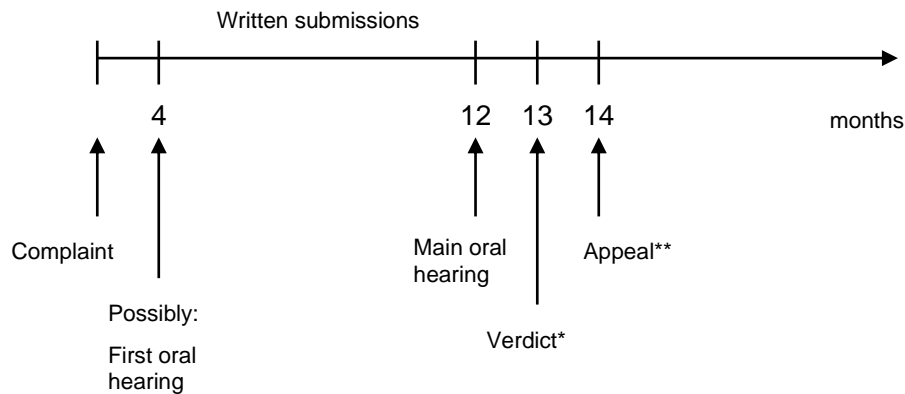
According to the principle of the parties' contribution (*Beibringungsgrundsatz*) the court will evaluate the facts as they are presented by the parties and will not carry out any investigations of its own. However, the court will issue a decision (evidence order) formulating questions to be answered by a court appointed expert if it considers certain evidence taking to be necessary. That is because it is the parties that discuss the technical assessment controversy and the court cannot assess these technical issues themselves. If an evidence order is issued this will often prolong the case for several months to allow the court to decide which expert to engage and wait for the expert opinion to be delivered and the expert to be heard in a final oral hearing.

There are some regional differences in the proceedings, with certain courts tending to start proceedings by ordering an early first hearing in which they will pre-examine the case, schedule the main oral hearing and set deadlines for the submission of the statement of defence (especially the Regional Court Munich). This is in contrast to other courts which prefer a written procedure only prior to the main hearing (e.g., the Regional Court Mannheim and now also the Regional Court Dusseldorf which changed from an early first hearing to the latter). It should be noted that the exchange of written statements by the parties is rather more important to the final decision than the oral discussions in the hearing.

The main hearing usually takes place about 8 to 16 months after the filing of the complaint (Mannheim 8-12 months; Dusseldorf and Munich 12-16 months). The hearing is usually opened by the presiding judge who states the preliminary opinion of the court followed by the parties' pleadings and, if applicable, the statement and questioning of the court-appointed expert. Witness testimony is seldom introduced. According to general procedural rules the hearing and the taking of evidence is public, however, the court may exclude the public upon the request of a party in accordance with the German Trade Secrets Act (introduced in 2019 – following the European Trade Secret Directive (EU) 2016/943) if this is required to protect sensitive business information from being made publicly available. At the end of the hearing the court will announce the date when the judgment will be officially rendered orally (*Verkündungstermin*), usually about 4 weeks after the main oral hearing, which will be followed subsequently by service of the written decision to the parties, often on the same day via electronic attorney's mail.

⁹ BGBl. I S. 3202, ber. 2006 S. 431 u. 2007 S. 1781 FNA 310-4, as lastly amended and promulgated on 24.06.2022.

Example: Timeline for a German Regional Court:



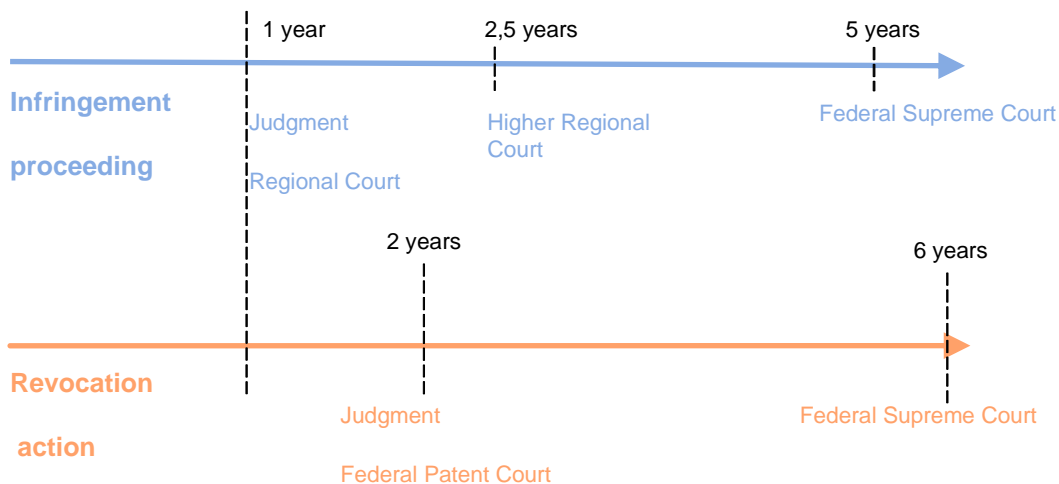
* With expert testimony: 6 to 12 months longer

** Appeal proceeding: 12 to 18 months

Revocation proceedings

Revocation actions, respectively opposition proceedings against a patent, take at least 1.5 years in first instance and usually at least another 2.5 years at second instance.

Timeline for the “Bifurcated System”



The conduct and procedure of the revocation proceedings have been subject to a new enacted law: the “Second Act of the Simplification and Modernisation of German Patent Law” (the “**Modernisation Act**”), which entered into force on August 18, 2021. The Modernisation Act was designed to strengthen Germany’s reputation as a leading location for the protection of (industrial) intellectual property rights.

Amongst other changes to the German Patent Act, the Modernisation Act featured two novelties in particular: an effort to close the “injunction gap” caused by the bifurcated system and a rule of equity to deny injunctive relief in case of exceptionally great hardship for the defendant.

1 Closing the “Injunction Gap”

By amending Sec. 82 and 83 of the German Patent Act (PatG), the legislator aimed to synchronise the nullity proceedings before the Federal Patent Court with the infringement proceedings before the Civil Courts. The patentee has to reply to a filed nullity action within two to three months only. According to the new law, the strict time regime shall allow the Federal Patent Court to give its so-called “*qualified notice*” within six months – thus being ready in most cases by the day of the main oral hearing of a parallel infringement case. The bifurcated system and the amendment to section 83 PatG will be further discussed under section 1.2 and 2.4 of this survey.

2 Equity consideration to deny injunction in case of “exceptionally great hardship”

The following two sentences were added to Sec. 139 (1) PatG:

“The claim [for an injunction] is excluded insofar as the claim would lead to disproportionate hardship for the infringer or third parties not justified by the exclusive right due to the special circumstances of the individual case and the requirements of good faith. In this case, the infringed party shall be granted appropriate compensation in money. The claim for damages [...] shall remain unaffected.”

The reform thus provides that the alleged infringer can object to the injunctive relief if - *in the individual case* - it would represent a disproportionate hardship for himself or for third parties against the background of the principle of proportionality and thus an injunction against him is to be rejected. The explanatory memorandum to the law emphasised the defendant's burden of proof with regard to this objection, which is why this objection should be raised as early as in the statement of defence.

So far, German courts have only applied this rule with great restraint. It therefore remains to be seen as a rare exception to the law that a (direct) infringement always leads to an injunction. Many in the German patent law community (including judges) see the amendment to section 139 PatG as a “clarification and consolidation of the case law”, mainly the “*heat exchanger*” judgment of the German Federal Court of Justice from May 10th, 2016 (docket no.: X ZR 114/13 – Wärmetauscher) which had already established that an exception to the rule (always injunction) might be possible.

Trademarks Trial Format

Infringement proceedings

In trademark matters, infringement proceedings are very similar to those regarding patents, but slightly shorter: It will normally take 6 to 9 months to obtain a judgment from the court of first instance, i.e. one of the Regional Courts, and a further 12 months for a judgment from the Court of Appeal, i.e. the competent higher regional court. Proceedings before the Federal Court of Justice (if possible) will take approximately 2 further years.

Cancellation proceedings

Depending on the case, cancellation proceedings must either be started before the German Patent and Trademark Office (primarily when the request for cancellation is based upon absolute grounds for refusal, section 53(1) Trademark Act) or before a Regional Court (primarily when the request for cancellation is based upon the existence of prior rights, section 55(1) Trademark Act). If the request for cancellation is based upon lack of use, the applicant may choose either to file an application with the German Patent and Trademark Office or to file an action before a Regional Court (section 53(1), 55(1) Trademark Act).

If an application for cancellation of a trademark is filed before the German Patent and Trademark Office (e.g., due to absolute grounds for refusal), the trademark owner must object to the cancellation within two months after service of the notification, otherwise the registration will be cancelled. If the owner objects to the cancellation, the applicant has two options: he can either continue the proceedings before the German Patent and Trademark Office (for which he has to pay another fee in the revocation proceedings), or he can file an action before the civil court, which ends the proceedings before the German Patent and Trademark Office. If the applicant decides to file an action before the civil courts instead of continuing proceedings before the German Patent and Trademark Office, he will have lost approximately 2 to 3 months due to his prior application to the German Patent and Trademark Office. Alternatively, The German Patent and Trademark Office will render a decision, which normally takes around 6 months. If the cancellation proceedings are successful, the trademark registration will be

declared invalid and deleted from the register. Appeals against decisions of the German Patent and Trademark Office must be filed with the Federal Patent Court, which will normally render a judgment after approximately 12 months. If a further (legal) appeal is admissible, proceedings before the Federal Court of Justice will take another 2 years.

If cancellation proceedings are started before one of the Regional Courts, they take approximately the same amount of time as infringement proceedings.

ITALY

Trial Format

In Italy, all civil proceedings, including the ones relating to registered and unregistered IPRs and applications thereof,¹⁰ are governed by three main principles:

- 1 The proceedings are divided into three instances (First Instance, Appeal and Supreme Court).
- 2 The civil proceedings are mainly written (which means that they are characterized by the exchange of written briefs by the parties, although the law also provides for oral hearings which must occur during the proceeding).
- 3 The burden of proof is on each party, in relation to the relevant claims and requests made (so-called "*principio dispositivo*"). This means that the courts are allowed to collect evidence *ex officio* only in a limited number of cases provided by law.

From a procedural point of view, the proceedings in IP matters follow the rules provided in the Italian Code of Civil Procedure ("**ICCP**") and some specific procedural rules set forth by the Intellectual Property Code ("**IPC**").

Italian courts can assess the validity and infringement of the IPR at issue in the same proceedings on the merits (no bifurcation).

First Instance

Generally, the Italian proceedings are characterized by three phases: commencement of proceedings, evidence phase, and decision phase.

Commencement of proceedings

The proceedings are initiated by a writ of summons, according to article 163 of the ICCP, which should be served upon the counterparty. In the writ of summons the claimant must include, amongst others:

- a the facts underlying the proceedings.
- b the reasons for the requests.
- c the date of the first hearing, which should not be scheduled 90 days before the day of the notification if the place of service is in Italy (or 150 days from the date of notification if the place of service is abroad).
- d an invitation, addressed to the defendant, to file its statement of defence, enclosing a warning that if he wants to file a counterclaim or contact third parties, the statement of defence must be filed 20 days before the date of the hearing indicated in the writ of summons.

Evidence phase

This phase is characterized by the filing of evidence (such as documents) and evidence requests (witness examination, appointment of Court Technical Expert phases) by the parties. During the proceedings, parties can file three consecutive briefs (article 183 §6 ICCP) after the first hearing. The filing of the parties' requests is followed by the evaluation of that evidence / evidence request by the judge. Any evidence filed after the third brief will be considered inadmissible unless the party is able to

¹⁰ Patents, utility models, registered and unregistered trademarks, registered and unregistered designs, copyright, trade secrets, unfair competition connected to Intellectual Property rights, etc.

demonstrate that such late filing was not due to its misconduct. Once the evidence has been filed the judge will evaluate it in terms of admissibility and relevance to the case and fix a date for a hearing accordingly. In patent proceedings, the designation of a Court Technical Expert by the judge (the Court Technical Expert phase) is of particular importance. The expert is invited to give his/her opinion on certain technical queries, including the validity of the enforced patent, its scope of protection and its infringement by the allegedly infringing product. Before the filing of the opinion the parties are allowed to file their technical briefs in support of their respective positions, designating their own technical experts. The opinion filed by the Court Technical Expert is not binding for the Court, but if it does not include blatant mistakes, is taken in high consideration by the judges.

Decision phase

According to article 189 ICCP, when the judge considers that the proceedings are at a stage where a decision can be rendered, the case is referred to the Panel (in IP matters this is formed of three judges), and the parties are invited to file their final claims in a specific hearing to be scheduled for this purpose. The judge at this hearing will also set out the terms for filing final briefs and briefs in reply. A final hearing to allow for further discussion may be scheduled before the Panel if requested by one of the parties in the final briefs.

The Panel will take a decision on the case some weeks or months after the filing of the last brief in reply or (if an oral hearing is taking place before the Panel) from the date of the hearing.

The Panel, *inter alia*, can decide on the merits of a case, but may also refer the case back to the evidence phase if it considers it appropriate to re-open such a phase.

First instance proceedings may last approximately 2.5 – 3 years from the date of filing of the writ of summons to the date of the decision.

Appeals

The first instance decision may be appealed before the Court of Appeal according to article 339 ICCP.

- 1 In case the first instance decision should be served, it shall be appealed within 30 days running from the service.
- 2 In case the first instance decision should not be served, the decision must be appealed within 6 months from the date of publication.

The appeal proceedings usually last about 2-3 years and usually consists in a couple of hearings and, if deemed appropriate by the Appeal Court, there could be a further Court Technical Expert phase.

The appeal does not automatically stay the first instance judgment unless a party files an application to this purpose and the Court finds that there are serious and grounded reasons to grant the stay (the usual criteria are: the first instance judgment is heavily disputed and/or there is the risk that the enforcement of the judgment may cause the default of the alleged infringer).

Supreme Court Appeals

The decision of the Court of Appeal may only be appealed before the Supreme Court (Corte di Cassazione) due to violations of law (and therefore confined to the fact-finding of the lower courts). According to article 360 ICCP, the grounds for the appeal before the Supreme Court must fall within the list of those specifically provided by such provision. These grounds include jurisdiction issues, violation or misapplication of the law, invalidity of the decision or of the proceedings, cases where the grounds of the appealed decision have been omitted or are insufficient or contradictory.

The deadlines for filing an appeal before the Supreme Court are:

- a 60 days from the date of service of the decision of the Court of Appeal.
- b 6 months from the date of publication of the decision of the Court of Appeal, if no service occurred.

The decision of the Supreme Court will be one of the following:

- Decision rectifying the appealed decision: this occurs when the appealed decision complies with the law but is based on erroneous grounds. In this case, the Supreme Court limits its powers to only rectifying the decision.
- Decision rejecting the appeal (therefore supporting the appealed decision).
- Decision allowing the appeal.

If the Supreme Court allows the appeal (and therefore does not confirm the decision issued by the Appeal Court), it can choose whether or not to remand the decision back to the Court of Appeal, which in this case must mandatorily follow the Supreme Court's recommendations.

However, the Supreme Court cannot remand the decision either when:

- Solving a jurisdiction or competence issue: the Supreme Court believes that the judge who has issued the appealed decision, and any other judge, does not have the jurisdiction to make a decision.¹¹
- The Supreme Court considers that the proceedings could not be filed or prosecuted before the judge on its merits.¹²
- Upon allowing the appeal, the Supreme Court makes a decision, also based on the merits of the case, because it believes that there is no requirement to base its decision on the facts on which the case is based which have been ascertained during these proceedings.¹³ This outcome is particularly important because it is the only exception to the general rule that the Supreme Court can only make decisions based on reasons of legality.

In all the other cases the Supreme Court remands the appealed decision.

THE NETHERLANDS

Trial Format

If the claimant wants to commence an infringement or revocation action on the merits in a patent case, there are two alternatives:

- 1 Normal proceedings on the merits; and
- 2 Accelerated proceedings on the merits.

In all other IP cases only normal proceedings on the merits can be instituted.

Normal proceedings on the merits

The proceedings are pending from the point at which a writ of summons is served upon the defendant. Within the writ of summons a date must be given for when the case will be presented before the court (an administrative session). In principle this can be any given Wednesday in the future, but usually a date in the near future will be chosen. At the same time that the case is presented before the court, the claimant must also file its exhibits (in as far as they are available at that time). The court will then grant the defendant 6 weeks within which to file its statement of defence and (if the defendant wishes to file any) its statement of counterclaim. Multiple extensions of this term are possible with consent of the claimant or for compelling reasons. If a counterclaim has been filed, the court will set an initial term of 6 weeks within which to file a statement of defence in the counterclaim action. As above, multiple extensions to this term are possible with consent of the claimant in the counterclaim action or for compelling reasons.

Hereafter a hearing will usually be ordered, which is formally called a "personal appearance of parties". In patent cases this will come down to the attorneys pleading their clients' case orally, but in other IP cases such a hearing may be more of an investigative hearing with the judge asking questions to ascertain the facts of the case.

¹¹ art. 382 par. 3 ICCP.

¹² art. 382 par. 3 ICCP.

¹³ art. 384 par. 2 ICCP.

After this hearing, the court will either order that the parties must file additional statements or deeds, or set a date for the judgment. This date will usually be 6 to 8 weeks after the hearing, but extensions are possible.

In summary, normal proceedings on the merits usually take between 24 and 30 months for a judgment to be produced.

Accelerated proceedings on the merits

Before issuing the writ of summons, the claimant should request that the court establishes a procedural calendar, in which all important procedural dates are set out. Such dates would include: latest date of issuing the writ; date of introduction; date of statement of defence/possible counterclaim; date of statement of defence in counterclaim; date of oral pleadings. No extensions of these dates are possible. After the oral pleadings, the court will set a date for the judgment, which will follow the same procedure as discussed above for normal proceedings on the merits.

In summary, accelerated proceedings on the merits usually take between 18 and 24 months from the date of service of the writ of summons until the judgment is issued.

Appeals

The losing party in either type of proceedings always has the right to appeal the decision and the appeal is *de novo*. A formal appeal needs to be lodged within four weeks (preliminary injunction) or three months (merits) after the judgment is issued, but there is no need to include the grounds for the appeal at that stage. The court will grant a term for filing the grounds for the appeal (in case of a preliminary injunction four weeks; in case of proceedings on the merits six weeks), whilst multiple extensions are possible (unless objections are raised by the other party). Thereafter, the other party will have to file its statement of defence (within four or respectively six weeks, but extensions are also possible). Following this, a date for the hearing will be scheduled, which is decided upon the court's availability.

Supreme Court Appeal

In the Netherlands, it is possible to institute a cassation appeal with the Supreme Court against decisions of (mostly) the Courts of Appeal. However, the scope of cassation appeal proceedings is limited. Unlike the Courts of Appeal, the Supreme Court does not rule on the facts of the matter, but only decides on questions of law. Therefore, cassation appeal can only be successful if the Supreme Court finds that the Court of Appeal erred in law (either material or procedural law). If the Supreme Court does come to this conclusion, it can either refer the case back to another Court of Appeal to decide on the case with the right interpretation of the law, as set out by the Supreme Court, or render final judgment itself.

SPAIN

Trial Format¹⁴

Filing the claim

An ordinary trial is initiated with the filing of a complaint. Notwithstanding, and only where extraordinarily urgent reasons impede filing them with the complaint, preliminary injunctions can be requested before the initiation of the main proceedings. It is expected that the claimant shall include all facts, legal arguments and all pieces of evidence (or at least a mention to the ones he was unable to file at that stage). No facts, legal arguments or evidence may be reserved for presentation at a later stage. This applies to the response to the complaint and to the eventual counterclaim.

Answer to the claim and eventual counterclaim

After the examination of its competence and jurisdiction, the court will grant an order allowing the case to proceed and summoning the defendant to respond within two months following receipt of the

¹⁴ These steps are referred to as the ordinary procurement which is in general the legal procedure for IPR issues according to Article 249.4 of the Spanish Civil Procedure Act (SCPA) in force since 2000. The modifications for patents, trademarks and designs matters were introduced in the Spanish Patent Act of 2015.

notification. This is a derogation to the general rule contained in the Civil Procedure Act (where the ordinary term to answer the claim is 20 working days). The 2-month-rule applies to patents, trademarks and designs, but not to copyright and neighbouring rights (where the general 20-working-day rule is applicable). If the defendant wants to issue a counterclaim it should be included in his response to the complaint. The counterclaim should be addressed to all parties to the proceedings and not only to the claimant. They will then have a two-month period in which to file their response (in patent, trademark and design matters). In copyright matters the term is 20 days.

Preliminary hearing

After receiving the response to the complaint (or counterclaim, as applicable) the court will summon the parties to attend a preliminary hearing, in theory within twenty days following receipt of the notification. However, in practice the actual date set by the court for the preliminary hearing tends to be much later, e.g., 7-15 months, depending on the court hearing the case and its workload.

The objectives of the preliminary hearing are as follows:

- 1 Try to achieve an agreement between the parties to avoid court proceedings.
- 2 To examine the issues that might prevent the initiation of the proceedings, such as lack of standing (*ius standi* of any party, *lis pendens* or legal defects of the complaint.
- 3 To define the subject-matter of the claim and any controversial facts of the case.
 - The parties can submit claims in connection to the arguments raised by the other parties, make clarifications or amendments to their allegations without altering the legal reasoning of the case, or add incidental pleadings if the other parties agree. Even if the other parties disagree to this, the court can decide that these new pleadings do not impede the exercise of the other party's right of defence. Moreover, the parties can bring forward facts unknown to them at the time of filing the claim or counterclaim.
 - The parties can also provide evidence supporting their clarifications, amendments or incidental pleadings, such as documentation and or expert reports.
- 4 To allow the parties to put forward their evidence. The court will refuse illicit evidence as well as pieces of evidence which are irrelevant or useless in proving any controversial facts.

Trial

Subsequent to the preliminary hearing is the trial, in which the parties give a testimony, and introduce their witnesses and experts, as well as provide other forms of evidence which should be presented to the court and the other parties. Experts and witnesses are cross-examined, and the judge may defer questions to them.

It should be highlighted that at this stage in the proceedings new facts can be considered which occurred or were (only possibly) known after the preliminary hearing. Following this, each party formulates their legal arguments and conclusions regarding the pieces of evidence presented (the conclusions may also be in written form upon an order of the court).

The court will consider the arguments and evidence presented to the judge (unless the parties request that new evidence should be considered, a request which is entirely at the court's discretion taking into account the relevance of the evidence). After the trial, the court must announce its decision within twenty days (theoretically; in some complex cases the judgment is issued several months later).

STEPS	TIMING
Preliminary injunctions <i>inaudita altera parte</i>	1-2 months after submission of the injunction writ.
Preliminary injunctions hearing the other party	4-6 months after submission of the injunction writ.

Preliminary injunctions appeal	6 months after filing of the appeal.
Claim Form	<p>Preliminary injunctions should be requested along with the main claim. On extraordinary reasons of urgency, preliminary injunctions can be claimed in advance, but the main action must be filed within 20 days following the decision of the court granting them.</p> <p>No damages for patent infringement can be claimed for acts that occurred more than five years before the filing of the claim.</p>
Defence & Counterclaim plus Grounds of Invalidity	Two months after service of Claim Form.
Reply and Defence to Counterclaim	Two months after service of Defence and Counterclaim.
Obtaining the first instance decision	1.5– 2 years approximately.
Appeal	20 days after service of the first instance decision the appellants must file the substantive appeal.
Opposition against the appeal	10 days after the service of the brief of appeal.
Obtaining the second instance decision	1 to 2 years
Appeal to the Supreme Court	20 days after service of the appeal decision the appellant is to file the substantive appeal.
Opposition against the appeal to the Supreme Court	20 days after the service of the brief of appeal.
Obtaining the judgment	3-5 years.

Appeals

The appeal is filed with the Court of First Instance within 20 days following the notification of the first instance decision. This brief, which should contain the full arguments of the appeal, will be served on the other parties, following which they have 10 days to file an opposition against the appeal, which may include the appeal of other provisions of the judgment not challenged by the appellant. Afterwards, if the appealed party files new grounds of appeal, the opposition brief will be served on the appellant who has 10 days in which to raise all relevant allegations in relation to the new grounds of appeal filed and the new evidence, if any, put forward by the appealed party. All the documentation is then forwarded to the Court of Appeal.

During the appeal the parties can only allege the infringement of procedural rules or legal provisions but no further evidence can be submitted. One can only request to allow the following evidence:

- Evidence wrongfully refused during the first instance stage, providing that the party who proposed it protested upon refusal.
- Evidence accepted at first instance but which has not been used in court for a reason which is not attributable to the appellant.
- Evidence regarding relevant facts which happened (or were only possibly known) after the beginning of the term permitted to propose evidence during the first instance ruling.

The Court of Appeal will rule upon receiving documentation, or if there is a hearing (so requested by any of the parties and discretionarily admitted by the court, or where it is necessary for evidence purposes), after the hearing. A decision in appeal proceedings is issued in approximately 1 to 2 years after the docket is submitted to the Court of Appeal.

Appeals are not possible in respect of decisions following verbal proceedings which value does not exceed € 3,000.

Supreme Court Appeals

An appeal to the Supreme Court must be filed within 20 days following the notification of the Court of Appeals decision. The appeal is restricted to infringement of legal rules which are applicable to resolve the subject matter to the process. The appealable decisions must (i) deal with fundamental rights, or (ii) relate to subject-matter which value is at least € 600,000, or (iii) relate to subject-matter which value is under € 600,000 but a) contradict or anyhow conflict with jurisprudence of the Supreme Court; or b) was subject to judgment by at least two Court of Appeals in a contradictory manner; or c) deals with a new piece of legislation (passed during the last five years). These reasons are construed very restrictively by the court.

1.2 Jurisdictions with centralised courts

General note: all EU member states have appointed centralised EU trademark courts and Community design courts pursuant to article 123 Regulation Nr. 2017/1001 on the European Union trademark (“EUTMR”) and article 80 Regulation Nr. 6/2002 on Community designs (“CDR”).

THE NETHERLANDS	FRANCE	BELGIUM	SPAIN
<p>The District Court of The Hague has exclusive jurisdiction with regard to the following IP matters:</p> <ul style="list-style-type: none"> patents and supplementary protection certificates (SPC), plant breeder’s rights, EUTMs and designs CDs, topographies of semiconductor products, several copyright/neighbouring right remuneration regulations. <p>All other IP cases can be brought before any of the 19 District Courts.</p>	<p>Exclusive jurisdiction of a restricted number of French courts for national trademarks and designs (10 First Instance Courts - Bordeaux, Lille, Lyon, Marseille, Nanterre, Nancy, Paris, Rennes, Strasbourg and Fort-de-France - and their relevant Courts of Appeal).</p> <p>However, for all actions initiated as from 1 April 2020, the French trademark office (INPI) has exclusive jurisdiction for trademarks invalidity actions (with some exceptions, notably revocation counterclaims filed in response to infringement claim or in connection with claims falling within the exclusive jurisdiction of the civil court, revocation actions based on prior copyright, registered design or personality right).¹⁵</p> <p>Exclusive jurisdiction of Paris Court for patents, EUTM’s and CD’s (application decree n° 2008-522 of June 2, 2008).</p>	<p>The Brussels enterprise court has exclusive jurisdiction for patent and SPC matters and for EUTM and CD matters.</p> <p>Five enterprise courts (Brussels, Antwerp, Ghent, Mons and Liège) have exclusive jurisdiction for matters in Benelux trademarks and designs, plant breeder’s rights, topographies of semiconductor products and copyright and neighbouring rights.</p>	<p>Not applicable to national rights, unless a national trade mark infringement action or a national design infringement action are joined to a EUTM/ CD infringement action, in which case the EUTM and Designs Court is exclusively competent.</p> <p>The centralised Courts for EUTM and CD infringement claims, validity counterclaims and invalidity claims of unregistered Community Designs are the Alicante Commercial Courts of First Instance no. 1 and 2 (up to first instance) and the Alicante Court of Appeals.</p> <p>These courts continue to deal with EUTM and CD infringement claims and validity counterclaims where neither the claimant nor the defendant are domiciled or have an establishment in a Community Member State.</p>

¹⁵ Pursuant to Law PACTE dated 22 May 2019, and Order n° 2009-1169 dated 13 November 2019, applying EU Directive n° 2015/2436 dated 16 December 2015.

ENGLAND AND WALES

Most IP actions are dealt with in the Chancery Division of the High Court.¹⁶ Cases which are not specifically assigned to the Patents Court or the IPEC¹⁷ may be heard by any judge of the Division. The general courts of the Chancery Division are considered to be “centralised” because the judge hearing the case may or may not have experience of hearing IP cases. The High Court is based at the Royal Courts of Justice in London.

As well as the High Court in London, High Court proceedings may also be brought at a District Registry. A District Registry is part of the High Court situated in various districts of England and Wales; there are ten Chancery District Registries: Birmingham, Bristol, Caernarfon, Cardiff, Leeds, Liverpool, Manchester, Mold, Newcastle-upon-Tyne, and Preston. However, the District Registries at Caernarfon, Mold and Preston do not have jurisdiction in relation to registered trademarks.

Trademarks, Copyright, Passing off and Design Rights

Under the Trademarks Act 1994, claims relating to trademarks, copyright, passing off and unregistered design rights must be started in:¹⁸

- a the Chancery Division,
- b the IPEC (formerly the Patents County Court), or
- c before a County Court where there is also a Chancery District Registry.

The typical costs of a first instance hearing may be in the range of £200,000 - £1million for a non-patent IPR case.

Please note that the figures given above are for guidance only. The actual costs of a case will depend entirely upon the complexity of the case and may be more or less than the figures given above.

Appeals

Appeals from the High Court lie to the Court of Appeal. Appeals from the Court of Appeal lie to the Supreme Court.

GERMANY

Germany has a bifurcated jurisdiction (“dual system”), i.e., infringement and invalidity proceedings are held before separate courts.

Patents

Infringement proceedings: In patent and utility model matters there are 12 regional courts (*Landgerichte, LG*) with mostly specialized chambers having exclusive jurisdiction over infringement proceedings concerning patents and utility models (most frequently chosen: Düsseldorf, Mannheim and Munich, furthermore Berlin, Brunswick, Erfurt, Frankfurt a.M. (resp. Frankenthal for utility models), Hamburg, Leipzig, Magdeburg, Nuremberg-Fuerth, Saarbrücken)¹⁹. The decisions can be appealed to the

¹⁶ The High Court is divided into 6 Divisions, the Chancery Division deals with IPR (amongst other) matters.

¹⁷ See table 1.3.

¹⁸ See CPR Practice Direct 63 paragraph 16 for full details, including other matters which must be started in the same courts.

¹⁹ Sections 143 (2) German Patent Act 1980; 27 (2) German Utility Models Act 1986 (*GebrMG*), in connection with the respective regional regulation:

1. Regional court Berlin for the federal state Berlin, act of 20.11.1995, GVBl. BLN 96, 105, and Brandenburg, act of 15.12.1995, GVBl. BR 95, p. 689; treaty of 20.11.1995, GVBl. BLN 96, p. 105; GVBl. BR 95, p. 288;

2. Regional court Braunschweig for the federal state Niedersachsen, regulation of 22.01.1998 – Niedersachsen GVBl. 98, p. 66;

3. Regional court Düsseldorf for the federal state Nordrhein-Westfalen, regulation of 13.01.1998 – GV. NW 98, p. 106;

4. Regional court Erfurt for the federal state Thüringen, regulation of 01.12.1995, GVBl.TH 95, p. 404;

5. Regional court Frankfurt (Main) district of the regional courts of the federal state Hessen, regulation of 26.08.1960, GVBl. 60, p. 175 (patents), regulation of 27.08.1987, GVBl. 87 I, p. 163 (Frankenthal – utility model) and the district of the regional courts of the federal state Rheinland-Pfalz, treaty of Rheinland-Pfalz/Hessen of 04.08.1950, GVBl. HE 50, p. 251, GVBl.R-P 50, p. 316 (patents);

6. Regional court Hamburg for the federal states Bremen, Hamburg and Schleswig-Holstein, act of 18.05.1993, GBl. BR 93, p. 154; act of 02.02.1993, GVBl. HH 93, p. 33 act of 27.09. 1993, GBl. SH 93, p. 497; act of 06.11.1993, GVBl.M-V 93, p. 919; agreement of 17.11.1992 between BR, HH, SH und M-V, GVBl.HH. 93, p. 33; BIPMZ 95, 236;

7. Regional court Leipzig for the federal state Sachsen, regulation of 14.07.1994 Sächs. GVBl. 94, p. 1313;

8. Regional court Magdeburg for the federal State Sachsen-Anhalt, regulation of 05.12.1995, GVBl.LSA 95, p. 360;

competent Higher Regional Court (*Oberlandesgericht, OLG*). The Federal Supreme Court (*Bundesgerichtshof, BGH, Karlsruhe*) is the final instance for infringement actions.

Validity proceedings: The German Federal Patent Court (*Bundespatentgericht, BPatG, Munich*) has exclusive jurisdiction over validity issues regarding patents. It is the Court of first instance for revocation actions regarding the German part of European patents and German patents. Moreover, it is the appeal instance against decisions of the German Patent and Trademark Office (*Deutsches Patent und Markenamt, DPMA, Munich*) regarding cancellation proceedings concerning utility models and opposition decisions concerning German patents. The Federal Supreme Court is also the final instance for invalidity actions.

Trademarks and designs

Infringement proceedings: In trademark matters there are 21 regional courts with specialized chambers having exclusive jurisdiction over infringement proceedings regarding German and internationally registered trademarks (most frequently chosen: Hamburg, Düsseldorf, Cologne, Munich and Frankfurt am Main). In design matters there are 20 regional courts with specialized chambers having exclusive jurisdiction over infringement proceedings regarding German designs and 20 regional courts having exclusive jurisdiction over infringement proceedings regarding Community designs. Appeals are directed to the Higher Regional Court and the Federal Supreme Court is the final instance for infringement actions.

Validity proceedings: The German Federal Patent Court is the appeal instance against decisions of the German Patent and Trademark Office regarding cancellation proceedings against trademarks based upon absolute grounds of refusal.

Cancellation proceedings against registered German designs are also dealt with by the German Patent and Trademark office (section 34a (1) Design Act). The German Patent and Trademark Office informs the proprietor of the registered design about the invalidity application. If the owner does not object within one month, the invalidity is established or declared. If he objects, the Design Division continues the invalidity proceedings and decides on the application on the basis of the facts and evidence submitted - if necessary, after a hearing. If the registered design is invalid, it is deleted from the design register. Appeals may be lodged to the German Federal Patent Court.

ITALY

Italy has no centralised courts. Thus, all IP cases are litigated in front of one of the 22 Italian Specialized Divisions, the so called “*Sezioni Specializzate in Materia di Impresa*” (“Specialized Divisions in Company Matters”), located in 22 different cities.

Their territorial competence is decided based on different criteria.

In a nutshell, in infringement proceedings, the case has to be filed before the Division in whose jurisdiction:

- a the defendant has his residence / registered office or - in case both are unknown - his domicile,
- b the plaintiff has his residence / domicile, if the defendant’s residence, domicile and registered office are unknown or are not in the Italian territory, or
- c where the infringement took place.

As per invalidity proceedings, the Specialized Division where the registered IPR owner elected his domicile has jurisdiction (but, if the invalidity is a counterclaim, it can be also decided by the Division sued to rule in infringement proceedings).

If possible, the parties would tend to file proceedings before the Specialized Divisions of the Court of Milan, Rome, Turin and Venice, as they are considered the most experienced on IP matters.

Please see section 1.3 for further information.

9. Regional court Mannheim for the federal State Baden-Württemberg, regulation of 20.11.1998, GBl. BW 98, p. 680;

10. Regional court München I for the district of the higher regional court München;

11. Regional court Nürnberg-Fürth for the districts of the higher regional court Nürnberg and Bamberg, regulation of 02.02.1988, sec. 18 – Bayer. GVBl. 88. p. 6, 9;

12. Regional court Saarbrücken for the federal state Saarland (no regulation because there is only one regional court).

1.3 Jurisdictions with specialised courts

ENGLAND AND WALES	GERMANY	FRANCE
<p>There are two specialised IP courts in England and Wales:</p> <ol style="list-style-type: none">1 the Patents Court, part of the Chancery Division of the High Court, and2 the IPEC also now part of the Chancery Division of the High Court, <p>both of which usually sit in London.</p> <p>These courts are considered to be specialised because the judges who sit in these courts are technically qualified and also experienced in hearing IPR disputes.</p> <p>The Patents Court and the Patents County Court have exclusive jurisdiction in relation to patent and registered design claims.</p> <p>The typically costs of a first instance hearing may be in the range of:</p> <ul style="list-style-type: none">• £400k - £3m for a patent case,• £200k - £1m for a registered design rights case. <p>Please note that the figures given above are for guidance only. The actual costs of a case will depend entirely upon the individual circumstances of that case and may be significantly more or less than the figure given above.</p> <p>Appeals - Appeals from both the IPEC and the Patents Court lie to the Court of Appeal. Appeals from the Court of Appeal lie to the Supreme Court.</p>	<p>There are no regional or higher regional courts dealing only with IP matters. However, each of the aforementioned centralised courts has a limited number of panels consisting of experienced judges who are specialised in a specific type of IPR (patents and utility models, trademarks etc.).</p> <p>The only truly specialised court is the German Federal Patent Court, which has exclusive jurisdiction regarding the above-mentioned issues.</p> <p>In patent matters the panels consist of both legal and technical members, whereas in trademark and design matters the panel consists only of legal members.</p> <p>In this context the German Patent and Trademark Office may be regarded as a specialised court because they deal with cancellation proceedings concerning utility models and opposition proceedings concerning German patents.</p>	<p>Among the courts having exclusive jurisdiction, only the Paris Court has a specialized division in IP matters (3rd Chamber of the Paris First Instance Court and 5th Pole Chambers 1 and 2 of the Paris Court of Appeal).</p>

THE NETHERLANDS

Several District Courts have judges that specialize in IP matters (most notably The Hague, Amsterdam, Arnhem and 's-Hertogenbosch District Courts). The District Court of The Hague has the largest IP chamber on account of its exclusive jurisdiction in many IP cases (see section 1.2 – Jurisdictions with centralised courts).

ITALY

In Italy, proceedings concerning IPRs (patents, utility models, registered and unregistered trademarks, registered and unregistered designs, copyright, trade secrets, unfair competition connected to IPRs, applications of not yet granted registered IPRs, etc.) are discussed in front of the so-called “*Sezioni Specializzate in Materia di Impresa*” (“Specialized Divisions in Company Matters”). They are 22 and are located in the cities of Ancona, Bari, Bologna, Bolzano, Brescia, Cagliari, Campobasso, Catania, Catanzaro, Florence, Genoa, L'Aquila, Milan, Naples, Palermo, Perugia, Potenza, Rome, Trento, Trieste, Turin and Venice.

The aforementioned Specialized Divisions deal with (and are therefore competent for) not only IP, but generally all companies-related matters.

Their territorial competence is decided based on different criteria, see section 1.2 above.

When a party of the proceedings is a company having its registered office abroad, only some of the aforementioned Specialized Divisions are competent (and this competence is identified on “special” territorial criteria

BELGIUM

There are no courts dealing exclusively with IP matters. However, some of the aforementioned centralised courts (including Brussels) have a chamber dedicated to IPRs. The judges in these chambers are experienced in IP matters.

SPAIN

Courts specialized in commercial issues deal with IPRs. The section 15 of Barcelona Court of Appeals and the section 28 of Madrid Court of Appeals are known for being *de facto* highly specialized.

The Appeal Court is decided by the first instance decision (e.g., Barcelona first instance court cases go to the Appeal Court of Barcelona, Valencia first instance decisions to the Appeal Court of Valencia).

In Spain in the first instance the Judicial General Board decided on 4 November 2021 the specialisation of certain courts in 7 regions. They have jurisdiction on all Spanish territory and its competence is decided based on the domicile of the defendant or the place of infringement.

- Catalonia: Barcelona Commercial Courts Nos. 1, 4 and 5 competent for patents and industrial design; Barcelona Commercial Courts Nos. 2, 6, 8 and 9 for trademarks.
- Madrid: Madrid Commercial Courts No 6, 7, 8, 9, 10, 11 and 13 competent for patents, trademarks and industrial property.
- Valencia: Valencia Commercial Courts No. 2 and 4 competent for

THE NETHERLANDS

ITALY

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specifically identified by article 4, paragraph 1-*bis* of Legislative Decree no. 168/2003).

The UIBM and the opposition procedure against national trademarks applications: The “*Ufficio Italiano Brevetti e Marchi*” (“UIBM”) is the Italian Patents and Trademarks Office and rules on the Opposition Procedure which may be filed against the registration of national trademark applications and the extension to Italy of an international registration (WIPO). Please see also chapter 2.1.

patents; Valencia Commercial Courts No. 1 and 3 for trademarks and industrial design.

- Andalusia: Granada Commercial Courts No. 1 and 2 competent for patents, trademarks and industrial property.
- Canary Island: Gran Canaria Commercial Court No. 1 competent for patents, trademarks and industrial property.
- Galicia: Coruña Commercial Court No 1 competent for patents, trademarks and industrial property
- Basque Country: Bilbao Commercial Court No. 2 competent for patents, trademarks and industrial property.

The specialised courts for EUTM and CD infringement claims, validity counterclaims and validity claims of unregistered Community Designs are the Alicante Commercial Court no. 1 (up to first instance) and the Alicante Court of Appeals.

Additional Comments (identified by * in the preceding table)

ENGLAND AND WALES

UK Intellectual Property Office

Patent infringement and revocation proceedings may also be decided by the UK Intellectual Property Office (“**UKIPO**”). This is rarely used for infringement proceedings because the UKIPO cannot grant injunctions. Remedies are limited to declarations and awards of damages.

Trademarks Registry

Trademark proceedings to oppose the grant of trademarks and to attack trademark registrations (but not infringement proceedings) may be started at the Trademarks Registry (part of the UKIPO). If infringement proceedings have already started in the High Court and the alleged infringer wishes to put the validity of the mark in issue, a revocation counterclaim must be made in the pending High Court action.

The Copyright Tribunal

The Copyright Tribunal (established under the Copyright, Designs and Patents Act 1988) is an independent body. The main function of the Tribunal is to settle various types of disputes mainly in the field of collective copyright licensing. Its decisions are appealable to the High Court only on points of law.

Appeals

Decisions of the Comptroller General of Patents, Trademarks and Designs or the registrar of trademarks or designs may be appealed as set out below:

- Patent appeals lie only to the Patents Court / High Court (CPR 63.16(2)).
- Trademark appeals lie either to the Appointed Person or to the High Court. If made to the High Court, they are assigned to the Chancery Division (s.76 Trade Marks Act 94 and CPR 63.16(2)).
- Registered design right appeals lie only to the Registered Designs Appeal Tribunal. This consists of one of the patent judges sitting as a tribunal (S.28 Registered Designs Act 1949).

CHAPTER 2: FEATURES OF THE COURT

2.1. How the respective intellectual property rights are challenged and enforced before the courts

BELGIUM

Courts

Following an extensive reorganisation of the Belgian IP landscape in 2007, IPRs (patents, SPC's, EUTM's, CD's, Benelux trademarks and designs, geographical indications, semi-conductors) can only be enforced through legal proceedings before the Enterprise Courts. However, some minor Copyright cases (involving non-merchants or below a threshold value of €5.000) can still be heard before the Civil Courts.

There are five courts in Belgium that have jurisdiction to hear Benelux trademarks and designs matters, all copyright and neighbouring rights issues, plant breeder's rights, geographical indication matters, and issues regarding topographies of semiconductors. They are located in Antwerp, Ghent, Brussels, Liege and Mons, where the five Courts of Appeal in Belgium also have their seat.

Patents and SPC's and Community rights (either Trademarks or Designs) are exclusively heard by the Brussels Enterprise Court (either in French or in Dutch).

Proceedings

Within these courts, in essence four types of proceedings are available, i.e.: (*ex parte* or *inter partes*) preliminary injunction proceedings, proceedings on the merits, "fast-track" proceedings on the merits and (*ex parte*) orders for (seizure and) description of allegedly infringing goods. Such actions could be initiated by the owner of the IPR and (subject to varying conditions) by its (exclusive) licensee.

Firstly, claims for a preliminary injunction can be brought if the matter is urgent and if there is a *prima facie* infringement to a *prima facie* valid IPR. In the most urgent of cases, such preliminary injunction can be obtained *ex parte* (without hearing a defendant). A decision can usually be obtained within a very short period of time (from days or weeks to a few months (depending on the complexity of the case)).

Secondly, courts can pass judgment in proceedings on the merits. Actions for infringement and revocation of the IPR can be brought before them either by way of a main claim or by way of a counterclaim: there is no system of 'bifurcation' in Belgian law. A main claim for revocation can be brought by anyone having a legal interest in the revocation (alleged infringer, competitor wishing to establish a freedom to operate, the holder of an earlier right, etc.). It is also possible for an alleged infringer to sue the holder of the IPR for a declaration of non-infringement, provided that the existence of a genuine dispute as to the infringement can be proven.

Thirdly, one division of the Enterprise Court can issue an injunction on the merits in what are termed "fast-track proceedings", which can be completed in a few months' time. These proceedings are deemed to be urgent, and therefore, the IP holder will *not* explicitly need to demonstrate the urgent nature of the requested injunction. Due to the high threshold to prove urgency in the interlocutory proceedings and the fact that the fast-track proceedings will result in a final injunction (rather than a preliminary), the "fast-track action" has become a favourable tool for IP holders who quickly want to obtain an injunction against IP infringement (possibly accompanied by penalties, recall, and publication of the judgment). On the other hand, it is not possible to introduce a fast-track action for revocation of an IPR or for a declaration of non-infringement. Neither can the rights holder claim damages in fast-track proceedings. Those claims are reserved for non-fast-tracked proceedings on the merits.

Finally, the Enterprise Courts can also be seised to obtain an *ex parte* order for a “*saisie description*”, “*beslag inzake namaak*”, in order to find evidence of the existence of IP infringement, as well as the scope thereof. Such claim can be raised either alone or in combination with a claim for an *ex parte* order to “freeze” the allegedly infringing products.

Compliance with injunctions or other orders from the court forcing a defendant to perform a specific act (such as ceasing an infringing act or sending a recall letter) is ensured via financial penalties (“*astreintes*”, “*dwangsommen*”). Such penalties are automatically due in case of non-compliance of the judgment. This is particularly valuable when the defendant is not located in Belgium but elsewhere in the EU, since a judgment containing such penalties is readily enforceable and recognized in the other EU Member States.

ENGLAND AND WALES

In England and Wales, the main statutes which govern IPR protection are:

- The Patents Act 1977 (PA 1977) as amended.
- The Copyright, Designs and Patents Act 1988 (CDPA 1988) as amended.
- The Trademarks Act 1994 (TMA 94), as amended.
- The Registered Designs Act 1949 (RDA 1949) as amended.

The different acts provide for various actions which may be taken by the owners of IPRs against persons who infringe, use or otherwise attempt to exploit their rights. There are also other IPR related actions in England and Wales which are derived from case law rather than statute including passing off (which protects unregistered trademarks), misuse of confidential information, malicious falsehood and trade libel.

IPR infringement actions, proceed by way of a “split trial” - the first stage being concerned with the issue of liability and the second stage being concerned with the amount or quantum of the pecuniary relief. This two-stage procedure is designed to ensure that costs are not wasted litigating about pecuniary relief when in fact the patent or other IPR may not be infringed or may be invalid. In practice, once the issue of liability has been decided, the proceedings to determine the amount of the pecuniary relief are often settled without the need for a further trial.

Parties

In an infringement action, the claimant will be the proprietor of the right and the defendant will be the alleged infringer. An infringement action may also be initiated by persons other than the proprietor as follows:

- **Patents:**

By an exclusive licensee of a patent who will have the same right as the patent owner to bring proceedings for relief from the date of the licence regardless of whether the licence was registered with the Patent Office. Failure to register an exclusive licence within six months from the date of that licence will however bar the recovery of costs or expenses by the licensee.

- **Trademarks:**

By an exclusive licensee of the trademark if the licence so provides in respect of matters occurring after the grant of licence. The rights of the exclusive licensee are concurrent with those of the trademark owner and may be exercised against anyone except against the trademark owner. Unless the licence provides otherwise, an infringement action may also be initiated by a licensee in his own name as if he was the trademark owner if, having called on the trademark owner to initiate proceedings, the trademark owner fails to do so within two months. In these circumstances, the trademark owner must be joined to the action as a claimant or defendant.

The licensee may initiate proceedings regardless of whether or not the licence was registered, however, failure to register a licence within six months from the date of licence will bar the recovery of costs or expenses by the licensee.

- **Copyright:**

By an exclusive licensee of the copyright who has the same rights and remedies as the copyright owner in respect of matters occurring after the grant of licence. The rights of the exclusive licensee are concurrent with those of the copyright owner and may be exercised against anyone except against the copyright owner.

- **Design Rights:**

By an exclusive licensee of the design right who has the same rights and remedies as the design right owner in respect of matters occurring after the grant of licence.

Evidence

The types of **factual evidence** which may be adduced at trial in a typical IPR action is summarised in the table below:

PATENTS	TRADEMARKS	COPYRIGHT	DESIGNS
how the inventor came to conceive of the invention	the nature and extent of the use of the trademark	the circumstances in which the copyright work was created	the circumstances in which the design in suit was created
the nature and extent of any pleaded prior uses of the invention	the public recognition of the trademark	the circumstances in which the alleged infringing work was created	the existing designs at the date the design in suit was created
the work being done by the defendant or third parties at around the priority date of the patent	the confusion caused to members of the public by the use of the alleged infringing sign either in practice or in response to a questionnaire	the relationship between the creator of the copyright work and the subsequent owner of the work in the event of a dispute over ownership	the relationship between the creator of the design in suit and the subsequent owner of the design in suit in the event of a dispute over ownership
the involvement of the defendants in the alleged acts of infringement	the involvement of the defendants in the alleged acts of infringement	the extent to which the defendant was put on notice of the copyright (where secondary infringement has been pleaded)	the circumstances in which the alleged infringing design was created
		the involvement of the defendants in the alleged acts of infringement	the involvement of the defendants in the alleged acts of infringement

In many types of IPR litigation, **expert evidence** is critical to the outcome of the case. The role of an expert witness is to assist the court in a fair and unbiased manner. The types of expert evidence adduced at trial for the different IPRs may include:

PATENTS	TRADEMARKS	COPYRIGHT	DESIGNS
the meaning of scientific or technical terms of art used in the patent or the cited prior art;	the manner in which a survey has been designed and the conclusions which can be drawn from the results of that survey	the extent to which the alleged infringing work is a substantial reproduction of the copyright work	the extent to which the design is new and is not commonplace or has individual character (depending upon the right in question)
the state of the art and the common general knowledge in the technical field at the priority date of the patent	the way in which terms in the specification are used to describe certain products or services		the extent to which the alleged infringing design is a substantial reproduction of the design in suit or does not produce a different overall impression on the informed user to the design in suit (depending upon the right in question)
the technical differences between the claimed invention and the alleged infringement			
the technical differences between the cited prior art and the claimed invention			

It is not the role of an expert witness to construe the claims or assess the issues of validity or infringement (where applicable) as such - these are matters for the court.

Written statements and reports setting out the evidence in chief of the witnesses of fact and the experts respectively are normally exchanged 2 months before the trial. The witnesses and experts then appear in court at the trial so that they can verify their statements on oath and be cross-examined by the other party as to their content.

Groundless Threats

In England and Wales there are risks associated with threatening a person with proceedings for infringement of a patent, a trademark, or a design right.²⁰ A person aggrieved by such threats (whether or not he is the person to whom the threats are made) may bring an action against the person making the threats. The remedies available for a threats action are a declaration that the threats made were unjustified, an injunction preventing further threats and/or damages for any consequent losses.

A groundless threat can be either explicit or implicit and what constitutes a threat is objectively tested. The court will consider whether the language of the statement conveys a threat to a reasonable recipient. It does not matter what the particular recipient or the maker of the statement thinks. The reasonable recipient would be taken to have knowledge of all the surrounding circumstances and would have commercial background of the type of the person to whom such a statement was made. One does not avoid the groundless threats provisions by labelling such a threat 'without prejudice' where there is in fact no genuine dispute for negotiation to settle.²¹

However, merely providing factual information about an IPR, making enquiries for the sole purpose of discovering the identity of the primary infringer, and making an assertion about the IPR for the purpose of such enquiries does not constitute an actionable threat. However, care is needed when making such assertions of fact or enquiries so as not to inadvertently make what may be considered an implied threat by the court.

A rights holder has a defence to a threats action if it can prove that the threat was justified, i.e., that the acts in respect of which proceedings were threatened constitute or, if done, would constitute, an infringement of the right, the registration of which is not shown to be invalid.

The rationale of the groundless threats provisions is to prevent IPR proprietors bringing pressure on, for example, retailers or potential customers of an allegedly infringing product when the real argument is with the manufacturer of the product. Threats actions are not permitted to be brought where the threat relates to 'primary infringers' who are persons who carry out the following activities:

- in relation to patents: making or importing a product for disposal or using a process,²²
- in relation to trademarks: applying the mark to good or their packaging, importing goods bearing the mark, or supplying services under that mark,²³
- in relation to registered designs: making or importing anything.²⁴

UKIPO Opinions

A preliminary step in a patent infringement action may be to obtain an opinion from the UKIPO to help with decisions as to whether to bring legal proceedings. The UKIPO can give a non-binding opinion²⁵ as to questions of infringement or validity, in respect of which it can only consider issues of novelty or inventive step. The Opinions process is governed by legislation in The Patents Act 1977 (as amended) and The Patents Rules 2007.

²⁰ s. 70 Patents Act 1970; s. 21 Trademarks Act 1994; S. 253 Copyright, Designs and Patents Act 1988.

²¹ *Kooltrade Ltd v XTS Ltd* [2001] IP & T 116.

²² s. 70(4) Patents Act 1977.

²³ s. 21(1) Trademarks Act 1994.

²⁴ s. 26(2A) Registered Designs Act 1949 and s. 253(3) Copyright, Designs and Patents Act 1988.

²⁵ s.74A Patents Act 1977.

The opinion is based on written submissions, and when a request is filed the UKIPO notifies any interested parties. The request is also advertised on the UKIPO website. Anyone may make observations on the request. A senior patent examiner then considers all the submissions and issues a written opinion on the matter in dispute. This is sent to the interested parties and made available on the website.

If a party disagrees with an opinion given, the usual way to challenge an opinion will be to launch separate legal proceedings either in the courts or at the Patent Office. In certain limited circumstances however the patent proprietor may be left with an adverse opinion and have no way of challenging that opinion if he believes it to be wrong. So, in limited circumstances, a review of the opinion is available.

Anyone can request an opinion about the infringement or validity of any UK patent, or any European patent which designates England and Wales. An opinion costs GBP £200 and takes no more than 3 months.

FRANCE

A limited number of First Instance Civil Courts ("*Tribunaux Judiciaires*") have jurisdiction, as does the French office for industrial property with respect to trademark invalidity actions (see section 1.2).

Under the previous system, the Commercial Court had jurisdiction over copyright and design litigation whenever companies were involved. The jurisdiction of the Commercial Courts was transferred to the Civil Courts by an Act of October 29, 2007.

Generally, IPRs are challenged before the courts in two ways: (1) a revocation action is brought against the rights holder; or (2) the validity of the IPR is challenged by way of a counterclaim in an infringement action. The questions of validity and infringement of national French IPRs are generally dealt with before the same court within the same proceedings.

Challenging the IPR

There are various grounds for challenging the validity of an IPR.

In relation to trademarks, an invalidity action can be initiated based notably on a lack of genuine use for a period of 5 years (Article L. 714-5), on the fact that the trademark became descriptive (Article L. 714-6), on prior rights (Article L. 711-3) or on absolute grounds (Article L. 711-3). Unless the action is based on prior rights, anyone can initiate a trademark revocation action, without needing to evidence a specific entitlement to act.

Any prior right holder or other individual/entity having a legal interest is also entitled to bring an action requesting total or partial nullity of a design (either on absolute grounds or relative grounds of refusal) before the competent First Instance Civil Court. The Public Prosecutor may also bring such an action (Article L.512-4).

In relation to patents, a third party which is entitled to act can bring an action before the courts to obtain a statement that the invention they wish to use does not infringe a granted patent (non-infringement statement Article L. 615-9), or an invalidity action of a national patent (Article L. 613-25) or the French part of a European patent (Article L. 614-12).

Since the Law PACTE came into force on 23 May 2019, no more statute of limitation applies to revocation actions of IPRs (subject to limitation by acquiescence and actions targeting not-registered well-known trademarks).

Infringement action

This action is brought based on a registered or granted IPR (such as a patent, design or trademark) or of an IPR application against an infringement of such right, either under civil or the criminal laws. The action may be brought by an owner and also by an exclusive licensee, save any contrary provisions in the licence agreement, where the right holder has not brought the action despite a notification from the licensee to do so. For patents, a revised provision will enter into force at the same time as the Unified Patent Court, allowing (i) exclusive licensees to bring an infringement action if they have informed the patentee beforehand, (ii) non-exclusive licensees to bring such action if the licence agreement expressly allows them to do so if they have informed the patentee beforehand, and (iii) holders of a compulsory

licence to bring such action where the right holder has not brought the action despite notification by the licensees. The validity of the patent will only be challengeable if the patentee is part of the proceedings.

The classic defence argument most often raised by the defendant to an infringement action is a counterclaim in order to have the alleged IPR cancelled or revoked. Therefore, the judge firstly decides on the validity of the IPR, and if it is not cancelled or revoked, only then rules on the issue of infringement.

GERMANY

Pre-Trial

Patent enforcement in Germany does not necessarily mean the immediate commencement of litigation before one of the 12 competent Regional Courts. The issue of a warning letter (*Schutzrechtsverwarnung*) or alternatively, to avoid any liability in the case of an error, a request for clarification of the alleged infringer's right to use the invention (*Berechtigungsanfrage*), can provide a quick means of relief through an out-of-court settlement. The relief is in the form of a cease-and-desist declaration by the infringer and therefore often precedes litigation.

However, these pre-trial measures create three risks:

1 Claim for damages

The alleged infringer may sue the sender of a warning letter for damages in the event that the warning letter was unjustified, e.g., the patent is later invalidated or the patent is not infringed²⁶.

2 Deposit of a protective letter (*Schutzschrift*)

The alleged infringer may file a protective letter (*Schutzschrift*) with the German registry for protective letters (*Schutzschriftenregister*) as an anticipatory defence, explaining why the claim is unfounded. This can make it more difficult to obtain a preliminary injunction against the infringer (in particular *ex parte*, i.e., without prior oral hearing). Even though the patent owner has not yet commenced court proceedings, the alleged infringers may be able to raise his arguments on non-infringement or invalidity in preliminary injunction proceedings by filing the protective letter with the registry. At the same time, they can include a proposal to dismiss the application for an *ex parte* injunction without a prior hearing of the parties. In doing so, the protective letter is treated as any other formal procedural brief. Once an application for an *ex parte* injunction is filed, the court clerk checks whether a protective letter exists in relation to that particular case (and if so, also in the electronic register, cf. table 2.8) and hands it to the judge for the court's consideration. In practice there remains a certain risk that the protective letter is not considered by the judge at all, or the judge decides in favour of the patentee because of the protective letter was found to be without substance. Thus, it has to be noted that the protective letter may not avoid the risk that the preliminary injunction is granted *ex parte* anyway where it contains weak infringement and revocation arguments. The protective letter is removed from the register six months after it was filed.

3 Declaratory action for non-infringement

The alleged infringer may file an action seeking a finding of non-infringement. While commencement of infringement proceedings still remains possible when such a complaint is filed with a German court, the alleged infringer can delay infringement proceedings by choosing another court within the EU due to the fact that it also has jurisdiction to issue a decision on the infringement (the so-called "torpedo"). In the latter case the German court would have to stay proceedings and wait for the outcome of the foreign proceedings first before issuing its own decision. This practice is now restricted and even regarded as misuse, and often dismissed due to the fact that the foreign proceedings have to be distinct in their claim over the specific national part of the European patent and with regard to the embodiment in suit and limited to non-infringement arguments. These declaratory actions had the effect that a German court would have to order a stay according to the Brussels Regulation. However, the patentee may transfer the claims out of the patent to a third party being eligible to file suit (which cannot be prevented by a torpedo). This will be further subject to section 3.1 below.

²⁶ BGH, GRUR 2006, 219 – Detektionseinrichtung II; BGH GRUR 2016, 630 – Unberechtigte Schutzrechtsverwarnung II; BGH GRUR 2020, 1116 – Unberechtigte Schutzrechtsverwarnung III.

Preliminary injunction (“*einstweilige Verfügung*”)

A preliminary injunction (PI) can be used to enforce both the claim for injunctive relief under section 139 (1) PatG as well as the claim for information on the origin and the distribution channel of the infringing goods according to section 140b (1-4) PatG.

In contrast, a claim for damages and a claim for rendering of account (which only prepares the claim for damages) as well as a claim for recall of the infringing products cannot be enforced through a PI.²⁷ However, it is possible – *in the individual case* – to apply for custody of the infringing products by a court ordered bailiff to secure the claim of destruction.

The standard of proof in a PI proceeding is less strict compared to main proceedings. Due to the summary character of the proceedings the court will not appoint an expert and rather seldom examine witnesses in an oral hearing (however this is not excluded if an oral hearing is scheduled and the applicant offers means of evidence in the oral hearing on its own initiative so that potential witnesses can be questioned without further delay; in patent and trademark matters nonetheless evidence is in most of the cases presented by written submissions, e.g. documents containing expert opinions, etc.). As a general rule, any evidence susceptible to be introduced into the main proceedings (compare with section 2.3) is accepted if it can be presented without delaying the decision following the oral hearing. The most important difference to proceedings on the merits is that the court may rely on *prima facie* evidence in the form of sworn affidavits or reports and opinions prepared by the parties and their respective experts.

The filing of a main action is not required to obtain the injunction. However, it has to be filed upon request of the defendant; otherwise, the preliminary injunction is lifted by the court.

Trial

In Patent matters the German system strictly separates infringement and revocation actions (bifurcated jurisdiction) as explained in detail below in section 2.4.

Infringement proceedings before the regional courts

The complaint for patent infringement has to be filed in written form with one of the First Instance Courts which has jurisdiction. The complaint has to be filed by attorneys at law; as opposed to revocation proceedings where the party may be represented only by patent attorneys. The panels of the infringement courts consist of non-technically schooled judges only.

The claimant may choose one of the competent regional courts if the infringement takes place nationwide, which is often the case. However, the experience of the courts varies and in the past in particular the courts of Düsseldorf established a strong reputation in patent matters, which is why they are the court of choice for most of the trials taking place in Germany. In recent developments, the Regional Court Munich however is catching up with the Düsseldorf court (now both courts having three patent litigation chambers).

In general, the infringement proceedings still take less time than revocation proceedings which can put the infringer under huge pressure waiting for the outcome of the revocation action (the effects of the Modernisation Act (cf. *supra*) may most likely be seen as early as in the second half of 2023). The pressure may be even higher when the patent owner has obtained a preliminary injunction that stops the alleged infringer from using the invention until the proceedings based on the merits are completed.

The decision of the regional court can be appealed (*Berufung*) to the competent higher regional court which has Senates comprising three (legal) judges experienced in patent and utility model matters.

Judgments of the higher regional courts can be further appealed, but only on legal grounds (*Revision*), to the Federal Supreme Court. However, the further appeal has to be permitted by the Appellate Court in its judgment, which regularly requires that the case is one of general importance with regard to the development of the jurisdiction in patent law. If the Higher Regional Court has not permitted the further appeal to the Federal Supreme Court, a request for leave to appeal may be filed (*Nichtzulassungsbeschwerde*). Since the further appeal is seldom permitted by the Higher Regional Court the request for leave to appeal is the normal course of proceedings if the defendant is not willing to accept the judgment. The Federal Supreme Court grants the request for leave to appeal only in

²⁷ OLG Hamburg, GRUR-RR 2007, 29 – Cerebro Card; OLG Düsseldorf, Beschluss v 4.1.2017 – I-2 W 29/16.

specifically enumerated circumstances. As a result, only a small number of cases proceed beyond the second instance up to the Federal Supreme Court.

The decision in infringement proceedings only has an effect on the claimant and defendant (*inter partes*).

The judgment can be enforced upon motion of the winning party which is particularly relevant regarding the injunction and destruction claim. By contrast, the judgment only stipulates the obligation on the infringer to pay damages and not the extent of such damages awarded to the patentee. If the infringer does not pay the amount calculated by the patentee, according to the calculation as set out below in section 2.5, a new trial (“*Höheverfahren*”) takes place solely dealing with the adequacy of the damages claim.

Revocation proceedings

A German revocation action can be started during the whole lifetime of the patent by anyone filing a claim for revocation before the Federal Patent Court. The revocation action can be filed against (1) a German patent of a European patent; or (2) a German patent. The first alternative concerns its effect in contrast to an opposition proceeding filed with the European Patent Office, where the opponent would attack the European patent with all its national parts. The claimant of a revocation action does not have to prove a special interest in the outcome of the decision. In any event, in practice, revocation actions are mainly initiated by the alleged infringer combined with a petition to order a stay of the infringement proceedings until the outcome of the revocation complaint is cleared. Therefore, patent owners are well advised to prepare for the revocation action by assessing the patent and developing a defence strategy even before starting infringement proceedings. A German opposition may be filed against a German patent before the German Patent and Trademark Office within 3 months after the patent is granted.

Utility models can be challenged by anyone through the filing of cancellation proceedings before the German Patent and Trademark Office. Nevertheless, the infringer of a utility model may, as opposed to the proceedings in patent matters, also raise the revocation issue directly as a main defence in the infringement proceedings since the separation of the proceedings are less strict for utility model rights considering that they are not tested in the granting procedure but solely registered rights.

As long as an opposition is possible (3 months post-grant for German patents; 9 months post-grant for European patents) or pending, a revocation action against a German patent is inadmissible (Sec. 81 (2) German Patent Act). The inadmissibility of the German revocation action applies according to the Federal Supreme Court at least in cases where the revocation action is based on grounds for revocation which could be at the same time grounds for an opposition under Article 100 EPC²⁸.

The decisions of the Federal German Patent Court can be appealed to the Federal Supreme Court which is the second and final instance in revocation proceedings.

The decision in revocation proceedings has a universal effect (*erga omnes*). The final outcome of the revocation action therefore has general impact for all pending infringement proceedings, which are as a consequence dismissed on their merits when the patent in suit is declared void.

Trademarks and designs

In trademark matters the proceedings are comparable to those in patent matters. There are, however, the following deviations.

Infringement proceedings

In trademark infringement proceedings, the competent regional court is *inter alia* determined by the place where the infringing act took or takes place²⁹. If the infringing action took or takes place throughout Germany (particularly via the internet (including foreign websites), under certain conditions³⁰, the claimant may choose any regional court competent in trademark or design matters respectively. The most popular court for infringement claims is the Hamburg Regional Court, which has the reputation of being rather inclined to favour the rights of the infringed party. Even exclusive trademark licensees are not entitled to start infringement proceedings against potential infringers, unless the trademark owner has given his consent thereto³¹. By contrast, exclusive design licensees may start infringement

²⁸ BGH, GRUR 2005, 967 – Strahlungssteuerung.

²⁹ sec. 32 Code of Civil Procedure.

³⁰ BGH GRUR 2005, 431 – HOTEL MARITIME.

³¹ sec. 30(3) Trademark Act.

proceedings if the owner of the design rights has not himself started such proceedings within a reasonable time after the licensee has requested to do so³².

Cancellation proceedings

In trademark matters, cancellation actions based upon the existence of absolute grounds for refusal must be filed with the German Patent and Trademark Office (with appeal to the Federal Patent Court and potential further appeal to the Federal Court of Justice), whereas those based upon the existence of prior rights can also be filed with the competent regional courts (with appeal to the higher regional courts and potential further appeal to the Federal Court of Justice). If the cancellation of a trademark is requested because of its non-use, within a continuous period of 5 years after the date of registration, the claimant is free to choose one of the abovementioned ways. The official proceedings before the German patent and Trademark Office for cancellation based on lack of use or declaration of invalidity due to earlier rights are alternatives to corresponding actions before the civil courts. However, double referral by courts and the Office is not possible.

In design matters, cancellation actions can only be brought before the German Patent and Trademark Office (section 33a 1) Design Act) with potential appeal to the Federal Patent Court and further appeal to the Federal Court of Justice.

ITALY

Law and Courts

In Italy the IPRs (patents, trademarks, designs, trade secrets and other IPRs) are regulated by the Legislative decree 10 February 2003 no. 30 (the IPC). Copyright is regulated by the Law no. 22 April 1941 no. 633. With the exception of the trademark opposition procedure before the UIBM, all IPRs must be enforced before the Specialized Divisions of the relevant Courts. Please see section 1.3 for further information.

Actions before the Courts

A number of different types of actions may be started before the Specialized Divisions mentioned above:

- Declaratory actions: aimed at eliminating uncertainties between the parties alleging a particular situation. Such actions include, amongst others: invalidity actions, non-infringement actions, infringement actions and actions ascertaining the paternity.
- Condemnation actions: aimed at condemning the infringer through the application of sanctions provided by the law once the infringement has been ascertained.
- Interim relief actions: aimed at obtaining precautionary measures, such as a preliminary injunction preventing the infringer from any further commercialization of the infringing products or method and seizure. Such actions may be started before or during the proceedings based on the merits.

Trademarks Opposition procedure

Proceedings to oppose the grant of trademarks are available before the UIBM which is alternative to the revocation action before the Courts. It is an administrative action. The Opposition procedure is limited to national applications and to the Italian portion of the international registrations. It must be filed within 3 months running respectively from (i) the publication of the national application on the Italian Bulletin of Trademarks, (ii) from the publication of the registered trademark if the application has not been published before, or (iii) from its publication on the WIPO Gazette.

It is limited to the following grounds of opposition:

- a against the registration of identical/similar trademark for identical/similar products (article 12 IPC),
- b against the registration of portraits of a person without his consent; of personal names other than the name of the person seeking registration if their use damages the reputation, credit or dignity

³² sec. 31(3)(2) Design Act.

of those who are entitled to bear such names; well-known trademarks (such as a name of a celebrity or of a famous event or show) (article 8 IPC).

The opposition procedure may be filed solely against the Italian trademark applications that have been filed from 1 May 2011 and published and the international registrations claiming Italy published in the WIPO gazette from July 2011. The decision (which can be of admittance or rejection of the opposition) may be appealed within three months from its communication.

If the opposition is rejected it does not prevent filing a revocation action in Court.

THE NETHERLANDS

Preliminary injunction proceedings

In the Netherlands, in order to obtain effective measures against an infringing party in a relatively short timeframe, it is possible to initiate preliminary injunction proceedings. The criteria used by the courts to decide whether to grant a preliminary injunction are as follows:

- 1 Urgency: in most cases this is not a difficult hurdle to overcome. For example, in the case of continuing infringement, the preliminary injunction judge will generally assume urgency, even if the IPR owner has failed to act swiftly after the first (allegedly) infringing act.
- 2 At the least, (a realistic threat of) acts of infringement will have to be shown.
- 3 The infringement itself must be plausible. The IP owner must therefore submit evidence, for instance an analysis of the product, to show that the product falls within the scope of the invoked right.
- 4 The court will have to decide on the prima facie validity of the patent, if there is a serious likelihood a patent will be revoked an injunction cannot be granted.

In addition to the above, it is mentioned that in preliminary injunction actions, the merits of the case are taken into account. The court will anticipate the court's decision on the merits in assessing whether the patent is valid and infringed. If there is a serious likelihood, which cannot be ignored, that the right invoked will not survive invalidity proceedings (including an EPO/EUIPO opposition), the preliminary injunction will be denied. However, it is not possible to have the right invalidated in preliminary proceedings.

Furthermore, it should be noted that for a preliminary injunction to be awarded in The Netherlands, actual infringement is not required, therefore, a preliminary injunction can be awarded if the preliminary injunction judge concludes that there is a threat of infringement.

If a preliminary injunction is granted, the IP owner should always lodge proceedings on the merits within the time frame specified by the court, otherwise they run the risk that the preliminary injunction might be overturned by the defendant.

Proceedings on the merits

In proceedings on the merits, the court will make a full assessment of the case and render a judgment which, if not appealed, is final and conclusive between the parties. In proceedings on the merits, the validity of the IPRs concerned may be challenged and invalidated. Furthermore, there is no requirement of urgency in these proceedings.

SPAIN

Courts

Following the amendment of the Judicial Power Organic Act by the Organic Act 8/2003, 9 July in force since 1 September 2004, Commercial Courts were introduced. The Commercial Courts, a total of 40 as originally appointed, are specialized in commercial issues and deal with IPRs in Spain. On 13 February 2009 15 new Commercial Courts were appointed by Royal Decree 167/2009 (See section 2.2). Further specialisation was introduced in the 4 November 2021 decision (See section 1.3). In addition, Commercial Court no. 1 and 2 of Alicante for First Instance and Section 8 of the Alicante Court of Appeal

were appointed as Spanish EUTMs and CDs Courts of first and second instance respectively. They were also appointed by the cited Organic Act 8/2003 (See section 2.2).

Pre-Trial

It is common to send warning letters to the infringer before filing an infringement claim, not only to achieve an amicable settlement but also to meet the legal requirement to obtain damages for certain infringing actions (in general, liability arises *ex re ipsa*).

Proceedings

Commercial Courts are competent to deal with revocation claims, infringement claims, and revocation actions exercised by a counterclaim. They are also competent to deal with claims for interim injunction proceedings and discovery and *saisie-contrefaçon* actions as they are the Courts competent to deal with the eventual action on the merits.

There are two typical actions:

- a Action challenging the IPRs.
- b Infringing actions, which in general are followed by a counterclaim, where the alleged infringer challenges the validity of the asserted IPR.

Another possibility is the declaratory action for non-infringement. This is not very common, but it is a possibility if the infringer wants to gain time in detriment of an eventual infringement action.

IPR litigation follows the “Ordinary Proceedings” pursuant to Article 249.4 of the Spanish Civil Procedure Act (SCPA) in force since 2000.

Representation

The claim must be filed by a Court Solicitor or Attorney-at-Court (“*Procurador*”). In Spain, appearance in court must be made through this Solicitor (who acts as a sort of liaison with the court). A general power of attorney granted before a notary public must therefore be filed as a first document together with the claim. Should the power of attorney be granted in a foreign country which is a member of the Hague Convention, the apostille of that member country will be required, together with a sworn translation of the document into Spanish. Empowerment is also possible through an *apud acta* proceeding.

Ius Standi

Challenging the intellectual property right

In general, anyone can bring an invalidity proceeding against an IPR. Such revocation shall be filed against the owner of the right and be notified to all the eventual registered licensees with the purpose of allowing their intervention in the proceedings.

Infringement actions

- Spanish trademarks, designs and patents

Infringement actions can be brought by either the owner of a granted registered IPR or by the exclusive licensee (except if they agree differently). The licensee must notify the owner of the pursuing of any legal proceeding with the purpose that the owner can intervene in the proceedings. The non-exclusive licensee can only bring proceedings in respect to the licensed IPRs upon express agreement with the owner. The law however provides that if the owner does not act against an infringement during the three months following being reliably notified by the non-exclusive licensee, the licensee would be able to file the corresponding actions. During this period the non-exclusive licensee is also entitled to request interim injunctions (with proof of the notification). In order to file an action, the licensee must record the licence at the Spanish Patent Office register (or at least apply for its record). Courts tend not to request the record of the licence if the patentee also joins the action.

- Copyrights

As stipulated in the Copyright Act, the infringing actions can be brought by the owner of the copyright and by the exclusive licensee.

2.2. *The judges and their background*

BELGIUM

Belgian courts, generally speaking, tend to disfavour specialism with regard to the attribution of matters, but nevertheless in practice specific chambers within the Enterprise Courts are entrusted with the IP cases. The chambers of the Enterprise Courts consist of one professional judge and two laymen judges. The latter are chosen for their particular economic or industrial experience. Fast track actions and interim actions (seizure or preliminary injunction claims) are dealt with by a sole presiding, professional judge.

Although the judges have no specific technical background, the members of the “intellectual property chambers” have gained considerable experience in handling different IPR matters. Some of them have been IPR lawyers in the past.

As a result of accrued centralisation of the IPR matters, there are fewer and fewer court-experts appointed, because the judges will proceed themselves with an analysis of the validity and infringement of the IPR, on the basis of the arguments and technical reports provided by the parties. This has also caused an evolution in the judges’ approach to the case. Whereas they used to be rather reserved in the past, most courts nowadays play a more active role in the proceedings and during oral hearings (the so-called “interactive debate”) and will issue a well-reasoned judgment.

ENGLAND AND WALES

First instance Judges

Both the Patents Court and the IPEC (formerly the Patents County Court) are specialist courts with specialist judges. At least one of the judges in each of these London-based specialist patent courts practised as a specialist IP advocate in private practice before being appointed as a judge and, therefore, has many years of experience of patent litigation. At present, the two Patent Court Judges are Mr Justice Meade and Mr Justice Mellor and the IPEC Judge is His Honour Hacon.

The Chancery Division courts are staffed mainly by High Court judges, who are barristers of at least ten years’ standing, and who are appointed by the Crown on the recommendation of the Lord Chancellor.

Court of Appeal and Supreme Court Judges

Usually, a patent case which is appealed to the Court of Appeal will be heard by three judges, one of whom will be a specialist patents judge. Lord Justices Arnold and Birss are the current specialist patents judges at the Court of Appeal. In practice, the only instance in which one of them would not hear a patents case is where they are replaced by another specialist patents judge (who may be either a retired Court of Appeal patents judge or a current Supreme Court patents judge). One of the two Court of Appeal patent judges will usually hear other IP Court of Appeal cases.

Lord Kitchin is the current specialist patents Judge of the Supreme Court. Cases on appeal to the Supreme Court will usually be heard by 5 Judges. Usually at least one of the Judges assigned to a patents case will be Lord Kitchin. Lord Kitchin will also usually hear other IP appeals to the Supreme Court.

FRANCE

French judges of civil courts are professional judges, issued from the National School of Judges. They are generally not former lawyers (although a few rare lawyers choose to become judges).

They do have a legal background, but do not have any particular ability in commercial, technical or financial domains.

In the Paris specialized sections of the First Instance Court and of the Court of Appeal dedicated to IP matters, the judges hold a specific expertise in IP issues linked with the specialized matters that they deal with on an exclusive basis.

GERMANY

Patents

Infringement proceedings

In patent matters the chambers of the Regional Courts as well as the Senates of the higher Regional Courts consist of a bench of three professional judges with particular experience in patent and utility model matters. The judges have a legal background and usually no technical education but are technically knowledgeable and experienced due to their work and to the internal-court allocation of the cases which is organised in a way to enable technical matters to always be dealt with by the same judges. The further appeal is decided by the 10th senate of the Federal Supreme Court comprising five professional judges who are also specialised on technical matters.

Nullity proceedings

The nullity Senates of the German Patent Office consist of two professional judges (one of them presiding as the Senate) and three technical members who are often former examiners at the German Patent Office or otherwise skilled in the art (cf. section 26 German Patent Act). They regularly have a university degree in technical sciences, however, that does not mean that they have to be particularly trained in view of the particular cases dealt with. The appeal is decided by the 10th Senate of the Federal Supreme Court which comprises five professional judges also specialising on technical matters.

Trademarks and designs

Infringement proceedings

In trademark and design matters the cases are normally dealt with by one of the competent Regional Courts' civil chambers consisting of usually 3 professional judges (including the presiding judge) with a broad experience concerning these IPRs. However, each case will be dealt with by a so-called "chamber for commercial affairs" (*Kammer für Handelssachen, KfH*) if the claimant so requests in the statement of claim. Likewise, the case is referred to a chamber for commercial affairs if the defendant files an application for referral prior to his hearing on the matter itself (ss. 95(1) no. 4 lit. c, 96(1), 101(1) Courts Constitution Act (*Gerichtsverfassungsgesetz, GVG*). The chambers for commercial affairs consist of one member of the Regional Court presiding as the judge and two honorary judges ("commercial judges" [*Handelsrichter*]), all of which have the same voting rights³³. The higher Regional Courts' senates who decide on appeals against decisions of the Regional Courts consist of professional judges only (normally 3 including the presiding judge, in rare cases only one, sec. 122(1) Courts Constitution Act), who are usually very experienced in trademark and/or design matters. At the Federal Court of Justice, the 1st Civil Senate (*I. Zivilsenat*) is competent to deal with legal appeals against decisions of the higher Regional Courts concerning trademark and design matters. The senate consists of 5 professional, highly experienced judges (including the presiding judge).

Revocation proceedings

The Federal Patent Court has got 6 appeal senates dealing with trademark matters, each of them consisting of 3 legal members. In cases of revocation proceedings against trademarks dealt with by one of the Regional Courts, the same rules apply as described *supra* concerning infringement proceedings regarding trademarks.

ITALY

The judges of the Specialized Divisions are chosen among magistrates with specific legal expertise. Moreover, the judges of some Specialized Division which are most frequently involved in proceedings concerning IPRs usually gain a significant expertise in these matters. However, Italian judges have no technical background or scientific degree, this being the reason why they very often appoint Court Technical Experts to deal with the technicalities of the proceedings. Indeed, Court Technical Experts are third party and independent experts in the relevant fields (for instance, in patent matters, they are patent attorneys specialized in a specific field).

³³ s. 105(1), (2) Courts Constitution Act.

THE NETHERLANDS

Preliminary injunction proceedings are always handled by one judge, whereas proceedings on the merits may be dealt with by either a single judge or a panel consisting of three judges. In patent infringement or revocation actions there is always a panel of three judges.

In some districts the judges handling IPR cases are specialised. In The Hague, where the judges have exclusive jurisdiction regarding *inter alia* patent and community trademark cases, there are six judges who solely handle IPR cases and some more who handle IPR cases on a regular basis. In several cases judges from outside the court are used (deputy judges, e.g., patent attorneys). Some of these judges have a technical background. In general, Dutch judges are regarded as of a high standard. Dutch patent case law is highly regarded both in the Netherlands and in other countries.

SPAIN

As mentioned, in total, 55 Courts of First Instance in Spain are appointed Commercial Courts specialised in commercial issues, and deal with IPRs.³⁴ Judges in the Commercial Courts and Courts of Appeal normally have a general background in commercial issues with a general knowledge of IPR law. However, in practice, the background of judges is mostly legal and there is a feeling there are too many courts for IPR matters. In appeal, Section 15 of Barcelona Court of Appeals and Section 28 of Madrid Court of Appeals are known for being highly specialized and having a deep knowledge on complex issues relating to IPRs. First instance courts in Barcelona for patent matters (No 1, 4 and 5) have a specialisation of over 20 years and patent cases tend to be handled in Barcelona (over 80% of cases).

In addition, Commercial Courts no. 1 and 2 of Alicante for First Instance and Section 8 of the Alicante Court of Appeals are expected to have in depth knowledge of IPRs as the EUTMs and CRDs related claims are centralised in those courts.

³⁴ 40 Commercial Courts were introduced by the Organic Act 8/2003, 9 July in force since 1 September 2004. On 13 February 2009, 15 new Commercial Courts were appointed by Royal Decree 167/2009.

2.3. Discovery, “saisie” and other procedures to obtain evidence of infringement

BELGIUM

“Saisie-description”

For a long time already, Belgian law provides for specific measures to gather evidence of IP infringement, called descriptive seizure proceedings or counterfeit seizure proceedings (“*saisie-description*”, “*beschrijvend beslag*” or “*saisie-contrefaçon*”, “*beslag inzake namaak*”). Via the Act on the judicial aspects of IP enforcement, dated 10 May 2007, the Belgian legislator perfected the descriptive seizure proceedings in greater detail. The essence of the proceedings has not changed, but the legislator has isolated the measure in a separate chapter of the Belgian Judicial Code (article 1369bis/1 *et seq.* Judicial Code) and has further elaborated the law on the basis of past experience.

The procedure of descriptive seizure may cover two aspects: the evidence collection aspect (the description of the potentially counterfeiting goods and the scope, destination and/or origin thereof) and the effective seizure of goods aspect.

Upon unilateral (*ex parte*) request, showing a *prima facie* valid right and a reasonable suspicion of infringement by the alleged infringer, the holder of an IPR can request that the court appoints an independent expert, who will proceed with the description of the alleged infringement. The experts are often a specialised scientist, a professor or patent attorney, who, due to their technical background, are able to perform a description of the relevant information with regard to the alleged infringement.

The expert will be entitled to enter the premises of the alleged infringer and collect evidence relating to the counterfeit methods or goods, i.e., their technical features, but equally the infringing volume, its origin and its destination. The descriptive seizure may be executed on the methods/goods themselves, or on “any document, plan, calculation, written or other document” which can substantiate the infringement or relates to the infringement. Consequently, the expert can be authorized to check the accounting, banking, financial or commercial documents of the alleged infringer. Upon finalisation of the descriptive seizure, the expert writes and submits a report to the court and to the parties but must withhold from taking a decision on the alleged infringement. To prevent the risk of superseding its independent undertaking to the court, the expert’s report should be limited to a mere “description” and should, to the extent it is not relevant in view of the alleged infringement, filter out the alleged infringer’s proprietary information (know-how, and other confidential commercial information).

A descriptive seizure can be accompanied by injunctive measures for producing evidence, preservation of evidence and for the protection of the patentee’s monopoly rights. Such additional *ex parte* measures can be ordered by the court if the asserted right is *prima facie* valid, if the infringement is *prima facie* established, and if the measures are *reasonably justified in view of the interests involved*. Urgency is not a requirement to obtain such *ex parte* relief. It is possible for the court to hear first the defendant before ordering the injunctive relief, thus taking away the “surprise effect” of this part of the procedure.

The requesting party must initiate proceedings on the merits of the case within 20 working days or 31 days from the date of submission of the expert’s report, otherwise the evidence report will become void. Subsequent to a landmark decision by the Belgian Supreme Court, the laws on the descriptive seizure proceedings have been changed so as to explicitly stipulate that the report can either be used in proceedings in Belgium or abroad. In addition to that, it is important to note that the requesting party can apply for these measures on the basis of a foreign IPR.

The alleged infringer on the other hand has the right to file an opposition against the descriptive seizure measures (before the same judge who granted the seizure measures, albeit now in an *inter partes* proceeding).

ENGLAND AND WALES

Disclosure

From 1 January 2019, all claims commenced in the Business and Property Courts (which includes the Patents Court and the IPEC) except claims in the IPEC or within the Shorter or Flexible Trial Schemes were subject to the new Disclosure Pilot Scheme (DPS) which has now been incorporated into the CPR themselves as PD57AD.

During the course of litigation certain categories of documents are required to be disclosed to other parties. Note that there is a legal obligation on all parties to potential litigation to preserve disclosable documents as soon as litigation is contemplated (“Litigation Hold”).

Disclosure under the DPS takes place in two stages: the first stage is Initial Disclosure which is or may then be followed by Extended Disclosure.

Initial Disclosure documents comprise: (1) the key documents relied on in support of the claims or defences set out in the Particulars of Claim or Defence; (2) the key documents that are necessary to enable the other party to understand the claims or defences that they have to meet. Initial Disclosure has to be provided at the same time as or shortly after serving the Statement of Claim or Defence.

In addition, the parties to the litigation are under an obligation to disclose known adverse documents of which a party is aware both that are or were previously within its control and are adverse. A document is adverse if it contains information that contradicts or materially damages the disclosing party’s contention or version of events on an issue in dispute or supports the contention or version of events of the opposing party on an issue in dispute.

Extended Disclosure involves the parties liaising with each other and attempting to reach agreement on (1) the Issues for Disclosure and (2) the Model of Disclosure required for each Issue. The Models range from A – E, A obliging no more than known adverse documents to be disclosed through C obliging a request led search for relevant documents to D and E obliging narrow and wide searches for relevant documents. The result of the parties’ negotiations on Extended Disclosure is contained in a Disclosure Review Document (DRD) which is then considered by the Court at the CMC. The Court will then make an Order for Extended Disclosure as it sees fit.

Limitation of Extended Disclosure in Patent Actions

In patent actions, no disclosure order under the DPS will take effect as requiring disclosure wider than is provided for under the specific rules which apply to patent actions. Furthermore, the following classes of documents are exempt from extended disclosure unless the court specifically orders otherwise:

- documents relating to the issue of validity of the patent which either pre-date or post-date the earliest claimed priority date of the patent by more than two years,
- documents relating to the issue of infringement where the defendant has chosen to serve either a product or process description which sets out the salient features of the alleged infringing product or process,
- documents relating to the issue of commercial success of the invention where the claimant has served a Schedule of Commercial Success setting out the details of the product made in accordance with the invention, the sales figures of the patented product, sales figures of any previous equivalent product and the marketing and advertising figures for both the patented and the previous equivalent product.

What are “documents” for the purposes of disclosure?

The meaning of “documents” is not restricted to paper but extends to anything in which information of any description is recorded; so, for example, it would include any information stored on a computer, audio and video tapes/disks, e-mail files, documents stored on servers, back-up systems, documents that have been ‘deleted’, metadata etc.

The obligation to disclose documents continues until the action is concluded. This means that as and when additional disclosable documents are identified/located they must be disclosed to the other party.

Duty to disclose limited to documents within a party's control

The duty of disclosure is limited to documents which are or have been within a party's control. For these purposes, a party has or has had a document in its control if:

- a it is or was in the party's physical possession,
- b it has or has had a right to possession of it, or
- c it has or has had a right to inspect or take copies of it.

Where the party is a corporate body, the individual circumstances must be examined to establish whether documents held by, for example, any associated companies will fall within this definition of control.

Documents which may be withheld from inspection

Documents which, though relevant, are "privileged" (such as confidential correspondence passing between the parties and their legal advisers and confidential documents prepared for the purpose of the litigation and passing between the parties, their legal advisors and potential witnesses and experts) need only be described in broad terms in the list of documents and need not actually be disclosed. If either party's disclosure is shown to be inadequate, the court can order disclosure of specific classes of documents.

There is an obligation imposed on the recipient of disclosed documents only to use them for the purposes of the action in which they are disclosed. This obligation may be regarded by the parties as providing insufficient protection for confidential, technical or commercial information. The parties can agree, or the court can direct, that disclosure of specified classes of confidential documents be limited to a confidentiality club of persons including, for example, the English lawyers and patent attorneys and the party's independent experts.

Disclosure in Trademark Actions: It is common in trademark infringement and passing off actions for surveys to be conducted by both parties in order to demonstrate such matters as brand recognition and confusion on the part of the public. The courts have laid down certain ground rules regarding the use of survey evidence in court proceedings. One of the pre-requisites to reliance on the results of a survey is that the party intending to rely on it must disclose all of the documents (e.g., original response forms) containing the data from which the results of the survey were compiled as well as the results of any other surveys.

Duty of Search

Each party is obliged to carry out a "reasonable search" for documents. An overriding objective of "proportionality" applies to the disclosure process. No step will be ordered to be taken unless it is proportionate to do so, having regard to all the circumstances of the case. This is intended to avoid excesses of effort, resources and costs in relation to disclosure and consequent inspection.

Experiments

At the trial, a party who wishes to rely on experimental evidence may not do so unless it has served a Notice of Experiments in Chief and given the other party an opportunity to inspect a repetition of the experiments. The Notice sets out a description of the experiments and the facts which the experiments seek to establish. The party on whom the Notice is served must state within 21 days after service whether or not it admits the facts sought to be established by the Notice. If the facts are not admitted, the party wishing to rely on the experiments must then apply to the court for further directions. Normally those further directions will provide for a repetition of the experiments in the presence of the other party and an opportunity for the other party to serve a Notice of Experiments in Reply.

Search Orders

The court also has powers to preserve evidence³⁵ and may upon application by the claimant make an *ex parte* search order³⁶ where the claimant believes that an order for the delivery up or preservation of documents would not be sufficient because the defendant would destroy documents in contravention of a court order.

³⁵ s7(1) of the Civil Procedure Act 1997.

³⁶ Previously known as *Anton Piller* orders.

Typically, in an IPR action, a search order would permit the claimant to enter the defendant's premises and to remove documents or other articles which are considered to be evidence of the claimant's alleged infringement of IPRs.

Search orders will only be granted where the following essential conditions³⁷ are fulfilled:

- 1 there must be an extremely strong *prima facie* case,
- 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 incriminating matter and that there is a real possibility that such matter would be destroyed if notice were given.

There are also safeguards in place, which require the party executing the search order to ensure that:

- an independent solicitor is in attendance when the search order is executed,
- the order is explained to the defendant and the defendant is given an opportunity to consult a solicitor, and
- the defendant is at liberty to discharge the search order if it thinks it has been improperly obtained.

In practice, this kind of order is rarely used apart from in quasi-criminal cases (such as those involving copyright piracy). This is mainly because such *ex parte* orders will only be granted if there is cogent evidence that there is a risk of destruction if the putative defendant is put on notice of the proceedings. It is also relatively easy to breach the strict safeguards outlined above when performing the search. If the terms of the search order are breached, the evidence obtained via the search order may be inadmissible at court. For this reason, it is advisable not to apply *es parte* for such search orders unless considered absolutely necessary. It also needs to be borne in mind that in the vast majority of cases the claimant would expect to obtain evidence on the issue of infringement by virtue of an order for the defendant to provide Extended Disclosure. In a patent action, this would most likely take the form of a product or process description in lieu.

FRANCE

Under French rules of Civil Procedure, the evidence of infringement may be obtained by any means (including written documents, bailiff reports, assumptions, testimonies). However, the French Intellectual Property Code provides specific tools.

Seizure of counterfeit goods (“*saisie-contrefaçon*”)³⁸

The seizure of counterfeit goods is an evidentiary measure which allows the owner, before any trial on the merits, to obtain evidence of the alleged infringing acts. It is a non-adversarial way of obtaining evidence, since the defendant is not aware of the seizure before it occurs.

Nevertheless, this seizure must respect the rights of the defence and provide the necessary safeguards, including guarantees of compensation for the defendant if the action is cancelled or if the applicant's rights have not been infringed.

The seizure is performed by a bailiff after authorization has been granted by a judge of the competent civil court (i.e., the court which will hear the case on merits, not the civil court usually competent for the territory where the seizure takes place), acting on a request by the right holder's lawyer. The court may

³⁷ Approved by the Court of Appeal in *Anton Piller KG v Manufacturing Processes Ltd* [1976] Ch. 55.

³⁸ Articles L. 521-4 (designs), L. 615-5 (patents) and L. 716-4-7 (trademarks) provide: “Any person entitled to institute infringement proceedings is entitled to proceed in any places and by any bailiffs, assisted by experts appointed by the applicant, pursuant to an order issued on application by the competent civil court, either to the summary detailed, with or without sampling, or to the seizure of goods or services alleged counterfeiting and of any relevant document. The order may allow the seizure of any document related to the products or processes allegedly infringing in the absence of the latter. The Court may order for the same purpose the description or seizure of materials and tools used to manufacture or distribute the products or to implement the allegedly infringing processes. The Court may make the order for the execution of the measures conditional upon the constitution of guarantees by the applicant to ensure compensation of the defendant if the infringement proceedings are subsequently judged to be unfounded or if the seizure is cancelled. If the applicant has failed to act on the merits, through civil or criminal proceedings, within a period fixed by decree, the entire seizure, including the description, is cancelled at the request of the defendant, without having to justify its request and without prejudice to any damages that may be claimed”.

authorize the bailiff to be assisted by public force if needed and by experts nominated by the applicant (e.g., trademark or patent attorneys, or an IT expert) but not the lawyers of the applicant.

Anyone entitled to institute infringement proceedings is entitled to conduct a seizure of counterfeit goods.

Consequently, the exclusive licensee may request a seizure of counterfeit goods, irrespective of the licensed IPR, and even if its licence contract is not yet mentioned in the National Register of Trademarks, Designs or Patents, provided the alleged infringer knew about this licence.

During the seizure operations, the bailiff may describe and seize samples of equipment and instruments used to produce, manufacture or distribute counterfeiting products, and all documents relating to these actions (including accounting, commercial and advertising documents) which provide for an assessment to be made of the scope of the dissemination of the counterfeit products, and may describe or seize material or instruments used to manufacture or distribute the products or implement the processes.

The claimant must initiate an action on the merits within 20 working days, or 31 civil days (if longer) as of the date of seizure. Otherwise the seizure may be cancelled upon the defendant's request.

It should be noted that the requirement provided by the Enforcement Directive, under which the applicant has to prove "*evidence reasonably available to support its claims*", was not specifically transposed into French law. The applicant has thus only to prove the existence of the asserted IPR (or the licence contract authorizing him to exploit this IPR) and must set forth the materials and clues which led him to allege that there is an infringement. In practice, Judges tend to require preliminary/partial clues of the alleged infringement. The judge may refuse to grant an order for a "*saisie-contrefaçon*" and this decision is appealable.

Right to information

During an infringement trial, the claimant is entitled to request from the defendant any information necessary to prove and assess the loss and damage suffered as a result of the infringement.

This so-called "Right to information" is set up by a range of legal provisions: articles L. 521-5 (designs), L. 615-5-2 (patents) and L. 716-4-9 (trademarks).³⁹

The objective is to trace the chain of counterfeiters, to identify all people involved in the infringement, from the seller to the manufacturer.

Beyond the infringer network, it allows the claimant to obtain commercial or financial information in order to assess the extent of the infringement.

The disclosure of such information is ordered by the court at the claimant's request, under penalty if needed, without resorting to a judiciary expertise which would delay the assessment and payment of damages.

GERMANY

Patent matters

Unlike trademark proceedings, the proof of a patent infringement often requires acquisition of detailed information to provide an insight into the infringer's business. Since the court evaluates the facts as they are presented by the parties and does not undertake its own investigations and the burden of proof for

³⁹ "If requested so, the civil jurisdiction may order, eventually under penalty, to determine the origin and the distribution networks of counterfeiting products that infringe the rights of the applicant, to produce all documents or information held by the defendant or any person who was found in possession of counterfeit products or providing services used in infringing activities or which has been reported as being involved in the production, manufacture or distribution of these products or providing these services. Production of these documents or information may be ordered only if there is no lawful impediment. Documents or information sought relate to: a) Names and addresses of producers, manufacturers, distributors, suppliers and other previous holders of products and services, as well as wholesalers and retailers; b) The quantities produced, marketed, delivered, received or ordered, and the price realized for products or services in question".

infringement as a rule lies upon the patent owner, producing evidence is always a vital factor for procedural success.

Claim for inspection

The patentee may now refer to section 140(c) German Patent Act that permits a claim for inspection and submission of documents, when there is sufficient suspicion of infringement. Notwithstanding that this provision does not establish a discovery-like procedure similar to that known in the English or Anglo-American jurisdiction or the Belgian-French “*saisie-contrefaçon*” approach, the provision provides for the patent owner to be able to request an inspection of the accused device or the production of particular documents if he can show a sufficient likelihood of infringement.

The request for inspection can be filed during the course of a pending infringement proceeding or as a pre-trial measure in the form of a separate proceeding,⁴⁰ which can usually be combined with a preliminary injunction request.

The claimant has to show, with reasonable probability, that the asserted patent has been infringed. The claimant must therefore provide specific circumstances indicating a possibility of a patent infringement with certain probability. Furthermore, the claimant has to show that the inspection is necessary in order to establish his claims. For this purpose, it must be substantially shown that other means, such as research on the internet, advertising materials or a test purchase were unsuccessfully performed prior to this point. If there is a reasonable probability of infringement on a commercial scale, the claim for inspection further extends to the presentation of banking, financial and other commercial documents. This claim for information is nonetheless subject to proportionality.

It must also be noted that the patent owner is liable for any damages incurred due to the disclosure of documents or inspection (e.g., temporary end of production) if the claim is later held to be unfounded.

The procedure for an inspection request is explained in connection with the “*Düsseldorfer Model*”, as the practical implementation of this remedy.⁴¹

Implementation in practice: The “Düsseldorfer Model”

To establish effective proceedings for gathering of evidence by the patent owner, the “Düsseldorfer Model” was developed through the practice of the Düsseldorf courts, combining the independent evidence proceedings, according to section 485 German Civil Procedural Code, with a preliminary injunction to enforce the preservation of evidence. The latter is now also reflected by section 140(c) (3) German Patent Act which states that the patent owner may enforce his claim for information against the alleged infringer via a preliminary injunction at any time (without the need of proving ongoing urgency).

In practice the applicant files a request for independent evidence proceedings with the competent infringement court and additionally files a request for a corresponding preliminary *ex parte* injunction to surprise the alleged infringer. Since such an injunction would normally only be granted after an oral hearing of the adversary because of its severe effect, the court has established this practice to enable it to order the investigation of the allegedly infringing device by a court appointed expert (if it is a relevant subject in relation to the applicant’s proposal) and the patent owner’s attorneys, who both have to be sworn in to not disclose the information to anyone including their client, the patent owner. The court may also make an order for adequate measures to warrant protection in the particular case, e.g., redacting passages, disclosure only to a third party (for instance the attorneys or a technical expert, who have to be sworn in to not disclose sensitive information to the claimant). If the alleged infringer opposes the court order regarding an inspection a separate search order has to be issued by the court and if relevant enforced with assistance of the court bailiff who may additionally call in the police, if necessary.

The expert will forward his report to the court, who will then send the report to the persons sworn under the confidentiality provisions, i.e., also to the claimant’s attorney. The mere outcome of the report is not part of the confidentiality obligation and may therefore be disclosed to their client.⁴² Thereafter, the court decides whether and to what extent (by redacting certain passages) the expert report may be handed

⁴⁰ cf. sec. 485 *et seq.* German Civil Procedural Code “*selbständiges Beweissicherungsverfahren*”.

⁴¹ Kühnen, The Inspection in Patent Law, GRUR 2005, 185.

⁴² cf. Higher Regional Court Düsseldorf, InstGE 10, 198 -zeitversetztes Fernsehen.

over to the parties. Criteria for this decision are, for instance, whether the report contains confidential information and whether a patent infringement is highlighted.⁴³

The advantage of this procedure is that the outcome of a possible later main action may be predicted much faster and more cost efficiently than if main proceedings are immediately started.

Production of a specific document in the course of a proceeding

Besides section 140(c) German Patent Act, the claimant may request that the production of a specific document is ordered by the court in the course of a pending infringement proceeding, pursuant to sections 142, 144 German Code for Civil Procedure⁴⁴. These sections provide for a particular procedural measure in order to allow a party possessing the burden of proof “to break through” the normal rules of evidence. The request for production of a specific document may even be ordered by the court on its own accord.

Expert witness

The introduction of a party expert declaration can be introduced at any stage of the process to prove infringement and non-infringement respectively. Party expert opinions are however generally considered to be the opinion of the party itself.

The court has discretion to appoint its own expert at any stage of the proceedings. If the court decides to appoint an expert (e.g., due to the technical complexity of the case), it usually allows proposals and even agreements by the parties for a specific expert. Likewise, the fees of the expert are mostly mutually agreed upon. In contrast to the costs for private expert opinions the costs for the court appointed expert can be recovered from the losing party.

The expert (most often a professor or patent attorney particularly skilled in the relevant technical field) usually renders his report in writing, which is subsequently submitted to the parties prior to a possible oral hearing in the presence of the expert. In practice the expert opinion is quite important to the outcome of the case since courts are quite reluctant to make a decision which deviates from the expert’s findings or to appoint a second expert. However, the assistance of the expert does not release the court from its obligation to assess the case (the patent claims in particular) on its own by comprehending the view of the relevant person skilled in the art as the Federal Supreme Court reiterated in recent decisions⁴⁵. The tendencies to appoint an expert differ among the courts and instances; in general an expert is appointed less frequently at the first instance level than by the higher Regional Court at the appellate level.

Subsequent to the reform of the revocation proceedings the Federal Supreme Court as appeal instance no longer appoints an expert as a rule but only in exceptional revocation cases. However, currently also the Federal Patent Court continues the “old” practice to renounce court appointed experts as far as possible. Both courts are therefore contributing to faster proceedings, but this practice also causes problems when technical questions require a deeper insight into the person skilled in the art. Therefore, the parties are often well advised to file at least own (party) expert opinions.

Trademark matters

In trademark matters, prints and screenshots of websites are widely accepted as means of proof. An infringement that happened before the claimant could take screenshots etc. may be proved by use of the Internet Archive “WaybackMachine” (www.archive.org).

ITALY

Discovery is not set forth by the Italian legal system. However, the IPC provides for measures that allow the owner of an IPR to collect evidence of the infringement. Such measure is called “*Descrizione*”, is

⁴³ cf. Higher Regional Court Düsseldorf, InstGE 10, 198 -zeitversetztes Fernsehen; Regional Court Düsseldorf, InstGE 6, 189 – Walzen-Formgebungsmaschine I.

⁴⁴ BGH, GRUR 2006, 962 – Restschadenstoffentfernung.

⁴⁵ BGH, GRUR 2007, 410 –Kettenradanordnung; BGH, GRUR 2008, 779 –Mehrgangnabe; BGH, GRUR 2010, 410 – Insassenschutzsystemsteuereinheit.

regulated by article 129 IPC and must be filed and addressed to the competent Specialized Division, requesting the seizure of any evidence of the infringement at the alleged infringer's premises.

To obtain the above indicated order, the rightsholder shall demonstrate to the court:

- 1 The likelihood of the validity of the enforced IPR and the likelihood of the infringement (*fumus boni iuris*).
- 2 The requirement of urgency to obtain the requested measure in order to acquire the evidence of the infringement which will be then used in further proceedings, not otherwise traceable (*periculum in mora*).

In *descrizione* proceedings urgency is often found in the fact that the evidence of the infringing products is very difficult to be found if not through this legal tool.

It must be highlighted that the *descrizione* can be – and is very often – obtained *ex parte* (without prior notice to the counterpart) when there is the risk that the counterpart could compromise the execution of the measure, e.g., hide the evidence if he comes to know about the filing of the description proceeding. For this reason, *descrizione* proceedings are commonly used as first step in trade secrets proceedings.

When granted, the *descrizione* is executed by the bailiff and, if needed, with the assistance of technical experts.

The bailiff directly accesses the premises of the company where the alleged infringing devices and relevant evidence are located and drafts a report in which he/she describes the infringing products (or method of production, samples, catalogues), whilst also collecting any relevant documents.

Once the *descrizione* is granted, the relevant provision could also indicate the measures to be adopted in order to guarantee the secrecy and the protection of the confidential information that will be collected.

The party who carries out the *descrizione* is obliged to start proceeding on the merits within term granted by the judge, or in absence, within 20 working days or 31 calendar days (should the former term be a longer period).

If proceedings are not commenced within this timeframe the measure will lose its effectiveness and the relevant collected evidence will not be considered as full evidence in possible future proceedings on the merits.

THE NETHERLANDS

The Dutch legal system does not encompass pre-trial discovery, but evidentiary seizure is possible before litigation. In case of (or threat of) IPR infringement, on the basis of Article 1019b(1) Dutch Code of Civil Procedure “DCCP”, the court may grant leave to seize evidence regarding the infringement. This is a direct implementation of the Enforcement Directive. If a party suspects that another party shall ask for such leave with regard to patent infringement, it may file protective letters in which it indicates that such leave should be denied, or that it should be heard beforehand. Only the District Court of The Hague accepts these letters.

However, the court shall deny an applicant's claim for evidentiary seizure if the protection of confidential information is not guaranteed. In practice this means that the court can either deny the claim or, in most cases, order that sufficient means are provided that should safeguard the confidential nature of the documents. Usually this means that the information that has been seized is to be placed with an independent third party (such as a bailiff, custodian or a civil law notary), before the court will further decide on the infringement and access to the seized material.

As an alternative, the IPR owner may also request that the court orders the alleged infringing party to submit one or more specific documents (this can be done during pending litigation or as separate proceedings). This will be assessed by the court on the basis of Article 843a DCCP (exhibition of documents). If the applicant proves that it has a legitimate interest, it may ask the court to order the other party to submit specific documents that may comprise evidence of the infringement. In practice, article 843(a) DCCP is regularly invoked in an attempt to get access to documents that have been evidentially seized. New provisions in the law that are related to the Trade Secret Acts that entered into force in 2018, provide further safeguards, including a possible (semi-) confidentiality club.

As a further alternative to the 843(a) DCCP route, given the confidential nature of the documents concerned, the IPR owner may also apply for a court order appointing an expert to provide his or her opinion on several questions regarding information in those documents (which are either still in the opposing party's possession, or held by a custodian after seizure). The court may then also order that such information is not disclosed to the applicant.

SPAIN

Especially in cases of infringement of IPRs, procedures for obtaining evidence prior to the main proceedings are stipulated in two pieces of law:

- Specific IP codified law,
- Spanish Civil Procedure Act: commercial scale of the alleged infringement.

Specific IP codified law

According to the rulings of the Adherence Treaty of Spain to the EEC (Protocol No. 8) in 1986, Spain had to introduce the *saisie-contrefaçon* claim to maintain the burden of proof falling on the claimant. This procedure was incorporated into Spanish Law in 1986 with the Spanish Patent Act 11/1986, 20 March ("SPA") in Articles 129 to 132, and both the Trademarks and the Design Acts make reference to them.

According to the *saisie-contrefaçon* claim provided for in the SPA, one can request the court to issue an order allowing the claimant to check the facts which are under the other party's control, provided that the knowledge of these facts is essential to start and document a further procedure.

Crucially, this enables an expert appointed by the court to inspect the defendant's premises in order to provide the court with the evidence required to support a prospective civil claim for infringement.

There are three requisites to this measure:

- 1 the claimant must be entitled to file the claim, i.e., he must be the patentee or the registered licensee,
- 2 there must be some evidence from which one can infer that an infringement is probable, and
- 3 the claimant must be prepared to provide a bond to cover any damage which may be caused to the defendant as a result of the injunctive relief.

The claimant then has to file the claim within 30 working days after the report made by the independent expert is delivered to the claimant. If the independent expert considers that there is no infringement, the Report and the information at the court is considered confidential and not given to the potential claimant.

Spanish Civil Procedure Act: commercial scale of the alleged infringement

The articles 256 and seq. SCPA were amended in June 2006 as a consequence of the Enforcement Directive, to introduce new proceedings which allow the prospective claimant access to commercial information and a testimony of the prospective defendants, in order to prepare an infringement claim in connection with IPRs, where these are allegedly infringed on a commercial scale. Information ranges from names of participants in the illicit use of IPRs to (here the law requires evidence of a *prima facie* case) the disclosure of sensible accounting, regulatory or commercial information. A procedure to obtain information existed prior to this but the amendments introduce specific pieces of information to be obtained regarding IPR cases.

The applicant must offer a bond which covers the eventual cost and damages that this procedure could inflict upon the prospective defendant. If the judge considers that there is no justified reason why the applicant has not filed a claim in a period of one month after the termination of the proceedings, the bond will be lost.

The competent court is the one competent to deal with the future claim and may refuse it discretionarily. If the court grants it, then the applicant is requested to deposit the bond within three days of receipt of the notification.

These measures are confidential, therefore, the information obtained from these proceedings can be used only in a lawsuit against the infringer and cannot be disclosed to any third party.

Within 5 days following the granting of the notification, the summoned party is entitled to file an opposition brief. In this case the court will summon the parties for a hearing where it will decide upon the legal suitability of the requested proceedings.

If the prospective defendant refuses to collaborate, the court will grant a suitable intervention order.

Unlike the Spanish Patent Law, the SCPA does not stipulate the term in which the applicant is expected to file its claim with the court.

2.4. Relationship between validity and infringement proceedings

THE “COMBINED SYSTEM”

In all the countries that are covered by this survey apart from Germany (i.e., Belgium, England and Wales, France, Italy, The Netherlands and Spain), validity and infringement arguments are dealt with simultaneously by the same court during the same proceedings. Even if a revocation and an infringement action were brought independently from each other before two different national courts, this will normally result in the joining of the proceedings before a single court, since they are connected by subject-matter (identical IPR) and in view of the desire to avoid contradictory decisions from two different courts, e.g., on the scope of the IPR at issue.

Where an infringement action is brought, it is common for a defendant to counterclaim for revocation of the IPR on the grounds that the right is invalid. Or vice versa, where an action for revocation has been launched before a court, the IPR owner will often strike back by way of a (counter-)claim for infringement. Only in exceptional circumstances can the two actions be heard separately.

In such “combined proceedings” the court will usually first assess the validity of the IPR prior to deciding on the question of infringement. This enables the defendant to run a “squeeze” argument between validity and infringement and to make sure that the scope of the IPR is reduced to its real merits. Or vice versa: if the scope of protection of the right is construed (too) broadly in order to encompass the alleged infringement, this broad construction might be such as to render the right invalid, because that claim would not be new or inventive in view of the prior art.

THE GERMAN “BIFURCATED SYSTEM”

Patents

In Germany, validity and infringement proceedings are conducted separately before different courts. The issue of the infringement is assessed by one of the 12 different competent courts at first instance, *de facto* mainly by the Regional Court of Düsseldorf, where around a third of all patent infringement cases tried in Europe take place, while the validity is tested before the German Patent and Trademark Office (resp. the European Patent office regarding European Patents) and the German Patent Court in Munich.

Due to the bifurcated system, during infringement proceedings the defendant’s arguments referring to the invalidity of the patent are not heard. Therefore, counterclaims of invalidity are not a means of defence. However, in the event that the defendant files for revocation proceedings, the infringement court may order a stay if it is convinced that the patent is likely to be declared void. In practice, this is rather seldom the case since the defendant would need to present evidence of prior art convincing the infringement court to order a stay for reason that it is likely novelty destroying, was not considered in the granting procedure, and would have excluded the grant. Further nullity grounds such as lack of inventive step and added subject matter can be considered but are even less likely to convince the court of a stay though. The temporal discrepancy between the decisions in infringement and the parallel invalidity proceedings is widely referred to as “injunction gap” (see below).

The infringement court is in general not influenced by the parallel litigation that takes place regarding the validity and must, in principle, proceed on the basis that the patent is granted. However, as an exception to the strict separation of the proceedings, the court has to take into account if the claimant has, in the course of the opposition or revocation proceedings initiated by the defendant prior to the infringement proceedings, declared to limit the scope of protection of his patent (*self-restraint*) and this self-restraint is the reason why the patent was then maintained in a modified form. When the patent is finally declared invalid the infringement claim will be dismissed regardless of whether it was the defendant himself who has attacked the patent or any third party (*erga omnes* effect of the declaration). If the declaration on the invalidity is issued after an infringement judgment has become final, the defendant can apply for the restitution of the invalidity proceedings in a new trial where it can be taken into account that the patent is (if so partly) invalid.

In utility model matters the separation between the proceedings is less strict because utility models are only registered rights which, unlike patents, are not assessed by the Patent Office in the course of the

granting procedure, and are therefore not able to enjoy a strong presumption of validity. For that reason the alleged infringer may object, even in infringement proceedings, to the invalidity of the utility model so that the infringement court also has to assess whether the utility model is valid or not. This led to a lot of cases being stayed in recent years before the German courts. Now the Regional Court Munich is dealing with (most of) the utility model cases, as the judges handle the threshold for staying utility models cases different than Mannheim and Dusseldorf, by applying a lower threshold. The defendant is therefore not obliged to initiate separate cancellation proceedings before the German Patent Office. A claimant may even file a limitation claim in the infringement proceedings without filing the same limitation with the German Patent and Trademark Office.⁴⁶ However, when the infringement court holds that the utility model is to be considered invalid this decision only has effect for the parties of the infringement proceedings (*inter partes* effect) as opposed to the universal effect (*erga omnes*) when the utility model is declared void by the Patent Office.

Regarding the relationship of validity and infringement proceedings, it should be noted that a couple of court decisions dealing with this relationship in the context of preliminary injunctions have been issued. In the case of “Olanzapin” the Higher Regional Court of Düsseldorf granted a preliminary injunction after a patent was revoked by the Federal Patent Court, but also made it clear that this is an exceptional case and that infringement judges should not disregard the views of the Federal Patent Court unless that decision is evidently incorrect⁴⁷. The Patent Court’s decision was indeed revoked at a later stage by the decision on appeal of the Federal Supreme Court.

However, the general refusal of preliminary injunctions in patent litigation without prior confirmation of the protectability of the patent for invalidity in at least first instance proceedings is contrary to European law.⁴⁸

The Higher Regional Court of Düsseldorf further held in “Kleinleistungsschalter” that invalidity issues will be considered in preliminary injunction proceedings only if opposition or revocation actions were actually filed, unless the defendant did not have enough time to do so before the oral hearing date⁴⁹. However, even then the defendant needs to state its revocation arguments and formally announce that he will launch the revocation attack in due course.

Furthermore, the Higher Regional Court of Düsseldorf held in “Inhalator” that the claimant will not risk jeopardising fulfilling the urgency requirement if it waits for an opposition decision before filing its preliminary injunction request⁵⁰. Therefore, urgency may even be established after an affirmative decision on validity has been granted, although an already pending main action had been stayed before.

Besides the new proportionality exception as discussed in section 1.2 of this survey, the Modernisation Act has also made efforts to close the “injunction gap” between the infringement and the parallel invalidity proceedings.

The additions to the PatG, especially in Sec. 82 und 83, were intended to streamline, accelerate and synchronize both procedures. According to Sec. 82 (1, 2) PatG, the patent proprietor shall respond to the validity complaint within one month after the Federal Patents Court serves the complaint. If the patent proprietor does not declare a statement within that month, the Federal Patents Court is free to immediately decide without an oral proceeding and any fact alleged by the plaintiff may be accepted as proven.

According to Sec. 83 (1) PatG, the Federal Patents Court is now to issue a so-called qualified notice (i.e. a preliminary opinion on validity) within 6 months of an invalidity proceeding. This will permit that the preliminary opinion of the Federal Patents Court on validity can be taken into account by the patent infringement Court for its first instance decision. Thus, the infringement Court’s decision on the stay of its proceedings under Section 148 of the Code of Civil Procedure now largely depends on the written assessment of the nullity court.

The transitional period as set out in the Modernisation Act has ended and the Federal Patents Court has already started issuing these qualified notices as of spring this year (2022). The qualified notices we have experienced already had a big impact on the respective infringement litigations: the first instance infringement courts have so far respected the Federal Patents Court’s preliminary opinion and have

⁴⁶ BGH, GRUR 2003, 867 – Momentanpol.

⁴⁷ GRUR 2008, 1077 – Olanzapin.

⁴⁸ CJEU, C-44/21, Phoenix Contact.

⁴⁹ OLG Düsseldorf, InstGE 7, 147 – Kleinleistungsschalter.

⁵⁰ OLG Düsseldorf, InstGE 10, 124 – Inhalator.

handed down a judgment or stayed accordingly. It can therefore be expected that the infringement courts will deviate from this only in exceptional cases in the future.

As to the validity proceedings, the patent proprietor (as defendant in invalidity proceedings) must now state the grounds for its opposition two months after service of the action. This time limit may only be extended by a maximum of one further month and only with good reasons. In addition, a time limit for a final statement may be fixed for the preparation of the notice, whereby late submissions need no longer be taken into account by the Court for its preliminary opinion. However, if no time limit is set, the preliminary opinion may be made at the earliest 3 months after commencement.

This new deadline in invalidity proceedings poses considerable challenges for patent proprietors who must now consider possible grounds for invalidity when drafting their infringement complaint in order to prepare their defence in the nullity proceedings in due time.

However, it remains to be hoped that this deadline regime in invalidity proceedings will not lead to an extension of the duration of infringement proceedings since the infringement courts are inclined to wait for the qualified notice. In theory, both proceedings should be accelerated, but only the coming months / years will tell if practice holds up to that promise.

Trademarks and designs

In trademark matters, the relationship between validity and infringement proceedings is comparable to the one regarding patent matters.

In design matters, the relationship between validity and infringement proceedings is comparable to the one regarding utility models. The defendant can claim the invalidity of the claimant's design either by filing a counterclaim aimed at the declaration of the design's invalidity or by submitting a plea of invalidity.

2.5. Relief and measures of enforcement

Relief and measures of enforcement in all jurisdictions surveyed

There has been extensive harmonisation in the relief and measures of enforcement offered to parties within different (former) EU jurisdictions, pursuant to the Enforcement Directive which is aimed at strengthening the IPR protection.

Because of this harmonisation, the following relief and enforcement measures are available in all jurisdictions covered by this Survey:

If the claim has been successful, the judgment can include:

- 1 A finding of infringement (even in the case of good faith).
- 2 A permanent injunction (against infringers and intermediaries) restraining further infringement of the IPR.
- 3 Compensation for damages (and a reasonable compensation for using the subject matter of a published patent application which is afterwards granted). How and when these damages are calculated is described hereafter on a country-by-country basis.
- 4 Delivery up to the claimant of the seized objects and means.
- 5 Recall (seizure) requested by the claimant to remove products and the means of manufacturing / infringement from channels of commerce.
- 6 Definitive removal or destruction of the infringing goods at the defendant's expense, including materials and instruments used to create and manufacture the products.
- 7 Disclosure of information about the origin and supply chain of the infringing products.
- 8 Publication and dissemination of the judgment at the defendant's expense, such as in newspapers and online.
- 9 Assessment of the claimant's costs: in England and Wales this is done via a short post-trial procedure. In the other countries the judgment itself contains an order for (most often partial) compensation for legal representation fees. However, the quantum of these fees varies largely amongst the jurisdictions studied in this survey.

If the claim fails (because the intellectual property right has been found invalid, or not infringed, or both), the judgment will normally include:

- 1 In relation to registered rights, if the right has been found invalid, revocation of the right and, in principle, publication of revocation in the national register, or, in relation to unregistered rights, a finding of invalidity and of non-infringement.
- 2 An assessment of the defendant's costs. Again, the quantum of these fees varies largely amongst the jurisdictions studied in this Survey.

If the claim on the merits fails and a preliminary injunction had been previously granted:

- 1 Dissolution / suspension of the interim injunction.
- 2 There is no uniform practice in the countries covered by this Survey about whether and how damages are awarded to a defendant who has been put under a preliminary injunction while the claim for relief was rejected afterwards in the main proceedings. In England and Wales, a claimant must give a cross-undertaking to the defendant as a pre-condition for obtaining the interim injunction. In most EU member states, an IP owner who enforces a wrongfully issued preliminary injunction, is in principle liable for damages unless no fault in that enforcement can be established.⁵¹ German procedural law, however, provides for strict liability of the IP owner.

Specific measures and further information for each of the surveyed jurisdictions are provided below.

⁵¹ CJEU 12 September 2019 *Bayer / Richter*, C-688/17.

BELGIUM

Measures can take the form of an injunction (an order to refrain from further acts of infringement) or specific performance (recall of products or sending letter to customers, giving information about the supply chain, publication of the judgment, etc.). Save in exceptional cases amounting to abuse, there is no discretionary power for a judge to refuse or to grant an injunction; once an infringement is established and there is no guarantee that the infringement has definitely ceased, an injunction will be issued.

Injunctive measures are typically accompanied by a dissuading penalty payment (“*astreinte*”, “*dwangsom*”) to the adversary, which can give rise to execution actions in the event that the infringer does not (fully) comply with the court decision. The penalty should be high enough to have a deterrent function, but the exact amount of that penalty will depend on the facts of the case and the scope of the infringement and will be determined by the court at its own discretion. Such penalty payments may be subject to prior security payment.

Judgments are in principle immediately enforceable, irrespective whether any appeal has been filed or not. If a first instance judgment, which has not yet become final, is enforced by the prevailing party, the latter will be liable for damages resulting from such early enforcement in case the first instance judgment is reversed on appeal.

Preliminary injunctions are granted when:

- a the relief sought is urgent,
- b a *prima facie* valid IPR exists, and
- c a *prima facie* infringement to that IPR can be established.

The interim relief sought is urgent in case proceedings on the merits (even via “fast track” proceedings on the merits) are unable to provide for timely relief. The requirement of a *prima facie* valid IPR is fulfilled in principle when the right has been granted after prior examination, e.g. by the EPO (patents), unless there are very serious grounds to doubt the validity of the patent, for instance in view of consistent revocation of parallel counterparts of the same patent. The requirement of *prima facie* infringement is determined on the basis of the evidence available at the time when the preliminary injunction judges must issue their decision. Contrary to the practice in other jurisdictions, this *prima facie* requirement does not oblige judges to anticipate what the judges on the merits will decide: the preliminary assessment will be entirely independent from the assessment of the case on the merits. This is particularly important for determining the liability of an IPR holder who obtains and enforces a preliminary injunction, but then loses its case in the main proceedings.

Under Belgian law, a claimant has no automatic liability when it enforces a preliminary injunction against a defendant, and this injunction is later revoked or the infringement claim is later dismissed on the merits. Rather, the defendant may have to prove that the claimant committed a tort when enforcing the preliminary injunction against him. This is in line with the case law of the Court of Justice of the European Union (“**CJEU**”) on article 9 of the Enforcement Directive.⁵² Since such proof is difficult to provide, liability for an IPR owner enforcing preliminary injunctions remains in practice quite limited in Belgium.

Compensation for damages

Compensation can be claimed for all damages suffered, and to the extent the statute of limitations has not kicked in. In patent law, the statute of limitations is set at five years, meaning that a patentee can recover the damages incurred within five years prior to the writ of summons. The IPR holder can theoretically recover all damages, but in practice this is difficult to achieve (i.e., prove). The appointment of an expert may be necessary for the determination of the amount of damages.

Actual damage to the IP holder (and its licensees) can be recovered, either on the basis of an *ex aequo* determination in case the actual damage is hard to establish, or on the basis of proof to be submitted by the claimant. Damages are then calculated on the basis of the *lucrum cessans* (lost profits) and the *damnum emergens* (loss of reputation and exclusivity of the IPR). Royalty-analogy is a customary way of calculating damages. Only in the case of a bad faith infringement the claimant is entitled to an award of the profits made by the infringer.

⁵² CJEU 12 September 2019 *Bayer / Richter*, C-688/17.

ENGLAND AND WALES

Enforcement

As noted in the introduction, the Enforcement Directive was introduced to remove major disparities in the enforcement of IPRs among EU Member States. The rationale behind the introduction of the Enforcement Directive was that such disparities were having a negative effect on the proper functioning of the Internal Market. The approach adopted in removing such disparities by the Enforcement Directive was to introduce minimum standards as to protection afforded to IPRs.

Prior to the introduction of the Enforcement Directive, UK law already gave a relatively high level of IPR protection in comparison to some (at the time, other) EU jurisdictions. Thus, the Enforcement Directive did not lead to major significance changes to UK law. For example, Article 6 of the Directive (obligations on the opposing party to provide evidence that is under its control) was already implicit in the English rules as to disclosure and discovery, Article 7 of the Directive (as to measures for preserving evidence) was already implicit in the English rules as to search orders and Article 9 of the Directive (as to provisional and precautionary measures) was also already implicit in the wide ranging and flexible rules in England as to interim injunctions. The requisite changes to UK law were implemented by the IPR (Enforcement, etc.) Regulations 2006 (SI 2006 No. 1028). This SI was introduced mainly to rationalise some inconsistencies. For example, Regulation 3 of the SI implemented Article 13 of the Enforcement Directive. This changed UK law so as to prevent damages (as opposed to recovery of profits) being awarded where a defendant lacks actual or imputed knowledge in relation to IPR matters. Post-Brexit, the changes made to UK domestic law pursuant to the Enforcement Directive remain in place.

Post-Trial Relief

A written judgment is normally handed down within one to three months after the end of the trial, the precise time depending on the complexity of the case and the judge's subsequent commitments. In its judgment, the court gives the reasons for its conclusions on validity and infringement. Once the judgment has been handed down, there is normally a further short hearing to decide on the terms of the Order to be made by the court in the light of the Judgment.

If the claimant is successful, the Order would normally include:

- 1 An injunction (possibly stayed pending the outcome of an appeal).
- 2 An inquiry as to damages or an account of the defendant's profits (at the Claimant's option).
- 3 An order for the payment of the claimant's costs.
- 4 A certificate of contested validity.

Declaratory relief

In English courts, it is possible for a party to litigation to ask the court to grant a declaration on an issue. The current basis for the grant of declaratory relief is Civil Procedure Rule Part 40.20, which states that: "The court may make binding declarations whether or not any other remedy is claimed." The limits on this jurisdiction have generally been set by case law. Such declarations are binding on the parties to the litigation in question. The court has discretion as to whether it will grant such relief. It is clear from case law that the courts are not prepared to grant declarations on hypothetical questions; the court will only grant a declaration where it appeared that such a declaration would have both a practical effect and serve a useful purpose.⁵³ In a case handed down in 2001, the Court of Appeal made it clear that the court had jurisdiction to grant declarations, both positive and negative, even when no other claim had been made.⁵⁴ The issue was one of discretion, not jurisdiction.

In relation to patents, there is also a statutory basis for seeking a declaration of non-infringement. Section 71 of the Patents Act 1977 grants the court power to make a declaration of non-infringement in circumstances where the person seeking the declaration has made a written request to the patentee asking them to confirm that its acts would not infringe the patent and such a request has been refused or ignored by the patentee. There is no statutory right to a negative declaration contained in the Copyright

⁵³ *Nokia Corporation v InterDigital Technology Corporation* [2007] EWHC 3077 (Pat).

⁵⁴ *Messier-Dowty v Sabena* [2001] 1 All ER 275

Designs and Patents Act, but it does not preclude the court from making such a declaration if satisfied that it would be just to do so.⁵⁵

In the area of patent litigation, two new types of declaration have recently been granted, a declaration of non-essentiality (that specified patents are not essential to the practice of a standard)⁵⁶ and a declaration that the applicant's product was obvious at a certain date being the priority date of a pending patent application (so-called "Arrow declarations").⁵⁷

Declarations of non-essentiality have been applied for in relation to telecommunications standards. In the telecommunications industry there is a need for hardware produced by a wide range of manufacturers to work together. Thus industry standards have been developed. Organisations which maintain the standards usually require that any holder of a patent which is essential to the functioning of that standard licence any essential patent to other telecoms operators operating under the standard on fair, reasonable and non-discriminatory terms. Usually, holders of essential patents are able to self-declare patents to be essential to the standard without any examination by the standard organisation. Where a telecoms operator does not wish to have to pay licence fees in relation to a patent which it believes to be non-essential, but which has been registered as essential, it may wish to apply for a declaration of non-essentiality.

Declarations of obviousness can be useful for a potential defendant to a patent infringement action who has become aware of a potential claimant who has filed a patent (but has not yet had that patent granted and thus cannot yet bring infringement proceedings) and who has alleged infringement of the pending patent. To attempt to defeat any infringement action before they can be initiated, prior to the granting of the patent, the potential defendant may wish to apply to court for a declaration that the relevant product/process is obvious at the priority date of the pending patent of the potential claimant.

Pre-Trial Relief/Preliminary Injunctions

Following a House of Lords decision in a patent case in the mid-1970s, the criteria applied by the courts in determining whether to grant a preliminary injunction are:

- 1 whether there is a serious issue to be tried,
- 2 the extent to which the claimant would suffer irreparable damage if the preliminary injunction was not to be granted but the claimant then prevailed at trial,
- 3 the extent to which the defendant would suffer irreparable damage if the injunction was to be granted but the claimant then failed at trial,
- 4 if both parties are likely to suffer irreparable damage, then undertaking a balancing exercise bearing in mind the need to preserve the status quo and possibly the merits of the case.

Two other factors influence the exercise of the court's discretion as to whether to grant a PI: first, that being an equitable remedy, an application will fail if the claimant is shown to have delayed between becoming aware of the infringement and applying to the court for interim relief; second, the claimant is obliged to offer to the Court what is known as cross-undertaking in damages intended to compensate the defendant if the PI is granted but the claimant then fails at trial.

The resulting application of these criteria mean that PIs are seldom granted in most IPR actions mainly because the IPR owner has difficulty providing evidence to the court that they will suffer irreparable damage if the PI is not granted. Irreparable damage being damage that cannot be assessed accurately and therefore compensated for financially. There are two exceptions: first, in pharmaceutical patent cases involving a generic entrant, it is not uncommon for the patentee/brand owner to be able to produce evidence of irreparable damage in the form of irreversible price erosion; second, in some trade mark cases, the trade mark owner may be able to produce evidence of irreparable damage in the form of a loss of brand recognition/goodwill as a result of the defendant's presence on the market with a confusingly similar trade mark.

⁵⁵ *Point Solutions Ltd v Focus Business Solutions Ltd & Anr* [2005] EWHC 3096 (Ch).

⁵⁶ *Nokia Corporation v InterDigital Technology Corporation* [2005] EWCA (Civ) 614 and at FN18.

⁵⁷ *Arrow Generics Ltd v Merck & Co. Inc* [2007] EWHC 1900 (Pat).

Remedies for Breach of an Injunction

Breach of an injunction is a criminal matter and is treated seriously by the courts in England and Wales. A strict liability test is applied by the courts in determining whether there has been a breach of an injunction. This means that even if an injuntee actually believed that his actions did not break the injunction, he will still be in contempt of court if the court rules that he has in fact breached the injunction.⁵⁸ An individual can be committed to prison for a period of up to 2 years or can be fined up to £2,500 if he is in contempt of court.⁵⁹ Committal to prison can also be used against individual officers of a defendant company which is in breach of an injunction.⁶⁰

Apart from contempt of court, the other main method of enforcing an injunction is sequestration (seizure of property).⁶¹ Where a writ of sequestration is issued, the court will appoint commissioners, who will take control of the injuntee's finances and extract a financial penalty for breaching the injunction. It should be noted in this regard that Companies may be vicariously liable for the acts of their employees.⁶²

FRANCE

Permanent injunction and other relief

When an IPR is held valid and infringed, the right holder is entitled to request a permanent injunction restraining further infringement of the IPR, including with respect to manufacturing, selling, offering to sell, holding, using, importing or exporting the infringing products.

Permanent injunction is a right for the IPR holder and is automatically granted in case of infringement (subject to specific standard-essential patents and associated obligations of Fair, Reasonable and Non-Discriminatory (FRAND) licences). The Injunction is generally granted subject to the payment of daily fine in case the defendant does not comply with the injunction.

Other reliefs may include:

- 1 recall of the infringing products from the channels of commerce,
- 2 destruction of the infringing products,
- 3 delivery up of the infringing products to the right holder,
- 4 publication (in full or partially the most often) of the decision (on-print or online).

Determination of damages

Damages may be ordered to compensate for any infringing activities, subject to the statute of limitation, which has been amended by the Law PACTE dated 22 May 2019. Prior to this law, it was established that an infringement action, and related damages claims, may only relate to acts of infringement that occurred within five years prior to the introduction of the action.

Law PACTE amended the statute of limitation with respect to all IPRs, to match the statute of limitation provided in the UPC Agreement, namely that no infringement action may be brought "*more than five years after the date on which the applicant became aware, or had reasonable grounds to become aware, of the latest fact justifying the action*". Depending on the interpretation of this provisions, the time period to be considered to determine the damages may be considerably longer, e.g., should it be considered that, in the event the infringing activity occurred in a period of ten years, infringing acts are subject to time limitation that ends 5 years after the last infringing act – i.e., fifteen years after the first infringing act. The Paris Civil Court already ruled that this new statute of limitation would only apply to infringe acts that occurred after the entry into force of the law, i.e., as from 22 May 2019 (Ord. JME, 6 May 2021, 20/07066).

⁵⁸ *Re Mioleage Conference Croup of the Tytre Manufactureres' Conference Ltd's Agreement* [1996] 1 WLR 1137.

⁵⁹ Contempt of Court Act 1981, s. 14.

⁶⁰ *Attorney General for Tulalu v Philatelic Distribution Corp Ltd* [1990] 2 All ER 216.

⁶¹ See Rules of the Supreme Court (RSC) Ord 45, r5(1). For other less commonly used methods of enforcement of breach of an injunction, please refer to RSC Ord 45.

⁶² *Re Supply of Ready Mixed Concrete (No 2)* [1994] 3 WLR 1249.

With respect to the calculation method of the damages, the Court should take into account, distinctly:⁶³

- the negative economic consequences of the infringement, including:
 - **lost profits, which the injured party has suffered**: this is generally calculated based on the usual margin of the right holder (if disclosed) and the number of sales missed because of the infringement (applying a “report rate”, i.e., the share of the sales of the infringer that would have been made by the right holder should the infringing products not be on the market).
 - **unfair profits made by the infringer**: this is generally calculated based on the profits made by the infringer in relation to the sales of infringing products (i.e., relevant revenues – variable costs), potentially apportioned to the value of the patented feature within the final product sold.

Other potential factors to be considered also include notably the price erosion and the springboard effect.

Although French law provides that these factors should be considered “distinctively”, they cannot be merely added to each other, and courts generally grant damages based on the higher of these two figures or a middle figure between them.

- the moral damage caused by the right owner by the infringement.

Alternatively, the IPR owner may request that the judge grants him a *lump sum* amount which shall be higher than the amount of royalties due if the infringer had requested permission to use the right he has infringed (generally 1.5 or 2 times the royalty rate that is applied for similar products in the same sector).

Enforcement

Decisions granting reliefs for the infringement of IPRs generally provides for specific penalty payments (“*astreinte*”). The Court determines the amount of the penalty to be paid (i) for each product manufactured/sold despite the injunction and/or (ii) for each day during which the infringing party has not complied with the order (e.g., removal from the market or destruction of the infringing product).

In accordance with Decree n° 2019-1333 dated 11 December 2019, first instance decisions are provisionally enforceable by default, irrespective of whether an appeal is pending. The defendant may however request to the first instance court that the decision is not provisionally enforceable and must then detail the circumstances for which the provisional enforcement is not appropriate. In the event of a pending appeal, the defendant may also request the President of the appeal court to suspend the provisional enforcement decided by the first instance court notably if it can evidence that it would cause irreparable harm.

It must be noted, however, that should the prevailing party officially request the other party to provisionally comply with the first decision, it is at its own risks, i.e., it may be ordered to pay damages to the other party should the first instance decision be overturned in appeal.

Provisional injunction and damages

A preliminary injunction (PI) may be requested against infringing products prior to any action on the merits or to the case management judge in the event an action on the merits has already been initiated.

The PI would be granted if the intellectual right is *prima facie* valid and the infringement is likely. There is no requirement of urgency. In patent cases, however, there is a trend before French courts to proceed to a more in-depth analysis of the validity and infringement of the patent in suit.

Also, appropriate provisional damages may be ordered together with the PI (and would be deducted of the damages determined on the merits).

⁶³ Articles L. 521-7 for designs, L. 615-7 for patents and L. 716-4-10 for trademarks, based on the Enforcement Directive

GERMANY

According to the scope of the patent in suit the patent owner may, in addition to the measures listed above, seek:

- Declaration of obligation to pay damages.
- Rendering of account about infringing acts and profits made.

Injunctive relief

The legal basis for a claimant's injunction claim is section 139 (1) German Patent Act. It sets forth two requirements: (i) the danger of a first or repeating act; and (ii) the infringing use of the patent. Once these requirements are fulfilled, the court grants the injunction and has no discretion. The claim for an injunction does not require any fault⁶⁴.

German patent law does not distinguish between a permanent and a preliminary injunction and therefore all injunctions are permanent until they are reversed by the court, or the patent expires or is found void. Nevertheless, a claimant may request a temporarily limited injunction, e.g., for the time of a trade show.

Since the court has no discretion on whether it grants the injunction (except for the rare exception of "exceptionally great hardship" as set out in Sec. 139 (1) PatG, see section. 1.2 of this survey), it will also award an injunction to a company with no other business other than exploiting patents ("patent trolls")⁶⁵. However, the chances of obtaining (preliminary) relief against the enforcement of the injunction, e.g. a stay of the enforcement until the decision of the appellate court, can be higher in the individual case.⁶⁶

Recall and removal of infringing products, destruction

As part of the infringer's obligation to eliminate all effects of his infringement, the claimant may also claim that the infringer recalls or earnestly undertakes all efforts to recall infringing products from the supply chain.⁶⁷ Such products must be in the possession of the infringer in Germany. The products may be destroyed if the claimant has requested accordingly in his complaint, however, the court will only award this claim if the destruction is not disproportionate in view of the circumstances of the infringement, for example the degree of fault and economical aspects (e.g. existing alternatives to permanently remove infringing features from the product).

Publication of the judgment

Sec. 140e PatG features a (material) claim for publication of the judgment in patent matters. However, the publication claim is only granted in exceptional cases where the claimant can show a specific interest in the publication and therefore of less practical relevance. This requirement arises from the purpose of the provision, which is not to be seen in the punishment of the losing party through public "denunciation", but primarily in the elimination of a continuing state of disturbance through information.⁶⁸ The publication must therefore be objectively suitable and necessary in order to eliminate a state of disturbance which has occurred and still exists as a result of the patent infringement.⁶⁹

Damages

As mentioned above, patent infringement proceedings, as far as it concerns damages, are bifurcated. Therefore, to speed up a court decision on the injunction claim, a claimant will usually ask in the infringement proceedings that the court only order the defendant to render account and to declare a defendant's obligation to pay damages. The claimant's claim for rendering of account ensures that the

⁶⁴ An act of first infringement is almost always deemed to implicate the threat of further infringements and is in practice only then cleared when the infringer undertakes an irrevocable cease-and-desist declaration including a contractual penalty.

⁶⁵ cf. Regional Court Mannheim, InstGE 11, p.9 – UMTS-fähiges Mobiltelefon.

⁶⁶ Cf. OLG Karlsruhe, GRUR-RR 2010, 120 – Patentverwertungsgesellschaft.

⁶⁷ BGH GRUR 2017, 785 – Abdichtsystem

⁶⁸ Cf. Regional Court Dusseldorf, judgment of November 24th, 2015 – docket no. 4a O 149/14

⁶⁹ Cf. OLG Frankfurt GRUR 2014, 296 – *Sportreisen*.

defendant provides all of the information necessary to calculate the actual damages. The actual damages to be paid by the defendant will then be determined in a separate proceeding initiated by the claimant (the “Höheverfahren”).

In general, and as opposed to primarily the injunction claim, damages are only due when the infringing acts are performed intentionally or negligently. However, the required threshold is relatively low⁷⁰.

In Germany, the owner of a patent or trademark has three bases on which to calculate his damages: (i) the lost profits incurred as a result of the infringement; (ii) the infringers’ profit; or (iii) the “licence-analogy”, which applies a fictional reasonable royalty’ fee which parties would have agreed upon.⁷¹

The calculation of damages on the basis of the infringer's profit serves to determine the economic value of the exclusive right in the form of the market opportunity embodied therein for a profit achievable with the use. The infringer’s profit is therefore calculated as turnover minus costs, however, German case law constantly had to highlight the problem in determining what kind of costs can be deducted from the turnover of the infringer.⁷²

Enforcement

The first instance decision in proceedings on the merits can be enforced, on a provisional basis, immediately after service once the claimant has provided security (bank guarantee or cash deposit) reflecting the risk of damage to the other party. The security to be provided by the claimant is stipulated by the court and is regularly based on the value in dispute. However, the claimant is liable for damages resulting from enforcement if the first instance decision is overruled on appeal.⁷³

In contrast, the second instance decision of the Higher Regional Court is enforceable without the placing of security or being subject to strict liability. Nonetheless the court usually grants the defendant the right to avoid enforcement by placing a security (in practice commonly a bank guarantee) that is fixed according to the value of the dispute. However, the claimant himself may then provide security of the same amount and thereby enforce anyway.

If the defendant violates the injunction the court can grant a disciplinary fine of up to € 250,000 for each violation or even (but highly unlikely) give the infringer (respectively the manager in charge) a prison sentence.

In relation to the judgment on the merits, a damages claim is not immediately enforceable because it only stipulates the obligation to pay damages and does not specify the exact amount to be paid. Damages are awarded instead in a second trial if the defendant does not voluntarily pay the amount calculated by the claimant. The obligation to render accounts and provide information on the supply chain is only then fulfilled upon the presentation of particular data according to the dates of the claimed infringement, as stipulated in the judgment, which will enable the claimant to calculate his damages. In the event of the provision of incomplete information, the claimant may apply for a disciplinary fee against

⁷⁰ People in businesses in a relevant technical area are deemed to have to inform themselves of the rights of others, for instance by controlling the publication of new patents.

⁷¹ The claimant may choose any of the three ways to calculate its damages and can choose the desired way of calculation at the last stage of the proceedings. One may also switch between these calculation methods until the final decision on its claim for damages (BGH, GRUR 2008, 93 – Zerkleinerungsvorrichtung). In practice, either the licence analogy or the infringers’ profit are mainly applied since it is often difficult for the patent owner to prove a distinct loss derived from the infringement (especially without disclosing sensitive data) which is necessary to claim the actual damaged incurred. The claimant has to establish that it would have received the orders instead of the infringer (causality requirement), which is particularly difficult if there are other competitors on the market. In comparison, the licence analogy is the easiest way to calculate damages provided that a common royalty rate exists in the market. The determining factor is therefore what the reasonable parties would have agreed upon before the first act of infringement occurred had they known the full extent of infringement. The royalty fee is then based on turnover and royalty plus interest for the period in which the infringement occurred. The calculation is not influenced by punitive aspects, however, certain factors such as the importance of the infringed patent, cost savings compared to a “real” licence and the (monopoly-like) market position of the patent owner are taken into account.

⁷² Most recently: Federal Supreme Court, judgment of December 16th, 2021 – docket no: I ZR 201/20, relating to its 2001 decision: BGH, GRUR 2001, 329 – Gemeinkostenanteil. In its decision the Federal Supreme Court stated that a Share of Overheads can be deducted from the infringer’s turnover only to the extent that these costs are linked directly with the infringing products, e.g. costs relating from the production of the patent infringing product that are not at the same time part of the general costs of the business. This decision, regarding the infringement of a registered design, has been applied to patents as well by the Higher Regional Court Düsseldorf (cf. OLG Düsseldorf, InstGE 5, 251 – Lifter). The Court stated further in this case that it has to be determined by estimation to what extent the infringer’s revenue is based on the patent infringement (Id.). Only this revenue has to be passed to the claimant, which resultantly may reduce the damage claim significantly.

⁷³ The strict liability (i.e. regardless of any fault) and the necessity of an enforced security payment is in practice the reason why the winning party often hesitates to enforce a first instance judgment.

the defendant of an amount of up to € 25,000 in order to force the defendant to render full accounts. If the claimant has reason to believe that the information is incomplete, a sworn affidavit may be demanded regarding the correctness of the information.

The losing party may apply for a provisional stay of the enforcement of the judgment.⁷⁴ The court only grants such a stay if: the first instance judgment is apparently incorrect, or the defendant can show exceptional circumstances in which it would suffer irreversible harm in event of enforcement. The grant of such a stay is very rare in practice.⁷⁵ However, most notably, in 2021, car manufacturer Daimler was allowed to prevent enforcement of the first instance judgment⁷⁶ by cellphone maker Nokia by providing security to the amount of € 75 million. In a parallel case between the two parties (*Daimler vs. Nokia*) the Appeal court of Munich changed the enforcement security amount (decided by first instance court⁷⁷) from € 18 million to € 1.673 billion.

Due to the bifurcated jurisdiction, the enforcement of the final decision in infringement proceedings is independent from the decision in (parallel) revocation proceedings.⁷⁸ However, if the patent is later declared void by the Federal Supreme Court, the defendant can file a complaint against further enforcement actions. Furthermore, the defendant may apply for restitution of the infringement proceedings by filing a restitution complaint to review the case *de novo*. With the introduction of the new qualified notice (as discussed in section 2.4 of this survey), we have also seen efforts of some defendants to stay the enforcement on the bases of a (negative) preliminary opinion of the Federal Patents Court. It is however too soon to tell how appeal courts would be handling these cases, especially if the patent can potentially still be declared valid in amended form which still affirms infringement.

According to the Brussels Regulation, German judgments are enforceable in all European member states subject to a process of declaration of enforceability with the respective designated court or competent authority.⁷⁹

Preliminary injunctions

In addition to the paragraph above, which describes the general application of preliminary injunctions (PIs), this paragraph highlights information which is specific to Germany.

The injunction claim as well as the claim for disclosing the chain of supply⁸⁰ is in practice often enforced by way of a PI. The patentee does not have to wait until the product is on the market and can apply for a PI with the regional court on the basis of evidence of an immediate threat of infringement, such as documents indicating the approaching offer to the market, e.g. the listing of a pharmaceutical before market entrance⁸¹.

As stated above, the patent owner must show probable cause that he has filed the application for injunctive relief without undue delay, which for Germany is usually one to two months, but always dependant on the circumstances of the particular case⁸². The urgency period can be triggered anew in case the patent was confirmed only recently in opposition proceedings in which case the urgency period starts anew from the date of the respective decision⁸³.

⁷⁴ cf. Sections 712, 719, 707 German Code of Civil Procedure.

⁷⁵ The courts have ruled that if the defendant has to stop its production of the attacked product or close factories, these are not exceptional circumstances but rather typical consequences of the enforcement (BGH, GRUR 2000, 862 – Spannvorrichtung). Further, a lay-off of employees is not sufficient (OLG Düsseldorf, GRUR 1979, 188, 189 – Flachdachabläufe). The Higher Regional Court Karlsruhe has recently ordered the suspension of enforcement in a case concerning a company which was only exploiting the patent, by reasoning that the appeal may have chances of success and that the enforcement could cause significant harm to defendant considering at the same time that the claimant itself is not yet on the market (OLG Karlsruhe, GRUR-RR 2010, 120 – Patentverwertungsgesellschaft). In a further recently issued decision the Higher Regional Court Düsseldorf granted the request for suspension holding that the first instance Court had disregarded essential legal aspects decisive for the case (OLG Düsseldorf, GRUR 2010, 122 – Prepaid telephone calls).

⁷⁶ Cf. Regional Court Mannheim, docket no. 2 O 34/19.

⁷⁷ Cf. Regional Court Munich I, docket no. 21 O 3891/19.

⁷⁸ That is why enforcement is possible even before the validity of the patent has been examined in parallel validity proceedings.

⁷⁹ As listed in Annex 2 to the Brussels Regulation.

⁸⁰ cf. sec. 140b German Patent Act.

⁸¹ cf. BGH, GRUR 2007, 221 – Simvastatin.

⁸² cf. OLG Hamburg, GRUR-RR 2008, 366 – Simplify your production; OLG Düsseldorf, decision of 05.07.2012, docket I 2 U 12/12 (unpublished) in which urgency was denied for (first) activities of the German affiliate reasoning that the Spanish mother company had offered the same product in Germany over the internet already for months.

⁸³ OLG Düsseldorf, InstGE 10, 124 – Inhalator.

The German courts can issue PI in less complex cases (particularly technically less complex) where the patent infringement is obvious, and the validity of the patent is secured without reasonable doubts.⁸⁴ We revert to the latter issue of secured validity of the patent in relation to PI proceedings in section 2.4.

The losing party can lodge an appeal within one month after service of the judgment to the Higher Regional Court, though the appeal has no suspending effect and the injunction remains immediately enforceable.

A patent owner who enforces a PI is subject to the same risk of strict liability for damages as applies to the preliminary enforcement of a first instance judgment in the main proceedings.

To secure a destruction claim the patent owner may also apply for an interim seizure of infringing products to prevent infringing goods from entering into the market or to remove already distributed products (provided they have not yet been delivered to the ultimate buyers, which can exclude any further right of the patent owner vis-à-vis the privilege of private use).

ITALY

In Italy the decision declaring the infringement of an IPR may provide several sanctions against the infringer. Such sanctions are provided in the IPC.

Article 124 IPC provides for the most “desired” relief, namely a final injunction,⁸⁵ seizure, definitive withdrawal and destruction of the infringing goods (as mentioned above), and publication of the judgment. However, such measures cannot be granted if it would lead to damage being caused to the national economy.

Based on the final injunction, the Judge prevents the infringer to manufacture, commercialize and use what has been considered to infringe the IPR.

In addition, the Judge may set a penalty (along with the final injunction) due for any infringement or instance of non-compliance subsequently determined and for any delay in carrying out the order.

Compensation for Damages

Article 125 IPC states that in IPR matters the compensation for damages is subject to the rules provided by the Civil Code. Therefore, the right holder must:

- 1 Prove the existence of the damage.⁸⁶
- 2 Prove that the damage is a direct consequence of the infringing acts.
- 3 Prove that it was intentionally caused or due to the negligence of the infringer.⁸⁷

Article 125 IPC also sets out the criteria for the quantification of damages, which might be identified in the loss of profits suffered by the IPR owner and/or might involve the surrender of infringer’s profits. If the damage is difficult or complex to quantify, the compensation may be determined by the judge applying the laws of equity.

Interim measures

The IPR holder may also obtain interim measures such as a preliminary injunction (PI) and the seizure of the infringing product or method. The PI and the seizure are both aimed at preventing the right holder suffering damage during the proceedings on the merits (to ascertain infringement) and preventing further manufacturing or commercialization of the infringing products.⁸⁸ Article 131 IPC also provides that the PI

⁸⁴ OLG Düsseldorf, InstGE 12, 114 – Harnkatheterset.

⁸⁵ With an injunction, the judge may fix an amount due for any violation or disregard subsequently ascertained and for any delay in the execution of the provisions.

⁸⁶ According to case law, in IPR matters such damage is presumed to arise from the infringement acts

⁸⁷ In patent and trademarks matters negligence could include circumstances where the infringer could have consulted the patent/trademarks register, which would have allowed him to become aware of the existence of the IPR before committing the infringing acts.

⁸⁸ Both interim measures require an application to be filed before the competent court, and both may be filed before or during the proceeding on the merits.

may be granted to prevent an imminent or ongoing infringement of IPRs, and not just if the infringement has already occurred.

To obtain such interim measures, the following conditions should be met:

- 1 Likelihood of the validity of the IPR and the likelihood of the infringement (*fumus boni iuris*); and
- 2 Urgency of the relief due to a danger of imminent and irreparable harm deriving from the infringer's unlawful and infringing activities (*periculum in mora*).

When granted, the judge may also issue a bond placed upon the right holder or the execution of such measures. The order granting or denying the interim measures may be appealed within 15 days from the date of receipt of its notification.

THE NETHERLANDS

The IPR owner can claim, in both PI and proceedings on the merits, a specification of the scope of the size of the infringement and rectification, the latter both in the form of a statement by the defendant and/or damages. Violation of awarded claims, with the exception of the claim for damages, will lead to payment of a penalty sum (“*dwangsom*”).

Preliminary Injunctions

Dutch courts apply the following criteria to decide whether to grant a preliminary injunction (PI):

- 1 Urgency: in most cases this is not a difficult hurdle to overcome. For example, in the case of continuing infringement, the preliminary injunction judge will generally assume urgency, even if the IPR owner has failed to act swiftly after the first (allegedly) infringing act.
- 2 At the least, (a realistic threat of) acts of infringement will have to be shown.
- 3 The infringement itself must be plausible. The IP owner must therefore submit evidence, for instance an analysis of the product, to show that the product falls within the scope of the invoked right.
- 4 The court will have to decide on the prima facie validity of the patent, if there is a serious likelihood a patent will be revoked an injunction cannot be granted.

Furthermore, it should be noted that for a PI to be awarded in The Netherlands, actual infringement is not required, therefore a PI can be awarded if the PI judge concludes that there is a threat of infringement.

The judgment in PI cases is usually rendered two to six weeks after the hearing.

If a PI is granted, the IP owner should always lodge proceedings on the merits within the time frame specified by the court, otherwise they run the risk that the PI might be overturned by the defendant.

Compensation for Damages

According to Dutch law, in line with the TRIPs agreement, in the event that infringement of valid IPRs has been established, the IPR owner and his licensees can generally receive damages or a transfer of profits for the damage they have suffered respectively and the profits the infringer has earned, to the extent that the infringer knowingly, or with reasonable grounds to know, engaged in infringing activity (plus costs) (only proceedings on the merits).⁸⁹

Calculating damages in IPR matters is generally considered to be one of the most difficult issues in Dutch legal practice⁹⁰. The most important factor is the actual damage to the IPR owners and their licensees (or the actual profits achieved by the infringer). The main purpose of compensation with damages or transfer of profits is to put the injured party back in the situation they would have been had the

⁸⁹ However, according to case law established in the Dutch Supreme Court, in copyright cases the right holder is not entitled to both. The same is generally assumed with regard to patent cases and trademark/design cases, even though with regard to trademark/design cases the law itself is less clear. The IPR owner will have to make a choice, and is entitled to choose the option that will ultimately result in the highest financial transaction.

⁹⁰ Possibly, that is one of the reasons why infringement cases are settled in the majority of cases prior to the institution / completion of damage proceedings.

infringement not occurred. The court will look at the actual damages that have been incurred, which may also include damages suffered in other territories.⁹¹

If the IPR owners (and/or their licensees) seek damages in relation to an established infringement, then they must prove:

- a that they (and/or their licensees) have suffered the damages claimed and
- b that there is a causal link between the infringement and the (amount of) damages.

Furthermore, in patent cases, damages or transfer of profits may only be awarded for the injury the patentee has suffered if the infringer knowingly, or with reasonable grounds to know, engaged in the infringing activity.⁹²

SPAIN

Preliminary Injunctions

Preliminary injunctions (PIs) are permitted under Spanish legislation, including in relation to IPRs, to guarantee effectiveness of the final decision. The law permits the request for a PI against infringing activities by the owner, as well as imminent infringing activities pursuant to the Act 19/2006, in force since June 2006. The same piece of legislation extended the *ius standi* of the intermediaries whose services are used by a third party to infringe the IPRs.⁹³

PIs in Spain can be requested prior to the action on the merits (only for exceptional, urgent reasons), simultaneously or during the course of the proceedings. If they are requested prior to the filing of the main action, this latter should be filed within twenty days following the adoption of the measures. PIs are not given *ex officio*.

Generally, the court will make a decision subsequent to hearing the defendant's submissions in an oral hearing. Exceptionally, a PI may be granted *inaudita altera parte*⁹⁴, on the basis of urgent reasons, within five days (but in practice about a month).

The claimant must meet three general requirements in order to obtain a PI: (i) its rights will be exposed to a danger in the event of a delay (*periculum in mora*)⁹⁵; (ii) a *prima facie* case (*fumus boni iuris*)⁹⁶; and (iii) the offer of a bond to cover any possible damages to the defendant⁹⁷.

In patent claims there was a fourth prerequisite: evidence that the patent was being exploited at the time of the filing of the PI or that serious and effective preparations had been undertaken in relation to such exploitation, in Spain or in another WTO country. Moreover, this exploitation should be enough to satisfy the national demand. This requirement was deleted in the 2015 Patent Act. However, if the patentee does not exploit the patent, it is very unlikely to obtain a PI before the Commercial Courts of Barcelona, as there would be no irreparable damage (*insuline glargine* decision Court of Appeal Barcelona, 15 September 2021).

Damages

The rules regulating the compensation of damages regarding IPRs were modified by the Act 19/2006, of 5 June which implemented the Directive 2004/48/CE of enforcement for IPRs⁹⁸.

⁹¹ According to the CJEU 30 November 1976 (re Bier) a party may be brought before the courts where the unlawful act (such as IPR infringement) occurred, in order to retrieve damages, even if those damages occurred in another European Member State.

⁹² In relation to the infringer's profits, providing evidence is generally easier because in the infringement action itself, the patentee can already claim from the alleged infringer a full disclosure of the turnover and profits the infringer has made as a result of the alleged infringement.

⁹³ The SPA contains the following examples of measures that can be requested: (i) the cessation of the infringement proceedings, or its prohibition providing there is reasonable evidence to imply their immediacy; (ii) the retention and the deposit of the goods and the means which are bound (exclusively) to their production; and (iii) the reinforcement of the eventual damages compensation and the appropriate registered annotation in the public registers.

⁹⁴ Without intervention of the defendant and on the legal findings and facts given by the claimant.

⁹⁵ The applicant must justify that if the precautionary measure is not adopted, it would impede or hinder the effectiveness of a potentially favourable ruling.

⁹⁶ The claimant must justify *prima facie* that it is in possession of a valid and enforceable IPR, and that there is the existence of an infringement. In the patent chapter, an Expert Report supporting the claimant's position is generally essential.

⁹⁷ The Court may raise the amount in view of the circumstances.

⁹⁸ This new regulation for the compensation of damages entered into force on the 7th of June 2006.

Article 43 of the Spanish Trademark Act 17/2001, 7 December (STA), Articles 66-67 SPA and Article 55 of the Spanish Design Act 20/2003, 7 July (SDA) provides that compensation for damages comprises:

- 1 the losses suffered as a consequence of the infringement,
- 2 the profits that the right holder did not earn as a consequence of the infringement,
- 3 the discredit that the right holder would suffer as a consequence of the infringement, and
- 4 the investment costs incurred to obtain reasonable proof of infringement.

To calculate the damages, the judge can rely on any of the following criteria:

- The adverse economic consequences, including the profits that the right holder would obtain if the infringement did not happen and, when appropriate, the moral prejudice caused to the right holder by the infringement; or
- The amount of royalties or fees which would have been due if the infringer had requested authorization to use the IPR in question.

Due to the fact that the infringement of IPRs is under objective liability, courts have been applying the “*re ipsa rule*” by which any IPR infringement results in damage to the patentee.⁹⁹ The specific compensation for damages should be ascertained from the claim (either by means of a certain amount or by setting the criteria for obtaining such amount) and not deferred to a later stage¹⁰⁰. It is also important to take into account that the damages that can be requested are only damages which have been incurred in the five years prior to the date of filing the claim.¹⁰¹

In cases where the infringer is condemned to cease the infringing actions, Articles 44 STA and 55(6) SDA foresee a penalty payment of at least € 600,00 for each day in which the infringer does not cease the infringing acts.

Enforcement

The SCPA sets out a procedure for executing injunctions issued by Spanish or foreign courts. For injunctions issued by a Spanish court, the enforcement procedure will be initiated by filing a claim before the court who dealt with the issue at first instance (generally the court where the defendant is domiciled or where the damage occurs).

The possibility of provisional executing injunctions being issued by Spanish or foreign courts in non-final decisions is also set out, although these can be appealed.¹⁰²

In general, when the losing party does not comply with the judgment:

- 1 If it is a monetary decision, the court will initiate a seizure of the necessary part of the present and future goods of the losing party to cover the decision.
- 2 If the losing party has to pronounce a declaration, the declaration must be carried out within an established period of time.
- 3 In the case of registration or publication of the judgment, the registration or publication will be done with the charge of such action being paid by the defendant.
- 4 Regarding obligations to do or refrain from doing something, the possibility of trying to obtain them via financial penalties is legally provided. In particular, regarding trademarks and designs, the legislation provides that the court will set these kinds of penalties when the defendant is ordered to

⁹⁹ In this sense the Supreme Court Judgment of 1 December 2005 presumed that any sales made by the infringer were at the expense of the patentee and there was no need for the patentee to prove loss. The *re ipsa rule* applies additionally in cases where the defendant was previously warned of the IPR and of the infringement, or where defendant's intentionality or negligence (in case of trademarks, where this is well-known as well) is proved. Moreover, with reference to trademarks, it is stipulated that if the infringement is asserted by the Court, the trademark holder is automatically entitled to compensation for damages amounting to one per cent of the turnover of the infringer during the infringing period. This does not prevent the owner receiving a bigger compensation upon evidence of further damage.

¹⁰⁰ However, recent trademark jurisprudence leaves open the possibility to request damages by means of a separate claim filed after a favourable decision.

¹⁰¹ Articles 71 SPA, 45 STA and 57 SDA.

¹⁰² This procedure cannot be applied to, inter alia: (1) declarations for revocation or expiration of IPRs; and (2) Foreign non final decisions, unless the corresponding International Treaties or EU Regulations expressly foresee in provisional execution of them.

cease an infringement. The penalty has to be of at least € 600,00 per day during persistence of the infringement.¹⁰³

- 5 The claimant may request an award of costs and damages for non-compliance with the judgment.

¹⁰³ Contempt of Court is not a crime (for non-civil servants) and therefore criminal sanctions are not appropriate to ensure the condemned party complies with the condemnation.

2.6. Effect of EPO / EUIPO opposition proceedings before national courts

BELGIUM

In general, EPO (and EUIPO) proceedings and decisions are considered to be highly authoritative and will therefore be taken into account by the Belgian courts. However, they remain administrative proceedings that are distinct from the national infringement / revocation issue. Therefore, it is up to the discretion of the court to decide whether or not to stay the proceedings to wait for the outcome of the administrative, e.g. opposition, proceedings. The court must consider a stay, however, if an infringement action is brought before a national court and the EUTM or CD is already subject to a cancellation or invalidity action before the EUIPO.¹⁰⁴

In any event, the Belgian courts will not feel bound by the outcome of the opposition proceedings and will assess the validity of the asserted right themselves in view of the (potentially new) arguments submitted by the parties in the national proceedings.

Pending opposition, and only for the purpose of preliminary measures, the Belgian courts traditionally always applied a presumption of “*prima facie*” validity of the title as granted. This reasoning was *inter alia* supported by the fact that the examination practice of the EPO had gained sufficient authority to convince the Belgian judges that if the EPO had granted a patent after a substantive examination in relation to novelty and inventive step, the patent should be taken seriously. In addition, even if a patent has been revoked during first instance opposition proceedings before the Opposition Division of the EPO, patentees have successfully relied on the fact that an appeal was filed before the EPO in order to convince the Belgian courts to issue PIs on the basis of the patent as originally granted, because article 106.1° of the EPC provides that an appeal against such a decision has a “suspensive effect”. Hence, for the purposes of a preliminary injunction, the original title continues to exist and the patent should remain enforceable until a final decision of the EPO has annulled it. This theory has been confirmed by the Belgian Supreme Court.¹⁰⁵ Today, Courts are more inclined to consider some aspects of the validity of the patent also in PI proceedings. For instance, when assessing the presumption of *prima facie* validity of the patent, Belgian courts can however take national and foreign judgments which invalidated national designations of the patent into account.¹⁰⁶

Belgian courts have been willing to refer certain technical issues to the EPO pursuant to article 25 EPC, a provision allowing any national court hearing an infringement or revocation action to request the Examining Division of EPO to give a technical opinion concerning the European patent at issue.¹⁰⁷

ENGLAND AND WALES

Stay of parallel proceedings

The English courts will allow a patent to be asserted or revoked while EPO opposition proceedings are pending (either main proceedings or PI proceedings). It has also been suggested by a judge that the court would be favourable to granting interim relief during on-going EPO proceedings.¹⁰⁸

The possibility of parallel proceedings in national courts and in the EPO is inherent in the legal arrangements in the EPC under which the EPO was established. If a third party files an opposition to a European patent with the EPO and also, in parallel, initiates a revocation action against the same patent before a national court, the national court (including England) may exercise its discretion to either:

- stay the national proceedings, in order to wait for the outcome of the EPO opposition proceedings,

¹⁰⁴ Even in this case the court will not always be obliged to stay the case, e.g., Pres. Enterprise Court Brussels 24 October 2019, *ICIP* 2019, 574: no stay is accorded pending a decision by EUIPO on the validity of a trademark when the competent national court has already been seized with a counterclaim for invalidity (and in particular when this counterclaim is about to be decided by the court and that application has been filed before the EUIPO only 48 hours before the court hearing).

¹⁰⁵ Supreme Court (Cass.) 5 January 2012, see also: Antwerp Court of appeal 25 June 1990 (Improver v Remington) *Ing. Cons.* 1991, 24; Brussels Court of Appeal 14 June 2004 (Synthon v SKB) *IRDI* 2005, 67; Antwerp Court of appeal 29 March 2003 (Fort Koffiebranderij v Sara Lee), *IRDI* 2003, 256; Antwerp Court of appeal, 27 April 2007 (Praxair v ATMI) *IRDI* 2007, 248.

¹⁰⁶ Supreme Court (Cass.) 12 September 2014 (Syrat v Roquette Frères), *Arr.Cass.* 2014, p. 1865, *ICIP* 2014, p. 615.

¹⁰⁷ Pres. Enterprise Court Brussels 21 September 2021, *IRDI* 2021, p. 245.

¹⁰⁸ *Unilever Plc v Frisa NV* [2000] FSR 708.

- or allow the revocation proceedings to go ahead, not awaiting the outcome of the EPO proceedings.

There is a presumption that a stay should be granted when EPO proceedings are on-going due to the duplication of proceedings and the potential of conflicting findings. However, the presumption is seen as a weak one because the courts will foremost consider where the “interests of justice” lie. The general attitude of UK courts is to decide whether to grant a stay according to the interests of justice (bearing in mind the length of time for a final EPO decision to be made).

Historically, the English courts have been reluctant to stay national proceedings pending the outcome of an Opposition. One of the main reasons for this reluctance was the long time taken by the EPO to reach a final decision. The Court of Appeal¹⁰⁹ in England has set out important guidance to Judges in the Patent Court as to how they should determine whether an English action in which the validity of a patent is in issue should be stayed pending the outcome of an Opposition involving the same patent at the EPO. The Court of Appeal has made it clear that timing and commercial certainties are of paramount importance in deciding whether to stay or not, and have also provided the first instance Judges with some practical guidelines as to how to decide such applications:

- 1 The discretion to order a stay, which is very wide indeed, should be exercised to achieve the balance of justice between the parties having regard to all the relevant circumstances of the particular case.
- 2 It is the discretion of the Patents Court, not of the Court of Appeal. The Court of Appeal would not be justified in interfering with a first instance decision that accords with legal principle and has been reached by taking into account all the relevant, and only the relevant, circumstances.
- 3 Although neither the EPC nor the 1977 Act contains express provisions relating to automatic or discretionary stay of proceedings in national courts, they provide the context and condition the exercise of the discretion.
- 4 The possibility of the duplication of proceedings contesting the validity of a patent granted by the EPO is inherent in the system established by the EPC.
- 5 In present conditions, one factor affecting the discretion will usually carry more weight than any other. That is the length of time that it will take for the respective proceedings in the national court and in the EPO to achieve some certainty on the issue of the validity of the patent in suit so that business knows where it stands. The length of the stay of proceedings, if granted, is, in general, the most significant factor in the discretion. Both the parties' legitimate interests and the public interest are dispelling the uncertainty surrounding the validity of the monopoly rights conferred by the grant of a patent and the existence or non-existence of exclusive proprietary rights on a public register. A decision in the revocation action in the Patents Court will dispel some of the uncertainty. If the likelihood is that proceedings in the Patents Court would achieve this resolution significantly sooner than the proceedings in the EPO, it would normally be a proper exercise of discretion to decline to stay the Patents Court proceedings. They should be allowed to proceed to a decision that would supply some certainty in the public interest and the parties' legitimate interests.
- 6 There are no grounds justifying the application by the Patents Court of a presumption that the duplication of legal proceedings in it and in the EPO is, without more, a ground for a stay of the proceedings in the Patents Court, as the EPC system allows for parallel proceedings.
- 7 The Patents Court judge is entitled to refuse a stay of the national proceedings where the evidence is that some commercial certainty would be achieved at a considerably earlier date in the case of the UK proceedings than in the EPO.
- 8 Much weight should be given to an assertion by a commercial party that it has a good reason for resisting a stay. Normally a party is the best judge of its interests. Contentions of a competitor that there is no commercial need for early resolution of validity, should be viewed with suspicion.
- 9 Other considerations in the particular case may affect the balance of justice, such as the additional costs in the duplication of proceedings, the order in which the proceedings were commenced and so on, but, in general, the other factors, though relevant, are of lesser importance than achieving some commercial certainty somewhere sooner.

In England, therefore, in most cases a stay is unlikely to be granted because of the time taken by the EPO to reach a final decision.

¹⁰⁹ *Glaxo Group Limited v Genentech Inc. and Biogen Idec Inc.* [2008] EWCA Civ 23, 31 January 2008.

Effect of decisions of the Opposition Division

The courts of England and Wales generally try to ensure that their decisions are in-line with those of the EPO. It is only in cases where there are conflicting judgments in the EPO or previous UK precedents where the English court may diverge from previous decisions of the EPO.

For main proceedings, the extent to which an English court will consider the merits of a decision by the Opposition Division is likely to depend on what the Opposition Division has decided on (irrespective of appeal). If it was on matters of law or issues not requiring expert evidence, then the likelihood is that the court will consider the Opposition Division's decision. However, where expert evidence is considered (e.g., obviousness and construction) it is less likely to pay much attention to the decision, as it will have a better understanding of the position having heard expert evidence.

For preliminary injunction proceedings in patent actions - the merits of the case are of little relevance once the claimant has shown that there is a serious issue to be tried. What is considered is where the balance of convenience lies, which is concerned about maintaining the status quo between the parties (see *American Cyanamid Co v Ethicon Ltd*, House of Lords) and limiting harm.

FRANCE

If opposition is pending against an IPR invoked before a civil court, the parties may request that the judge grants a stay of proceedings until the national office or the EPO / EUIPO has given its decision relating to the opposition.

However, the stay is not compulsory, i.e., the judge may refuse to order such a stay, if it is not believed to be in the interests of "good administration of justice". The general principle behind this is that the courts shall tend to be rational in conducting proceedings, and therefore must consider the risk of contradicting decisions but also the risk of having the proceedings delayed in an unacceptable manner.

Two specific situations where a stay is compulsory are:

- trademark and design applications until their registration is published, including in the case of an opposition or cancellation (filed before the national office or the EUIPO),¹¹⁰ and
- European patents subject to EPO opposition¹¹¹ when the infringement action brought before the court is based on a French patent granted to the same person or successor in title, which covers the same invention as this European patent and has the same priority date.

The EPO opposition may indeed have consequences on such a French patent insofar as, should the opposition be rejected, the French designation of the European patent replaces the French patent.¹¹² In this hypothesis, the claimant will be entitled to substitute the European patent for the French one in the infringement proceedings.

It shall also be noted that, in these two situations, should the judge be informed of the opposition and the parties do not request him to stay the proceedings, the judge will automatically order the stay.

French judges are bound by the decisions of the EUIPO in EUTM or CD cases revoking or denying registration of an EUTM or CD. Similarly, if the patent is revoked during opposition proceedings before the EPO, this obviously has the same effect in France. If the patent is maintained in opposition proceedings, and/or the EUTM or CD maintained by the EUIPO, such decision does not bind the French courts, which may still depart from it and revoke such rights, although French judges would take into consideration the decisions from the EUIPO / EPO.

In evaluating the validity of a French part of a European patent, French Judges study carefully and are largely influenced by earlier case law from the EPO Boards of appeals, but they do not hesitate to depart therefrom in a particular case if deemed appropriate.

¹¹⁰ article L 716-4-1.

¹¹¹ article L 614-15.

¹¹² article L.614-13.

GERMANY

Patents

The effect of an EPO decision on the infringement proceedings follows the “dual system” as elaborated in section 2.4 above. Therefore, the infringement court is in general not influenced by an opposition proceeding and must proceed on the basis of the patent as granted, but may order a stay of the infringement proceedings if it is convinced that the patent is likely to be declared void.

Nevertheless, the infringement court may regard statements of the EPO in its decision as technically relevant statements for the interpretation of the patent claims¹¹³.

In the event that the proprietor, being at the same time also the claimant in an infringement proceeding, declares in the course of an opposition initiated by the defendant to limit the scope of protection of his patent in the infringement proceedings, and this self-restraint is the reason why the patent was then maintained in a modified form, the claimant is bound to his declaration¹¹⁴.

Furthermore, in the event that the patent is only upheld in part by the EPO, the infringement court will use the reasoning of the EPO decision in order to construe the amended patent until an amended patent specification is published¹¹⁵.

EU trademarks

If invalidity or opposition proceedings are pending before EUIPO and the German court dealing with the infringement suit expects the trademark in question to be annulled, it may suspend the proceedings and wait for the outcome of the proceedings before EUIPO.¹¹⁶

ITALY

In Italy there is no specific rule providing for the stay of the proceedings in case of opposition before the EPO or EUIPO, except for the mandatory rules set out supra. From a general point of view, the EPO and EUIPO oppositions are considered by the national courts as administrative procedures and therefore autonomous and different from the ordinary court proceedings. The decision to stay *ex officio* the proceedings depends only on the judge. The judge may also decide to stay the proceedings for a period of three months upon joint request by the parties.

THE NETHERLANDS

It is up to the court's discretion whether or not to stay court proceedings if opposition is pending in relation to the same patent or trademark. Even though the courts tend to put weight on the outcome of opposition proceedings, generally they do not consider themselves bound to a decision in opposition proceedings. Therefore, it is not uncommon that the courts give their opinion as to the validity of the patent or trademark in question even before the opposition procedures are finalized. However, a court can also decide to stay the proceedings, which can be either for the duration of the first instance opposition procedure or for as long as it will take to have a final and conclusive decision in opposition. However, in recent patent cases, the exclusively competent Court of The Hague has stated that their current policy is that if they do stay the proceedings, this will be for the duration of the entire opposition proceedings up until a final and conclusive decision has been rendered.

SPAIN

The courts apply the legal presumption of *prima facie* validity of a European patent, EU trademark or design, notwithstanding the existence of opposition proceedings at EPO/EUIPO. In a few recent patent cases, the court rejected a request for a preliminary injunction because it found, in view of the opposition proceedings held at the EPO, that the patent challenged would probably be considered invalid.

¹¹³ cf. BGH, GRUR 1998, 895 –Regenbecken.

¹¹⁴ BGH, GRUR 1993, 886 –Weichvorrichtung I; BGH, Mitt. 1997, 364 - Weichvorrichtung II.

¹¹⁵ BGH, GRUR 2007, 778 – Ziehmaschinenzugeinheit.

¹¹⁶ sec. 148 Code of Civil Procedure.

CHAPTER 3: INFLUENCE AMONG EUROPEAN COUNTRIES

3.1 Cross-border issues

BELGIUM

As far as **trademark and design rights** are concerned, it is useful to highlight that since 1971 Belgium, The Netherlands and Luxembourg have adopted a uniform “Benelux” trademark system, providing for a single trademark filing and registration system throughout these three countries. This means that each national court that has competence to rule in Benelux trademark disputes in that region has jurisdiction, once properly seized, to revoke a Benelux trademark for that entire region.

Notwithstanding this uniform system, it took more than twenty years for the Benelux Court of Justice (established to rule on the interpretation of the Treaty on Benelux Trademarks (now Benelux Convention on Intellectual Property) to confirm that a trademark infringement injunction issued by one of the national courts in the Benelux had *automatic cross-border effect* throughout the entire Benelux territory, regardless of whether the court had jurisdiction as the defendant’s “home court” or as the court of the place where the infringement occurred.¹¹⁷ Therefore, this rule of cross-border jurisdiction reaches further than what is provided for in the EU Trademark Regulation and the Community Design Regulation, because those Regulations would offer cross-border jurisdiction in principle only when the defendant is sued before his home court.¹¹⁸ Recently, however, the CJEU has accepted a broader jurisdiction (in a case involving affiliated companies¹¹⁹.

Also, in the “Renault” decision, the Benelux court of Justice held that the national court could, depending on the circumstances, restrict its injunction to a part of the Benelux, but in that situation, it should be explained why. Such discretion is not provided for in the EUTMR or CD.

As far as **patent rights** are concerned, the Belgian courts have rendered a couple of decisions where cross-border jurisdiction was for some instances recognized but in other instances also rejected. Here below is a brief history of that evolution.

Belgian courts have issued and will continue to issue cross-border patent injunctions in very precise circumstances. The origin of this practice was inspired by the Dutch “*kort geding*” cross-border PI, and by the presumption that a European patent was *prima facie* valid regardless of whether opposition proceedings were pending or not¹²⁰. The first Belgian cross-border injunction was granted as early as 1999, but remained unnoticed in the literature because both parties were Belgian and a purely “Belgian” injunction would have given the same effect.¹²¹ That same year, on 3 September 1999, the Belgian Supreme Court authorized what was described later in the literature as the “cross-border *saisie*” i.e. a measure of “*saisie description*” in Belgium without the need for a Belgian patent, provided that the main proceedings are initiated before a competent court somewhere else in the EU. Then on 14 September 2001, the Brussels first instance court issued its first “genuine” cross-border decision, when the Unilever group of companies, with seats throughout Europe, was put under a PI.¹²² In 2005, that same Brussels

¹¹⁷ Benelux Court of Justice 13 June 1994 (Renault v Reynolds), A 93/1 and A 93/2.

¹¹⁸ Cross-border injunctions are also possible for co-defendants who are sued before that same court of domicile of the anchor defendant: CJEU 27 September 2017 (Nintendo v BigBen), C-24/16 and C-25/16. When jurisdiction is based on the place of infringement, however, injunctions cannot have cross-border effect: CJEU 3 March 2022 (Acacia), C-421/20.

¹¹⁹ CJEU 27 September 2017 (Nintendo v BigBen), C-24/16 and C-25/16.

¹²⁰ Pres. Brussels Court of First Instance 14 September 2001 (Colgate v Unilever) *IRDI* 2002, 239.

¹²¹ Antwerp court of appeal, 18 October 1999, *IRDI* 2002, 292.

¹²² Pres. Brussels court of first instance, 14 September 2001 (Colgate v Unilever) *IRDI* 2002, 239.

court of first instance issued a cross-border PI against a series of generic drug manufacturers from India and Pakistan, who had presented their products at a Brussels trade fair.¹²³ A further cross-border PI was issued by the Antwerp Court of Appeal on 25 April 2007. That cross-border PI stopped a US based company and its Belgian subsidiary from offering and selling certain patented gas bottles throughout the designated countries in Europe, and allowed them only to manufacture these bottles in Belgium for export and sale *outside* the EP designated countries.¹²⁴ This decision, at first surprising because rendered after the CJEU had rejected cross-border jurisdiction in patent matters, demonstrates how cross-border jurisdiction can sometimes remain possible and even be preferred over the harsh consequences of a purely “local” injunction under national law that would have a *de facto* worldwide effect. By ordering the Belgian defendant and its US mother company (only) to refrain from offering for sale and selling the patented device in all the EP designated countries, these defendants remained free to manufacture them in Belgium and to organize their transportation and sales to the US, Japan and other countries outside Europe.

The European Court of Justice largely rejected the rationale for cross-border jurisdiction in patent proceedings on the merits in its landmark decisions in *GAT/LuK* and *Roche/Primus* of 13 July 2006. Such claim would be based on different national patents (or national branches of European patents), whereas the competence to decide on the validity of such patents would be exclusively reserved to the corresponding national court and, hence, spread over different national courts. This case law effectively blocks cross-border infringement proceedings in Europe, as soon as the validity of the asserted patent is disputed.

However, this blockage does not apply to provisional measures, such as PIs. This was clarified by the CJEU in the *Solvay/Honeywell* case,¹²⁵ thereby largely confirming the practice of the Belgian courts issuing cross-border injunctions by way of interlocutory decision.

The **practice of the “Belgian torpedo”** also generated interesting decisions about whether or not the Belgian courts could examine the (absence of) infringement of a foreign patent.¹²⁶ The answer on this issue was given by the Belgian court many years before the CJEU’s landmark judgments of 13 July 2006 in *GAT/LuK* and *Roche/Primus* came to the same conclusion. In its decision of 21 February 2001,¹²⁷ the Brussels Appeal Court sealed the fate of the “Belgian torpedo” by rejecting claims for a cross-border declaration of non-infringement against a foreign patent owner and its various subsidiaries on the basis of articles 8.1 (co-defendants) and 7.2 (place where the infringement occurs) of the Brussels Regulation. The Brussels court did not have to address the question of whether there was cross-border jurisdiction for the “home court” sitting in application of article 4 of the Regulation but stressed the fact that the national patent claims in a cross-border action bear no connection to each other, since after grant a European patent is only a “bundle” of national patents whose infringement and validity are governed by different national laws. This is precisely what the CJEU held five years later.¹²⁸

In any event, considering that **Belgian courts are amongst the fastest in Europe** to render their decisions (both in PI proceedings and on the merits), the Belgian torpedo is largely a thing of the past.

ENGLAND AND WALES

Prior to the withdrawal of the UK from the EU, there had traditionally been a reluctance of the English courts to grant cross-border interim relief in cases related to **registered intellectual property rights**. They had nevertheless shown a willingness to grant cross-border declaratory relief in a case related to

¹²³ Pres. Brussels court of first instance 25 March 2005 (*Altana Pharma*), *IRDI* 2005, 302.

¹²⁴ Antwerp Court of appeal 25 April 2007 (*Praxair v ATMI*) *IRDI* 2007, 248.

¹²⁵ CJEU 12 July 2012 (*Solvay v Honeywell*), C-616/10, §49-50.

¹²⁶ A “torpedo” action represents a strategy whereby an alleged infringer sought from a slow court a cross-border declaration of non-infringement against a patentee who is expected to bring a suit in a more efficient jurisdiction. When this suit was brought before the patentee could bring a suit in another jurisdiction, the latter court was obliged to stay its proceedings under the international rules of *lis pendens* until the slower court had issued a (final) decision.

¹²⁷ Brussels court of appeal 20 February 2001 (*Roche v Glaxo*) *IRDI* 2002, 284.

¹²⁸ CJEU 13 July 2006 (*Roche v Primus*), C-539/3 par. 30 *et seq.*: “It is apparent from Article 64(3) of the Munich Convention that any action for infringement of a European patent must be examined in the light of the relevant national law in force in each of the States for which it has been granted. It follows that, where infringement proceedings are brought before a number of courts in different Contracting States in respect of a European patent granted in each of those States, against defendants domiciled in those States in respect of acts allegedly committed in their territory, any divergences between the decisions given by the courts concerned would not arise in the context of the same legal situation. Any diverging decisions could not, therefore, be treated as contradictory. In those circumstances [...], it is clear that such a connection could not be established between actions for infringement of the same European patent where each action was brought against a company established in a different Contracting State in respect of acts which it had committed in that State.”

European patents registered in other EU member states in circumstances where the validity of those foreign patents was not challenged.

The reason for their reluctance to grant cross-border interim injunctive relief was the view that although the law on validity and infringement of IPRs may be identical or very similar in the UK to EU and/or other EPO states, the law on PI relief and the evidence required for such injunctions differs between states and it would be difficult for the English courts to be sure that an injunction granted in England would be appropriate in another jurisdiction.

Post the decision in *GAT v LuK*¹²⁹ the position as regards final injunctive relief was made clear, namely, once the validity of a non-UK European patent had been put in issue in another EU jurisdiction, the fact that a UK court was obliged to decline jurisdiction in relation to issues which were "principally" concerned with validity meant that it had to decline jurisdiction over the claim of infringement of that non-UK European patent. The Court's position as regards interim relief post-*Gat v LuK* was never tested in the English Courts prior to the UK's withdrawal from the EU.

Now that the UK has withdrawn from the EU, if faced with an application for cross-border relief, the English court would be applying the national law on such matters as justiciability and *forum non conveniens*. Whether in any particular case, the court would grant cross-border interim injunctive relief, remains an open question, but seems unlikely. As regards final injunctive relief, it seems unlikely given the national law on justiciability. As regards declaratory relief, there would seem no reason to believe that it would not remain possible in certain circumstances e.g., like those in the previous case where the validity of the patents in relation to which the declaratory relief was being sought were not put in issue.

Unlike patents and trademarks, **copyright** is an unregistered IPR. In *Lucasfilm Ltd & Ors v Ainsworth & Anr*¹³⁰, the Supreme Court considered whether the claim was justiciable, i.e., whether an English court may exercise jurisdiction in a claim against persons domiciled in England for infringement of copyright committed in a country outside the European Union in breach of the copyright law of that country. It found that an English court may exercise such jurisdiction provided there is a basis for *in personam* jurisdiction over the defendant. It should be noted that the ratio in this case was confined to copyright.

It is possible in certain defined circumstances to **enforce a foreign judgment** in the English courts (for remedies see section 2.5). Post-Brexit, the procedure for doing so depends on the country of the court which made the judgment needing to be enforced. The UK has entered into various bi-lateral treaties with certain countries including some EU member states that are arguably still valid. The enforcement regime for a judgment from such a country covers final and conclusive judgments for a sum of money. Injunctions are therefore excluded. The procedure is that within a 12 or 6 month period (depending on the country) the creditor can apply without notice for a registration order which is then served on the debtor who can appeal on limited grounds. The registered judgment can then be enforced as an English judgment. In the absence of a valid bi-lateral treaty the common law position is that a foreign judgment will be enforced provided that it meets certain criteria namely, it must be final and conclusive and for a sum of money and also that the original court had jurisdiction under English law rules. Again, injunctions are excluded. Assuming that those criteria are met the procedure is that the creditor must start fresh proceedings against the debtor in the English court. As such permission to serve out may be required. Once served, however, the claimant would usually expect to succeed on a summary judgment application.

Prior to the UK's withdrawal from the EU, the English courts showed considerable reluctance to stay infringement proceedings in favour of foreign cross-border infringement (known as **torpedoes**). The English courts are likely to remain reluctant to do so post-UK withdrawal.

FRANCE

Injunctions on a cross-border basis

EU cross-border injunctions are possible in matters involving EU trademarks and designs, according to articles 125, 126, and 131 of the EUTMR and articles 82 and 83 of the CDR.

¹²⁹ [2006] FSR 45.

¹³⁰ [2011] UKSC 39

French judges have granted permanent injunctions applicable in the whole European Union based on EUTMs¹³¹ or CDs¹³².

Pursuant to the Brussels Regulation, among EU member states, a national court is competent to issue a cross-border injunction, based on patent infringement in different EU countries, against third parties primarily domiciled in the country of this court. However, in practice, this possibility is seldomly used due to the exclusive jurisdiction of each national court regarding the validity of national patents or national parts of European patents (article 24). A cross-border injunction also implies that the seized court applies foreign patent laws which may lead to difficulties and complex cases. Also, pursuant to French law (Article 14 Code civil), when no other court is competent, or for a “good administration of justice”, a French claimant is entitled to initiate proceedings before a French court against a foreign party, including with respect to patent infringement that occurred abroad.¹³³

The effects in France of a torpedo action launched before a foreign court

French courts ignore foreign torpedo actions considering that such actions do not prevent a French court to rule on the infringement of the patent.¹³⁴ They refuse to stay infringement proceedings launched in France considering that infringement proceedings and torpedo actions are not grounded on the same legal basis.

We are not aware of recent case law on this issue. However, from our point of view the CJEU case law¹³⁵ does not reverse the French solution, insofar as it does not call into question the reasoning of French courts on the legal grounds of the actions.

GERMANY

A cross-border patent dispute can be considered from both the active and the passive side. On the active side the patentee may ask for an injunction before one national (e.g. German) court concerning a patent which is valid in another member state of the European Union, or, as it is often the case, with respect to several national parts of one European patent. On the passive side, the potential infringer may apply to a court for a negative declaratory action claiming that several national parts of one European patent are not infringed.

PIs remain possible on a cross-border basis even if the alleged infringer has filed for a negative declaratory statement in another EU jurisdiction. However, the PI may be inadmissible due to a lack of urgency when the patent owner has known about the infringement for a considerable time (i.e. as a rule, if the infringement is known about for more than one month and also depending on the complexity of the particular case) but has not applied for a PI, because the complaint for a negative declaratory statement is not considered to establish urgency *de novo*.¹³⁶

Both scenarios have in common that the respective claimant seeks a court order to cover patents from abroad, in case a German court is involved, from another country other than Germany.

The different national courts of the member states of the European Union developed in the 1990s differing case law on whether cross-border actions are admissible or not. For instance, while the Dutch courts put their focus more on the place of the infringing activities, it was the German courts that allowed active cross-border actions if the defendant was sued at the court in his place of domicile for infringement in more than one country. To decide infringement of such national parts from abroad, the German court had to apply the relevant national patent law with the consequence that the German court would allow revocation objections which, under German law, are not admissible in the German “bifurcated system” as outlined above in section 2.4. It has to be noted that any decision on validity as such (e.g. with effect *erga omnes* and not only *inter partes*),¹³⁷ is always limited to the exclusive jurisdiction of the country in which the patent was registered.

In its *GAT v LuK* case, the CJEU decided that “Article 16 no.4 of the Brussels Convention [the predecessor of the Brussels Regulation] is to be interpreted as meaning that the rule of exclusive

¹³¹ TGI Paris, 17/10284, 26 February 2021.

¹³² TGI Paris, 17/11051, 29 June 2018.

¹³³ Cour cass., 21-11.085, 29 June 2022.

¹³⁴ Paris Civil court of First Instance 28 April 2000, the General Hospital v Bracco – 9 March 2001 Scherrer v Fadis.

¹³⁵ *Gasset v Misat* 9 December 2003 and *GAT v LuK*.

¹³⁶ cf. LG Düsseldorf, 4a O 162/01, GRUR Int. 2002, 157.

¹³⁷ article 22 (4) of the Brussels Regulation.

jurisdiction laid down therein concerns all proceedings relating to the registration or validity of the patent, irrespective of whether the issue is raised by the way of an action or a plea in objection".¹³⁸ In *Roche v Primus* (C-539/03) the CJEU decided that article 8(1) of the Brussels Regulation, which grants jurisdiction over cases that are rarely deemed to be connected, would not allow for suing several foreign companies together with one local national company before a single national court. The CJEU thereby dismissed the "spider-in-the-web doctrine" applied by Dutch courts. German decisions had rejected the inclusion of a foreign, likewise infringing group company in any case if the action against the German company is brought only at the place of the infringement and not at the defendant's place of domicile.

The question remains whether the *GAT v LuK* decision also deals with the specific German (and Austrian) issues of a separation of infringement and revocation actions (the bifurcated system). Rather it only refers to countries like France, Italy and Belgium where the revocation defence can be brought in a separate action or as a simple objection in the infringement action. The CJEU merely confirmed the revocation actions against the national part of a certain European patent that can only be conducted in the jurisdiction for which the patent was registered. According to the CJEU, it does not make a difference if such revocation defence is raised within infringement proceedings or if they are raised as a dedicated revocation action, as is required in Germany. Therefore, the *GAT v LuK* decision mainly applies to disputes arising in respect to patents from member states other than Germany. *GAT v LuK* does, however, clearly rule that as soon as the defence of revocation is raised in proceedings before a foreign court, such action is inadmissible and must therefore be terminated, due to the fact that this foreign court does not have competence to rule on the validity matter.

Due to the fact that in a German infringement proceeding validity is not an issue except for the question of a possible stay, the question is whether the German infringement proceedings are proceedings "relating to the validity of a patent" in terms of *GAT v LuK*. Of course, the German infringement judge will have to deal with questions of validity when a separate revocation action or opposition is filed abroad. Therefore, one could argue that article 24(4) of the Brussels Regulation must be interpreted in such a broad sense that the infringement action should become inadmissible not only when the revocation objection is raised but also when the stay due to revocation is requested by the defendant.

In the following, we will address specifically the cross-border jurisdiction of a German court in the two mentioned alternatives of litigation: an active infringement action brought by the proprietor; and a negative declaratory action brought by the potential infringer.

Active infringement action initiated by the patentee

The question of whether a German court has cross-border jurisdiction is determined by asking if the German court has international jurisdiction about the broad case. Therefore, we address below the respective articles of the Brussels Regulation regarding jurisdiction and discuss for each article its application after *GAT v LuK* and how the German courts have handled cases after *GAT v LuK*.

Place of domicile (article 4(1) Brussels Regulation)

Article 4(1) of the Brussels Regulation provides that persons and companies domiciled in a member state of the European Union shall be sued in the courts of that member state. As a consequence, a German company may, for instance, be sued not only for infringement of a German patent or the German part of a European patent but also for infringement of the French or Dutch part of the European Patent or a foreign patent issued in one of the member states.

The German court has to determine the question of infringement and the resulting legal consequences based on the foreign material law of the member state of the said foreign patent. This may require the court to ask for a legal expert opinion on the foreign law, although it may find that for some jurisdictions, for instance France or The Netherlands, it is competent to determine the question of infringement and the consequences according to this foreign law.¹³⁹

It must then be determined what will happen if the action is based on a foreign patent and the foreign law recognizes that the issue of validity of the patent is raised by way of an objection. According to the CJEU in *GAT v LuK* the German action becomes inadmissible once the revocation defence is raised, irrespective of whether it occurs by way of a separate counter action or a plea in objection, because of article 24(4) of the Brussels Regulation. The German infringement action needs to be dismissed as

¹³⁸ C-4/03.

¹³⁹ Regional Court Düsseldorf, InstGE 1, 261 – Schwungrad.

inadmissible because the Brussels Regulation does not stipulate another legal consequence, such as a referral to a foreign court. Only in the event that the foreign patent is attacked in the foreign member state with a revocation action and the revocation defence is not raised in the German infringement proceeding, can the German court order a stay of the infringement proceedings until it has made a decision over the foreign revocation action.

The legal consequence of inadmissibility of the German infringement action, according to article 24 of the Brussels Regulation, does not apply in the case of preliminary injunction proceedings, because of article 35 of the Brussels Regulation. This stipulates that courts of a member state may apply provisional measurements even though a court of another member state would have jurisdiction. However, there is no confirming case law after *GAT v LuK* on this issue. One may also consider that a PI proceeding can in its entirety not preside over a proceeding on the merits. Therefore, since the proceeding on the merits is inadmissible due to the exclusive jurisdiction of the foreign court, the same has to be applied for the PI proceedings. A defendant in such a case should raise this issue.

In this context, the decision of the Regional Court Düsseldorf in “*Eingriffskatheter*”¹⁴⁰ should be highlighted. The claimant in this case had sued the defendant in Belgium for patent infringement, *inter alia*, for the German part of a European patent. During the course of this litigation in Belgium, the claimant made the statement that he would waive his claim with regard to the infringement of the German part of the European patent. Subsequently, the claimant brought a new infringement suit before the German court for infringement of the German part of the European patent. The Regional Court held that the claimant had not materially waived its rights to sue for infringement in Germany, but since the wording (Tenor) of the Belgium decision states that the claimant has waived its rights with regard to patent infringement in Germany, the principle of *res judicata* applies, which is also stated in article 41 of the Brussels Regulation.

Place where a tort or a quasi-tort occurred or may occur (article 7(2) Brussels Regulation)

Article 7(2) Brussels Regulation provides the court jurisdiction in the place where the harmful event occurred or may occur. In contrast to the jurisdiction on defendant’s domicile, pursuant to article 4(1) of the Brussels Regulation, claims for infringement of a foreign patent or foreign part of a European Patent may not be based on this provision.

Regarding a declaratory action filed for non-infringement, for instance a “German Torpedo”, courts have ruled that this special jurisdiction is not given from the beginning because the claimant declares that no tort has occurred.¹⁴¹ It is doubtful whether the Düsseldorf Courts or the Supreme Court would follow this approach.

It is sufficient to establish international jurisdiction as such by claiming infringement by the defendant, which will later be assessed by the courts in the main proceedings, and therefore claimants have tried to allege such facts to establish jurisdiction. For instance, the Regional Court of Mannheim had to make a decision regarding a case where the claimant was domiciled in France and delivered a device subject to an indirect patent infringement to its customer domiciled in France as well. The said customer delivered that part capable of an indirect patent infringement to a further consumer in Germany. The Regional Court of Mannheim dismissed the case due to a lack of international jurisdiction because it was under no circumstances possible to establish an indirect infringement in Germany because the offer was made in France.¹⁴² However, the delivery of a part capable of indirect patent infringement could be a participating act in a direct patent infringement which occurs in Germany. In this case, a person who delivers a certain part, which his consumer would use for a direct patent infringement in Germany, would be liable for contributory patent infringement.¹⁴³

Number of defendants (article 8(1) Brussels Regulation)

The Brussels Regulation provides in article 8(1) the possibility to sue a number of defendants at the court of one member state where one of the defendants is domiciled, provided that the claims are so closely connected that it is expedient to hear and determine them together. This provision was the basis for the Dutch “Spider-in-the-web doctrine”. This jurisdiction is also limited to the established close connection. That means in the event that a German distribution company is sued together with the French manufacturer of the product for a patent infringement of the German and the French part of a

¹⁴⁰ Regional Court Düsseldorf, InstGE 11, 44.

¹⁴¹ Higher Regional Court Munich, InstGE 2, 61 – Leit- und Informationssystem II; left open by Higher Regional Court Düsseldorf, decision of May 12, 2005 docket no. I-2 U 67/03.

¹⁴² Regional Court Mannheim, InstGE 5, 167 – Luftdruck-Kontrollvorrichtung.

¹⁴³ Regional Court Mannheim, InstGE 6, 9 – Kondensator für Klimaanlage.

European Patent, jurisdiction could only be established with regard to the German part of the European patent but not with regard to the French part. This might be different in a case where one can prove that the German distribution company has participated in the infringing acts of the manufacturer. You may see establishing an international jurisdiction that depends highly on the factual circumstances.

Defendant does not contest jurisdiction (article 35 Brussels Regulation)

In the situation where there is no exclusive jurisdiction pursuant to article 24 of the Brussels Regulation, the German court can establish international jurisdiction through the defendant's appearance in court, if the defendant does not contest the jurisdiction (article 35 Brussels Regulation). This method of establishing jurisdiction is particularly considered for proceedings before the Regional Court of Düsseldorf. As mentioned above under section 2.1, German courts might hold a first brief oral hearing is held a few weeks after the complaint is filed. Even though this is a rather formal oral hearing, the defendant has to raise certain defences in this hearing in order to avoid being barred from raising them later on. One of these defences to be raised is the contesting of international jurisdiction.¹⁴⁴

Declaratory action for non-infringement by a potential infringer

This is a classic torpedo defence filed by the potential infringer. Three main issues can be discussed in this regard.

Pending of an action (article 29 Brussels Regulation)

Article 29 Brussels Regulation states that in case the same cause of action between the same parties was brought before a court of a member state, a second court called up in another member state has to stay on its own proceedings until the first court has established its jurisdiction.

All this is practically obsolete after the CJEU decision *Roche v. Primus*, because a negative declaratory action from a foreign EP part is no longer the same thing as a positive injunction action from the German part. The German court no longer does therefore not have to stay its procedure.

In this context, the bar of other *lis pendens* according to article 29 Brussels Regulation never applies to the preliminary injunction proceedings. The Düsseldorf Regional Court had held out the prospect of PI in Germany in the event of abuses that could actually be ascertained but has not yet issued such a PI.

Whereas under the Brussels Regulation only the priority of the action is decisive, in Germany the subsequent positive action for injunctive relief disposes of the negative action for a declaratory judgment because it deprives it of the need for legal protection.

A "torpedo" is therefore still possible. However, the issue has been alleviated to a certain extent by a case of the Düsseldorf Regional Court,¹⁴⁵ in which the court assumed that the exclusive licensee of the patent proprietor could also bring an action for an injunction in Germany even if the infringer had brought a negative declaratory action against the patent proprietor in Italy. Thus, the identity of the parties required by article 29 Brussels Regulation was missing. The Düsseldorf Upper District Court confirmed the judgment.

Another interesting aspect of the decisions was that the negative declaratory action was directed against the European Parent application, while the action for an injunction was based on the German part, which had been granted in the meantime. Due to the disintegration of the European patent into national individual parts, the subject matter of the dispute was therefore not the same.

Recently, German courts had to deal with anti-suit injunctions by other jurisdictions. Regarding this issue, we refer to section 3.3 of this survey.

Trademarks

According to article 131(2) EUTMR, injunctions based on EUTMs and CDs can be granted with cross-border effect by the EU trademark court, whose jurisdiction is based on article 125 (1-4). If the defendant is domiciled in an EU Member State or has an establishment in an EU Member State, this Member State's EUTM courts are competent for cross border injunctions.¹⁴⁶ If the defendant is neither domiciled

¹⁴⁴ Regional Court Düsseldorf, InstGe 9, 18 – Beleghalter für Scheibenbremsen.

¹⁴⁵ GRUR-RR 2009, 402

¹⁴⁶ Art. 125(1) EUTMR.

nor has an establishment in any of the Member States, competence lies with the EUTM courts of the Member State in which the claimant is domiciled or has an establishment.¹⁴⁷

If an injunction is requested because of the mere risk of future infringements, i.e. although no actual infringement has occurred yet, the risk is deduced from the fact that the respondent has applied for or registered an allegedly infringing trademark or design, the scope of the injunction will be limited only to the country where the application or registration has taken place. For example, if the risk is shown to exist only in Germany, because this is where the respondent has registered an infringing sign or design, the injunction will be limited to the territory of the Federal Republic of Germany.

As a general rule, German courts do not take into account IPR protection which has already been granted in another jurisdiction, because they apply German law according to their own standards. However, they will be interested in the judicial arguments brought forward to justify the grant of that IPR protection in another jurisdiction and will thoroughly examine whether these arguments are also convincing in their case.

“Torpedoes” launched by the filing of an action for a declaration of non-infringement are not a ground to stay the proceedings.¹⁴⁸

ITALY

In Italy, from a general point of view **cross border PIs** are possible. Nevertheless, such measures have not been frequently adopted in Italy.

“**Torpedo**” is basically a negative declaratory action in which the alleged infringer of a patent starts litigation in an Italian court claiming the non-infringement of the local and of the foreign branches of a European patent.

The alleged infringer (or, better, a company threatened to be infringing a patent by its owner and/or exclusive licensee), by starting a torpedo negative declaratory action exploits the protracted nature of certain jurisdictions (in particular Italian) and requests the courts of this country to grant a decision on the lack of infringement both of the Italian and also of the foreign portions of the patent.

Therefore, since the (in this case, Italian) court is seized on the merit to ascertain the (non) infringement also of the foreign portion of the patent, the foreign court could be blocked on the merit in deciding on the same issue (infringement) as long as the Italian proceedings on the merit is pending.

The main jurisdictional basis for this action consists of articles 7(2) and 29 of the Brussels Regulation.

In this regard, the Italian Supreme Court has recognized the right to start Italian proceedings claiming the non-infringement of the foreign portions of a European patent.¹⁴⁹ However, to date, courts seem to be still inclined to deny their jurisdiction on the foreign portions of the patent.¹⁵⁰

In any case, it could take some time to obtain a (likely negative) decision on the lack of jurisdiction, with the consequence that the blocking effect of foreign litigation would, however, be obtained during this period (for approximately 1 or 2 years).

THE NETHERLANDS

Preliminary injunctions are possible on a cross border basis. The Dutch PI judges have held in several cases that if jurisdiction is based on article 4 of the Brussels Regulation, cross border injunctions are still possible in PI patent proceedings, even if a substantiated validity defence is put forth.

In *Solvay v Honeywell* the District Court of The Hague referred questions to the Court of Justice, and this judgement somewhat strengthened the Dutch cross-border practice after *GAT/LuK* and *Roche/Primus*. In its judgement (*Solvay/Honeywell* C-616/10) the CJEU ordered that “in a situation where two or more companies established in different Member States, in proceedings pending before a court of one of those Member States, are each separately accused of committing an infringement of the same national part of a European patent which is in force in yet another Member State by virtue of their

¹⁴⁷ Art. 125(2) EUTMR

¹⁴⁸ Art. 122 EUTMR.

¹⁴⁹ Italian Supreme Court, June 10, 2013, no. 14508.

¹⁵⁰ Court of Milan, December 12, 2016; Court of Milan, January 27, 2014 and Court of Milan, February 5, 2013.

performance of reserved actions with regard to the same product, is capable of leading to ‘irreconcilable judgments’, resulting from separate proceedings as referred to in that provision. It is for the referring court to assess whether such a risk exists, taking into account all the relevant information in the file.” National courts should be aware of the possibility that irreconcilable judgements arise in case they would order contradiction judgements on the infringement of the same national parts of the European patents.

That being said, it is highly unlikely that a cross-border injunction is granted if it is only established that the infringing product has been manufactured in the Netherlands without any indication that infringement is also taking place outside the Netherlands. On the other hand, if it would be clear that if the infringing product would be transported or sold to another country in which a valid patent exists, cross-border relief cannot be excluded.

In the event that no invalidity arguments are raised, cross-border injunctions are also possible in proceedings on the merits. Furthermore, if invalidity arguments are raised with regard to a foreign patent, the District Court will normally stay the proceedings until judgment from the foreign court on validity is rendered.

In any event, it is possible to ask for a cross-border preliminary injunction against Dutch defendants in other IP cases as well. With regard to EU trademarks and designs, the Dutch courts have jurisdiction to issue a cross border injunction on Dutch defendants and there are many examples of cases where the courts have done so.

SPAIN

In Spain there are no judicial decisions regarding cross border actions. However, it is expected that the Spanish courts will not judge infringement or validity actions in relation to foreign IPRs following the doctrine of the CJEU in *GAT v LuK* (Case C-4/03) and *Roche v Primus* (Case C-539/03) of 13 July 2006. In the decision of Barcelona Commercial Court No. 4 of 2 September 2019,¹⁵¹ an *ex parte* preliminary injunction on pemetrexed for Spain was granted against Sandoz. The Court based its decision on the UK Supreme Court 12 July 2017 judgment by which it considered that Actavis product infringed the Spanish part of the EP. Sandoz was not party to this UK proceeding, but the Court found convincing the UK Supreme Court interpretation of the doctrine of equivalents and apply it to Sandoz.

¹⁵¹ Decision No. 214/2019, *Eli Lilly v. Sandoz*, docket 1403-2019-X

3.2 Use of evidence obtained via foreign proceedings

BELGIUM

Evidence imported from a foreign court

As far as use of evidence obtained via foreign proceedings is concerned, the Belgian rules of evidence and of civil procedure (e.g. article 8.11 Civil Code allowing all means of evidence in disputes companies) do not require any formalities for admitting evidence obtained via foreign proceedings. Consequently, it is common practice that parties refer to (portions of) foreign judgments in the parallel litigation, foreign expert reports, witness statements before a foreign court, etc.

Production before a foreign court of evidence obtained in Belgium

As far as the procedure of “*saisie description*” is concerned, the Belgian Supreme Court rendered a landmark decision in September 1999¹⁵², authorising what some referred to as a “*cross border saisie description*” because a Belgian patent was no longer required, and the procedure was made available to owners of foreign patents. Reiterating the fact that article 24 of the Brussels Convention (currently article 35 of the Brussels Regulation) gave a judge jurisdiction to issue preliminary measures even if the main proceedings had to be conducted in another member state, it welcomed owners of foreign patents to come and search for evidence in Belgium of infringement of their foreign IPR. In very clear terms, the court said that the results of the Belgian discovery were not exclusively meant for the Belgian court but could very well be “exported” and used in foreign court proceedings. There was even no need to launch main proceedings in Belgium at all.¹⁵³

The decision of the Belgian Supreme Court thus cleared the way for foreign IPR owners to use the Belgian procedure of “*saisie description*” whenever there existed a reasonable suspicion that evidence of infringement of IPRs, granted somewhere else in Europe, can be found in Belgium, and to “export” that evidence for use in infringement proceedings before other national courts. This principle is now also reflected in the law, where article 1369*bis*/7 Jud. Code explicitly allows the use of the evidence obtained in Belgium later on in proceedings in Belgium or abroad.

The powers of a Belgian judge in such “*saisie description*” proceedings are however limited to the Belgian territory. Therefore, no search can be ordered by the Belgian court on premises outside Belgium.

ENGLAND AND WALES

Importation of Evidence from Foreign Proceedings

Evidence from foreign courts can be relied on in English courts, subject to compliance with the Civil Evidence Act 1995, which requires that a party proposing to adduce hearsay evidence gives notice to the other party or parties to the proceedings. Evidence can take the form of statements of fact or opinions usually in the form of an affidavit, witness statement or expert report.

Exportation of Evidence from English Proceedings

As a general rule, leaving aside any party-imposed restrictions on the use of confidential information, the CPR impose restrictions on the use of disclosure documents and witness statements other than for the purpose of the proceedings in which they are produced.

The general principle in relation to disclosed documents is set out in CPR Part 31 which states that a party to whom a document has been disclosed may use the document only for the purpose of the proceedings in which it is disclosed, except where:

- a the document has been read to or by the court, or referred to, at a hearing which has been held in public,
- b the court gives permission, or

¹⁵² Belgian Supreme Court (Cass.) 3 September 1999 (Sanac) *Pas.* 1999, I, 433.

¹⁵³ There is no need to start Belgian main proceedings after a mere “*saisie description*” of the alleged infringement. This is different if the description is accompanied by real seizure measures (e.g. a full immobilization of the goods).

- c the party who disclosed the document and the person to whom the document belongs agree.

Therefore, once a document has been read in open court it can be used for any purpose (including foreign proceedings). However, it is within the court's powers to make an order restricting or prohibiting the use of a document which has been disclosed, even where the document has been read to or by the court, or referred to, at a hearing which has been held in public.

The general principle in relation to witness statements is set out in CPR Part 32, which states that a witness statement may be used only for the purposes of the proceedings in which it has been served unless and until the witness or the court gives consent or the witness statement has been put in evidence at a hearing held in public (subject to the court's powers to make an order restricting the subsequent use of such statements).

Expert's reports may be used for purposes other than the proceedings in which they are produced, including for foreign proceedings, as soon as they have been exchanged. This differs from the position for disclosed documents (see below) which belong to the party which discloses them. Unlike disclosed documents, expert reports do not belong to the party which commissions the expert. This is because experts owe an overriding duty to the court¹⁵⁴ and the reports which they produce are addressed to the court rather than to any party to the proceedings.¹⁵⁵

Letters of Request/Letters Rogatory

The English Court has authority under the Evidence (Proceedings in Other Jurisdictions) Act 1975 to give effect to a Letter of Request (received from the court of another country) by making an order that a witness in England attend to give a deposition and/or to produce documents. The procedure is that an application is made to the Senior Master at the High Court to enforce the Letter of Request. To be enforceable, the Letter must relate to a civil or commercial matter and must also not involve taking steps which would not be permissible in English civil litigation i.e., it is limited to obtaining witness testimony and specific documents or classes of documents for use at trial.

FRANCE

Evidence imported from a foreign court

According to the French Intellectual Property Code, infringement may be evidenced by all means (notably by submitting legal opinion or affidavits). When such evidence is imported from foreign courts, the following conditions shall be fulfilled: (i) documents shall be translated into French (no sworn translation is required except when the translation is contested by the other party); (ii) a form of document, such as an affidavit or documents filed to foreign courts, will require legalisation or apostille (notably for documents provided from European countries).

As evidence is free, such documents will have the same value as other evidence obtained in France.

Production before a foreign court of evidence obtained in France

It is possible in practice to carry out a "*saisie-contrefaçon*" in France in order to produce evidence before a foreign court (without bringing a lawsuit in France on the basis of this "*saisie-contrefaçon*"). However, in this case, the party producing such evidence will run two risks: (i) the invalidity of the "*saisie-contrefaçon*" (which would require an explanation before a foreign court of the French rules relating to the validity of a "*saisie-contrefaçon*"); and (ii) a claim for damages in relation to this "*saisie-contrefaçon*".

Under French law, there are no specific provisions stating that restrictions exist in relation to sharing evidence which is originally produced before the French courts (including obtained through a "*saisie-contrefaçon*") but is later produced in foreign proceedings.

¹⁵⁴ CPR 35.3.

¹⁵⁵ CPR PD 34 paragraph 2.1.

GERMANY

Under German procedural Law, there are five forms of evidence: (i) inspection by the court (*Augenschein*); (ii) witness evidence (*Zeugenbeweis*); (iii) expert evidence (*Sachverständigenbeweis*); (iv) documentary evidence (*Urkundenbeweis*); and (v) interrogation of the parties (*Parteivernehmung*). Since the US-American “discovery” as such does not qualify as any of these, it is not a form of evidence accepted by German procedural law and is therefore inadmissible. The same principle applies to other proceedings of taking evidence such as the French “saisie-contrefaçon” and the English “Anton-Pillar-Order”, which are particularly established in patent matters.

However, evidence obtained via foreign proceedings is generally accepted by the German courts if it complies with one of the aforementioned categories of evidence, is verified in each particular case that it conforms with the German standards on obtaining the evidence, as stipulated by the German Civil Procedural Code, and adheres to German case-law with respect to the procedural rights of the counterparty.

Evidence produced in another jurisdiction may therefore not be admissible before German courts if it could not have been gained in the same way in Germany, namely because fundamental rights granted by the German Constitution were infringed in order to obtain the evidence (*Grundgesetz, GG*).

As a general rule, evidence gained or used in IPR litigation before a foreign court must be converted to the German standards. The probative value of certain types of documents may not be the same if the German standards are not met.

For example, a sworn affidavit is not comparable to an affirmation in lieu of an oath (*Versicherung an Eides statt*) in terms of section 294 Code of Civil Procedure because it normally has not been made before a German public authority competent to administer such affirmations in terms of section 156 Criminal Code (*Strafgesetzbuch, StGB*). This means that another affirmation made before a competent German public authority is required.

Since the language of the ordinary courts, the Federal Patent Court and the German Trademark and Patent Office is German, documents normally have to be translated into German.¹⁵⁶

Patents

Under the conditions laid out *supra*, evidence obtained in the course of “saisie-contrefaçon”, known in France and similarly in some other European countries such as Belgium and Italy, may be introduced by the claimant into German infringement proceedings as a means to substantiate the plea with the effect that the defendant then has to bring counterarguments or evidence respectively to convince the Court to the contrary. Nonetheless, similar to the situation regarding the American “discovery”, the result of a “saisie” itself cannot be used as a means of evidence. If relevant, the taking of evidence in France, Belgium, Italy, etc. therefore has to be conducted anew following the principles of the 18 March 1970 Hague Convention on Taking of Evidence Abroad in Civil or Commercial Matters.

Trademarks

The German Trademark and Patent Office may accept English, French, Italian or Spanish documents without any translation into German, but in practice it will hardly ever do so and will even require that the translation be either authenticated by an attorney-at-law or a patent attorney or made by a sworn translator.¹⁵⁷ If the document is in any other foreign language apart from English, French, Italian or Spanish, the latter is obligatory within one month from receipt of the document.¹⁵⁸

In proceedings before the ordinary courts as well as before the Federal Patent Court it is up to the court’s discretion whether to require a translation produced by a sworn translator.¹⁵⁹ In any case it is recommended to submit any document at least with a simple translation. In the event that a document may be or become crucial for the outcome of the proceedings, a certified translation should be submitted instead.

¹⁵⁶ Section 184 Courts Constitution Act, section 93 Trademark Act.

¹⁵⁷ Section 16(3) Trademark Regulation (*Markenverordnung*).

¹⁵⁸ Section 16(2) Trademark Regulation (*Markenverordnung*).

¹⁵⁹ Section 142(3) Code of Civil Procedure, 82(1) (1) Trademark Act.

ITALY

In Italy it is quite common to file evidence collected in foreign parallel proceedings, especially when they are in relation to the national portions of international IPRs, such as European patents and international trademarks.

The parties generally file any form of document or evidence that they consider useful or relevant to demonstrate their respective positions and claims.

The parties are allowed to file evidence by way of an affidavit, written declarations, Court Technical Expert opinions, for example, filed in parallel proceedings and also in simple copies. A translation in Italian is generally attached to the document in order to allow the judge and the other party to better understand the content of the document it relates to.

There is no law providing for an obligation to file translations in judicial proceedings. According to article 122 ICCP “the whole proceeding must be conducted in Italian”. According to case law such obligation is limited only to the mere trial activity (such as hearings, briefs to be filed, judge’s provisions, minutes of the case) and does not extend to documents. Furthermore, courts have also stated “that upon the parties there is a burden to file translations unless the language of the document is universally known such as English”. In view hereof it is advisable to always file translations, especially regarding those documents and evidence that are written in languages with a different alphabetic character such as Japanese, Chinese, Russian, Hindi. As matter of fact, especially in patent matters, Japanese patents are frequently filed as prior art together with the relevant translation.

Documents and the other written evidence may also be contested with reference to their authenticity and provenance. Formalities such as legalisation, authentications and apostille strengthen the “evidential value” of the documents since they are considered to be full evidence. Also documents that the parties recognise as coming from themselves are considered to be full evidence (for instance, a written declaration signed by the party who recognises that it comes from that party). These documents may only be challenged by means of a particular proceeding called “*querela di falso*” which is aimed at ascertaining the falsity of the document. Other written evidence which is not legalised, authenticated etc. or recognized by the parties, is freely evaluated by the judge.

If there is a necessity to hear from a foreign witness, the judge is allowed to appoint a translator who will have to swear to carry out the activity faithfully.

If evidence has been filed before the Italian courts, which shall be produced before a foreign Court, serious obstacles to such filing may arise when the evidence has been collected by *descrizione* proceedings. As already pointed out, *descrizione* is a procedure aimed at collecting evidence that will be used in the proceeding on the merits to be filed in Italy. According to article 129-130 IPC this evidence is undisclosed and kept secret by judge’s order, who also specifies the most appropriate measures to guarantee such secrecy. The judge is the only authority that can decide - on a case by case basis - about the “seized evidence” and whether or not the evidence should be disclosed or not, taking into account the parties’ opinions and wishes. To acquire such evidence under secrecy in a non-Italian trial, the foreign Judicial Authority would very likely have to issue a formal request to the Italian Court.

Differently, in the Opposition procedure against the registration of a trademark to be filed before the Italian Patents and Trademarks Office the application must be in Italian and the possible foreign documents and exhibits attached must be translated in Italian language accordingly. Should this not be the case, the documents will be considered inadmissible.

THE NETHERLANDS

In the Netherlands each party may bring into the proceedings all evidence that it wishes to rely upon, including evidence used by either party in other jurisdictions and (procedural) documents regarding parallel litigation. In case of an official discovery in a foreign country, it sometimes can be hard to rely on that material because of restrictions derived from the foreign proceedings. One possible route is that the Dutch attorney is formally part of the “confidentiality club” (either by a foreign court order or by contract). This of course does not mean this information can then automatically be used in litigation.

Furthermore, the form in which such evidence is submitted, including the language, is up to the party relying on such evidence. For instance, the District Court of The Hague does not officially require translation from English, French or German documents since these are the official languages of the

EPO and the judges have been quoted as stating that any patent litigator should understand those languages. However, in practice only English documents are (almost) never translated when submitted to any of the courts and usually a translation is submitted for documents in other languages (also when submitted to the District Court of The Hague).

If a party makes contradictory statements in Dutch proceedings as opposed to what it has argued in another jurisdiction, this cannot be formally held against him. However, usually this does impair its credibility.

Furthermore, as a starting principle, there are no restrictions in the Netherlands that prevent a party from submitting evidence from Dutch proceedings to foreign courts. However, there are exceptions to this, most notably derived from article 29 of the Dutch Code of Civil Procedure. At the request of any of the parties the court may order that the hearing in a particular case will take place behind closed doors or that only specific people may be present, if there are for instance issues of confidentiality. In such event the court will only issue judgments that are made anonymous to the general public. Furthermore, the parties shall then also be ordered to not discuss anything that went on during the proceedings with any third party. In addition, any party may ask the court to order that (also) no other data from the proceedings are disclosed to third parties.

Finally, it is noted that there is case law from which it follows that evidential seizures may also be executed in the Netherlands in order to obtain evidence for use in foreign proceedings, including foreign proceedings that only relate to infringement abroad.

SPAIN

It is relatively frequent, especially regarding European patents, to propose evidence used in parallel proceedings in foreign courts or before the EPO, e.g., expert reports or the file wrapper at the EPO. It is also common to file as evidence the EPO and foreign court decisions regarding the validity of the patent or patent infringement (see section 3.3 for the impact such decisions have in Spanish proceedings).

Note that plain copies are valid means of evidence and that the legalisation (either by Hague Apostille or by other means) may be necessary to avoid the other parties challenging the authenticity of the document. The authenticity of certain documents is generally not challenged, i.e., foreign judgments or judicial decisions, or exhibits or other documentation used (including documental information derived from witness statements) in parallel proceedings. However, the value of this documentation will not necessarily be the same as the one given in parallel proceedings. For instance, sworn affidavits have less value than a witness testimony in which the opposite party is able to cross-examine.

If the documents are in a foreign language, they must be translated into Spanish. Only if the opposite party challenges the faithfulness and accuracy of the translation must a sworn translation be filed. In this case, if the sworn translation is essentially identical to the one filed initially, the party who challenged it must be charged with its costs.

In the case of using foreign witnesses or experts, the possibility of using a simple translator (it is not necessary for it to be an official translator) is foreseen but he/she may be asked to swear that he/she will faithfully translate.

The prosecution history estoppel on pleadings submitted in the EPO and pleading in other countries proceedings are usually taken into account by the Court (*venire contra factum proprium non valet*). For instance, if a party admitted partial nullity of its European patent in a foreign EPC jurisdiction, the court will probably hold that against such party.

The evidence obtained through a discovery action is confidential and can only be used to exercise an IPR action. Legislation states that the competent court to grant discovery action must be the one where the future claim is to be filed. Therefore, one may construe said rule as stating that using the resulting information for a foreign filing is not possible. Besides, the legislation expressly imposes a confidentiality obligation upon the said documentation which may be breached if the action is filed against another defendant.

From 2021 on, Barcelona Commercial Courts are applying a protocol to preserve confidentiality of documents that contain trade secrets of a party. The use of this information is subject to a protective order issued by the court.

3.3 Impact and availability of foreign judgments

BELGIUM

As far as the impact and availability of foreign judgments is concerned, Belgian courts frequently refer to judgments from parallel proceedings. Also, the parties themselves regularly refer to foreign precedents (especially if a particular legal issue has not been addressed in Belgian court before).

Except for decisions from the CJEU, Belgian courts will never refer *motu proprio* to foreign judgments that were not submitted to them during trial but that they could have read on the internet.

Specialist patent judges in Europe (notably those in Belgium, Germany, France, the Netherlands, Italy, Spain (and also England and Wales)) do know each other and will communicate amongst themselves. Most patent judges will attend the EPO biannual meeting of patent judges, and the EPO has more recently in association with the European Patent Lawyers' Association, sponsored conferences of judges and practitioners in Venice.

ENGLAND AND WALES

English judges hearing an IPR action expect to usually be made aware of foreign judgments made in parallel proceedings (both national and in the case of patents, EPO) whether before the trial or in the period between the trial and giving its judgment; however, there is no formal process for putting such decisions before the English courts.

Insofar as the English court arrives at a different decision to a foreign court then it would normally seek to explain the reason for the difference in its written judgment.

FRANCE

Submitting foreign case law to French courts is not common in France, except for cross border cases or specific legal topics where foreign case law might be more developed (such as FRAND issues).

However, French judges do not consider themselves bound by foreign decisions (unless it is necessary to interpret a foreign law) and generally do not refer *motu proprio* to national decisions and, *a fortiori*, to foreign decisions.

According to French case law and practice, it is quite unlikely that French judges consider that a foreign decision could be a reason to re-open the debate (it being specified that re-opening can only be requested between the closure of proceedings and the final oral pleadings or possibly not until the final judgment in particular cases).

Re-opening may be requested by one of the parties and is decided at the sole discretion of judges, who will order it only when they consider that a serious cause appeared since the closure of proceedings. From our point of view, a foreign decision would not be considered as a "serious cause" for re-opening (whereas a decision from the CJEU could be).

GERMANY

Patents

In patent matters it is not uncommon that judges do refer to foreign decisions in the courts' reasoning, in particular, with regard to the envisaged effects of harmonization, if the interpretation of decisions of the EPO is at stake¹⁶⁰ or as a means of picking up achievements regarding technical aspects developed by the foreign courts in a way that can be generalized.¹⁶¹ However, this does not mean that hereby is constituted any precedent for the national case,¹⁶² therefore the submission of foreign case-law to

¹⁶⁰ cf. BGH, GRUR 2009, 382 [29] –Olanzapin.

¹⁶¹ cf. BGH, GRUR 2002, 519, 522 –Schneidmesser II; BGH, GRUR 2008, 145 –Stahlblech [26].

¹⁶² cf. *Meier-Beck*, The Judicial Practice of the German Federal Supreme Court on Patent and Utility Model Law in 2007, IIC 2009, 434.

sustain a claim is considered to be a means with rather limited effect. Moreover, the court (in particular at first instance level) would usually only consider the document if it is translated in German since the court language is German.

To state that a judge in a particular case would call its French or Italian colleague to discuss the outcome of a German case, however, would definitively go too far. In this regard patent law still remains a rather national matter. However, as a general trend from the European perspective it can be noted that the recent developments show a certain tendency towards harmonization in infringement and validity decisions. This is owed to the close relationship of German courts, especially the Federal Supreme Court, with their European colleagues. The trend was also confirmed in recent decisions of the Federal Supreme Court with regard to decisions of the EPO and foreign EPC courts.¹⁶³

Most recently, German courts had to deal with the impact of anti-suit injunctions, decided especially by US or Chinese courts. These anti-suit injunctions are directed at the actual or intended plaintiff in a foreign proceeding, which is then prohibited from initiating or pursuing proceedings before e.g. a German court; in the event of non-compliance with the threat of severe penalties. However, this is not permitted under German procedural law. German courts consider a prohibition to litigate a violation of fundamental German law principles and have therefore ruled that the anti-suit injunctions are a direct threat to German proceedings and not permitted, thus declaring “anti-anti-suit injunctions”.¹⁶⁴ In contrast, German courts have never granted an anti-suit injunction and could refuse to enforce a foreign anti-suit injunction, as the service of such an order would also be deemed to infringe the sovereignty of Germany. Germany has raised this issue to the European Commission which is currently seeking an international solution regarding these anti-suit injunctions (especially with China) before the WTO.

Trademarks

Foreign judgments in national trademark matters hardly have any impact in German court proceedings. It is extremely rare that German courts quote the decisions of foreign courts, which are usually irrelevant because the case dealt with has to be decided according to German law. However, the judges will look very closely at the judicial arguments foreign decisions were based upon and examine meticulously whether they also apply to the case they themselves have to decide.

Likewise, German judges rarely communicate with colleagues of other jurisdictions, mainly because those judges' opinions will not in any way influence the way they apply the (German) law.

Acknowledgement and enforceability of foreign judgments

The acknowledgement and enforcement of foreign judgments in Germany is mainly governed by the Brussels Regulation that provides that the requirements, procedures, recognition and enforcement of judgments within the EU are regulated uniformly. According to article 36(1) Brussels Regulation foreign judgments are directly recognized in Germany without the need for a particular further proceeding. However, an exemption applies in the event that the counterpart has not been heard prior to the decision. This is a reason why, particularly preliminary injunctions issued *ex parte*, i.e., without a prior hearing in the presence of the defendant, may not be enforceable in Germany. Foreign decisions have to be declared enforceable by the competent German authority according to article 44 Brussels Regulation upon a motion of the claimant.

Alternatively, if the judgment is to be enforced in one of the other Member States of the Brussels Regulation, the claimant has to apply for a declaration of enforceability of the German judgment in the foreign Member State with the respective competent court or authority. According to the Brussels Regulation, German judgments are therefore enforceable in all European member states subject to a declaration of enforceability by the respective designated court or competent authority as listed in Annex 2 to the Brussels Regulation.

¹⁶³ BGH, GRUR 2010, 950 – Walzenformgebungsmaschine; BGH, GRUR 2011, 125 – Wiedergabe topografischer Informationen.

¹⁶⁴ E.g. Regional Court Munich I, 21 O 9333/19.

ITALY

Parties generally file foreign decisions rendered in parallel proceedings in the Italian proceeding to strengthen their positions, especially in patent litigation concerning the Italian portion of a European patent and the Italian portion of an international trademark. Such decisions are evaluated and taken into consideration by the judges who are not in any case bound by them.

A different approach is taken by the judges in interim measure proceedings such as PI and seizure applications. In order to obtain such measures, the applicant must prove the *fumus boni iuris* which consists in the likelihood of the enforced IPR and in the likelihood of the infringement. Foreign decisions (also EPO's) finding the enforced IPRs valid and/or the infringed in another country represent an indication of the *fumus boni iuris*.¹⁶⁵

A decision in the parallel case from another jurisdiction is not a reason to re-open the debate in case of a pending case in Italy.

From a general point of view it is becoming common practice for Italian judges to read important foreign decisions and quote them if considered relevant. This occurs especially in patent matters and EU trademarks cases. It is also becoming common practice for lawyers to quote foreign decisions supporting their own claims in their writs, statements and briefs. This may lead to an increasing interest for judges in foreign law.

THE NETHERLANDS

The Dutch courts usually do not consider themselves bound by foreign decisions regarding the same subject matter. However, especially in light of the European harmonization, they do often put weight on what their foreign colleagues have ruled and may even quote them in their judgment. It is also not uncommon for Dutch courts to explain why they do not concur with a foreign decision. The District Court of The Hague has stated on several occasions that in patent proceedings they often seek contact with their colleagues abroad (especially in England and Wales and Germany) if they have decided on the same case.

In any case, if foreign judgments are available the interested party in that decision will usually bring it into the Dutch proceedings. However, if such decision becomes available after the trial and before judgment, the interested party is not allowed to submit it to the court without consent of the other party.

SPAIN

In Spain, the courts have repeatedly declared that they are not bound by foreign judicial decisions on the same subject in parallel proceedings. In a patent case, the Madrid Court of Appeals (Section 28)¹⁶⁶, declared that the foreign decisions, notwithstanding their authority and the respectability of the foreign judges, play a mere illustrative role and that the decision is to be based on the facts and legal findings argued by the parties and the evidence filed before the Spanish court. According to this *waterproof* doctrine, the Spanish courts will for instance rarely stay the proceedings until foreign parallel proceedings (such as torpedoes) reach an end or base its decision on a foreign decision.

However, this does not mean that the parties are precluded from referring to foreign legal proceedings and decisions, especially in relation to sectors of law where the law is harmonised. In fact, it is common practice in proceedings involving EP patents. The party filing such evidence must fight hard to ensure that the court identifies the factual and legal similarities among what it is being judged in both jurisdictions.

¹⁶⁵ Court of Venice, December 7, 2020; Court of Naples, December 27, 2017; and Court of Rome, August 3, 2005.

¹⁶⁶ Ruling no. 122/2008 of 16 2008.

CHAPTER 4: COMPARISON OF THE COSTS

4.1. Award of costs and recovery of attorney's fees

	ENGLAND AND WALES	GERMANY	FRANCE
Award of Costs	<p>Costs are dealt with by the courts at the end of a case, once all of the other matters have been dealt with. The general rule is that the loser of a case will pay the winner's costs, which includes attorney's fees, expert's fees and other direct costs of the litigation.</p> <p>However the general rule is subject to other principles: all costs awards are made at the discretion of the court and the court is required to have regard to all of the relevant circumstances. Factors the court will take into account include the conduct of the parties during the proceedings, whether a party has been successful in proving part, if not all, of its case and whether any effort was made to settle the case.</p> <p>In light of these considerations, the courts have developed an issue based approach to costs awards. If the overall winner wins on only some of the issues before court at the trial (and there are no other relevant circumstances) it is likely that the costs award will reflect this.</p> <p>The same principles apply to interim applications (an application for an order made in the course of proceedings).</p>	<p>Court fees are calculated according to the Court Fees Act (<i>Gerichtskostengesetz, GKG</i>)¹⁶⁷. The calculation is based upon the value in dispute, which is subject to the court's discretion depending on the parties' interests at stake (claimant's lost revenues, the economic impact of the infringement and the lifetime of the patent, etc.). The outcome of the case determines whether and to what extent a party has to bear the court fees. The same applies to preliminary injunction proceedings. *</p>	<p>According to article 696 of the French Civil Procedure Code, the legal costs are borne by the losing party, unless the judge decides that they will be borne in whole or in part by another party.</p> <p>Legal costs can include:</p> <ol style="list-style-type: none">1 The fees, taxes, government royalties or emoluments levied by the clerk's offices of courts or by the tax administration.2 Cost of translation of documents where the latter is rendered necessary by the law or international engagement.3 Allowance for witnesses.4 Expert fees.5 Fixed amount disbursements.6 Emolument of public officers including reimbursement of the "<i>saisie contrefaçon</i>" fees and costs.7 Cost of lawyers to the extent that it is regulated, including the closing speech costs.

¹⁶⁷ Lastly amended on June 25, 2021 (BGBl. I. p. 2099).

ENGLAND AND WALES

GERMANY

FRANCE

Recovery of attorney's fees

Costs are assessed on either the standard or the indemnity basis but are normally assessed on the standard basis. In either case, the court will not allow "costs which have been unreasonably incurred or are unreasonable in amount" CPR 44.4(1).

On the standard basis, the court will only allow:

"costs which are proportionate to the matters in issue and any doubt as to whether costs were reasonably incurred or reasonable and proportionate in amount, will be decided in favour of the paying party." CPR 44.4(2).

Proportionality must be viewed in the context of the issues involved in litigation not merely the damages recovered. Factors to be considered are set out at CPR 44.5(3).

On the indemnity basis, the court will:

"resolve any doubts which it may have as to whether costs were reasonably incurred or were reasonable in amount, in favour of the receiving party." CPR 44.4(3).

Attorney fees (as well as patent attorney fees) are calculated according to the Federal Attorney Remuneration Act (*Rechtsanwaltsvergütungsgesetz, RVG*)¹⁶⁸ on the basis of the value in dispute. They are fixed by the court of first instance upon request by one of the parties. Any attorney fees agreed upon exceeding the amount provided for by the law cannot be recovered. The outcome of the case determines whether and to what extent a party has to bear its own and the opposing party's attorney fees. Both the court fees and the statutory amount of the parties' attorney fees are borne by the losing party. The same applies to preliminary injunction proceedings.

- 8 Expenses paid due to the notification of a process abroad.
- 9 Cost of interpreting and translation rendered necessary by the inquiry orders to be carried out abroad at the request of the courts pursuant to Council Regulation (EC) n°1206/2001 of 28 May 2001 on cooperation between courts of the Member States in the taking of evidence in civil and commercial matters.

When stating on the costs, French courts do not assess the amount due, which may be calculated by the parties.

In case of difficulty, the parties may request the clerk of the competent court to verify the amount of the legal costs.

According to article 700 of the French Civil Procedure Code, the judge will order the party bearing the legal costs to pay the attorney fees of the other party.

The amount is fixed at the sole discretion of the court, taking into consideration the equity and the financial situation of the party ordered to pay.

However, the court may, for reasons based on the same considerations, decide that no reimbursement will be awarded.

In many cases, only a fraction of the actual attorney fees is awarded to the winning party.

However, it should be noted that there was recently an upward trend concerning IP cases, especially in Paris.

In IP cases, courts are more generous in patent cases (recent decisions awarded €300,000 or more) than in trademarks or design cases (varying usually from €5,000 to 50,000).

¹⁶⁸ Lastly amended August 10th, 2022 (BGBl. I p. 3424).

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The rules are clear, as reiterated in CPR 44.5(1) that costs on the indemnity basis do not have to be proportionate.

Costs orders made on the indemnity basis are relatively rare. They usually occur in situations where culpable behaviour on the part of the paying party (such as non-compliance with court orders) has been demonstrated.

In the absence of agreement, the costs which the court has ordered to be paid are assessed by the court itself. The rule of thumb is that that on an assessment the party whose costs are being assessed is likely to recover 65 – 85% of its actual legal costs.

The commencement of an appeal by an unsuccessful defendant does not lead to a stay of the assessment of costs by the court pending the outcome of the appeal. However, a stay can be agreed by the parties. Such practice is relatively common and is usually based on a negotiated, or court ordered, payment on account of costs to be paid.

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Award of Costs

In case there is a clear winning party, the court will generally order the losing party to pay a certain amount to the winning party, even though the court has some discretion in this respect. For all IP cases set amounts are decided, so-called indicative rates – which depend on the specific IPR and the complexity of the case. When both parties are successful to a certain extent, the court may compensate the parties' costs.

The award of costs and recovery of attorney fees in IP matters is regulated by the rules provided by the Code of Civil Procedure.

According to article 91 of the Code of Civil Procedure the court deciding the case will order that the legal costs together with the attorney's fees are paid by the losing party. The amount is quantified on a case-by-case basis by the Court, and quite often does not correspond to the actual costs and fees incurred by the parties. According to article 92 ICCP, the courts

According to article 1017 of the Civil Procedure Code, at the end of the case, the judge will order the losing party to bear the costs of the proceedings (expert fees, court costs and fees, registration costs attorney's fees, etc.).

Costs are imposed on:

- the losing party (the party whose case was totally refused by the court,
- the claimant giving up the claim (the defendant disagreeing) and
- the defendant, if he surrenders after answering to the claim and the case casted no doubt from a legal point of view.

Costs will comprise the winning party's attorney fees, official fees, and expert

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<p>Recovery of attorney's fees</p> <p>In most non-IP related cases the costs awarded to the winning party are a fixed amount which is not related to the attorney's fees (and in many cases only a fraction of the actual costs).</p> <p>However, since the implementation of the Enforcement Directive this has changed in IP matters. In these cases the courts will now order the losing party to pay the reasonable and proportional costs of the winning party, including (reasonable) attorney fees.</p> <p>In IP cases, excluding patent cases, there are so-called indication tariffs for what reasonable and proportional costs are (varying from €6,000 - €25,000 depending on the complexity of the case and on whether preliminary proceedings or proceedings on the merits have been instituted). Still, these are only indication tariffs and higher costs may be awarded,</p>	<p>may also decide that each party shall bear its own costs (and attorney fees) in the presence of “<i>serious and extraordinary reasons</i>” in case:</p> <ol style="list-style-type: none"> 1 the costs incurred by the winning party are considered to be superfluous and excessive, 2 the matter is absolutely new, or the case law has changed his position on diriment issues, 3 both parties are found to be losing on some of the proposed claims, or 4 other similar serious and exceptional reasons (as stated by the Italian Constitutional Court, no. 77/2018). <p>See above.</p>	<p>Since 2007, article 1022 of the Belgian Procedural Code provides for a limited compensation of attorney's fees for the winning party. There is a basic amount, determined on the basis of the financial interest of the proceedings. The judge can deviate from this basic amount between an absolute minimum and maximum threshold (ranging from €105 to €14,000), on the basis of the following criteria:</p> <ol style="list-style-type: none"> a financial potential of the losing party, b complexity of the case, c contractual agreement, d the unreasonable nature of the proceedings. 	<p>fees, as well as other sundry items such translation costs, or opportunity costs.</p> <p>The winning party can only recover a third of the economic value of the subject-matter of the claim. For those claims with an undetermined economic value (generally those involving IPRs) the law sets (if the court agrees) a fixed amount of €18,000. There are two exceptions to the <i>third part</i> limit rule:</p> <ol style="list-style-type: none"> 1 when the attorneys are subject to a tax or public price (i.e. the Public prosecutor), the losing party must pay (as far as attorney fees are concerned) the corresponding tax/public price, 2 the court considers it to be abusive litigation on the losing party. <p>In practice, the attorney fees are calculated pursuant to local Bar Rules,</p>

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especially if this has not been debated (sufficiently) by the losing party.

Further, since a few years also in patent cases limitations as to the cost recovery do apply, unless parties have agreed on the amount of cost recovery and the court accepts that agreement. If no cost agreement has been reached, limitations go from €30,000 for a simple matter to €250,000 for a very complex matter. For patent PI-actions this ranges from €10,000 - €120,000.

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which are significantly less than the average attorney fees.

There have been some attempts to implement the rulings of the CJEU to obtain real costs. However, these attempts have been relatively unsuccessful.

Additional Information (identified by * in the table)

GERMANY

* Patent infringement proceedings¹

Value in Dispute	€ 250,000	€ 500,000	€ 1,000,000	€ 5,000,000
Cost Risk ³ (1 st Instance)	€20,000 ²	€ 30,000	€ 44,000	€ 160,000
Cost Risk (2 nd Instance)	€ 26,000	€ 39,000	€ 58,000	€ 210,000
Cost Risk (3 rd Instance)	€ 34,000	€ 52,000	€ 76,000	€ 275,000

* Patent revocation action

Value in Dispute	€ 1,000,000	€ 5,000,000	€ 10,000,000
Total Risk ³ (1 st Instance)	€ 55,000	€ 200,000	€ 380,000
Total Risk (2 nd Instance)	€ 72,000	€ 260,000	€ 500,000

¹ In trademark matters the costs are significantly lower because in most cases a patent attorney is not necessary.

² All amounts including VAT. All amounts are approximate.

³ Cost to be reimbursed by the losing party to the winning party, including court fees and statutory fees for both the (legal) attorney and the patent attorney. Not included are the fees to be paid by the losing party to its own attorneys. Since in practice fee agreements are common, the attorney's fees may exceed the statutory amount. There may also be additional expenses, e.g. for technical experts appointed by the court, travel expenses, translation costs, etc.

CHAPTER 5: WHERE TO BRING A SUIT

5.1. Which country to start proceedings

BELGIUM

In a multi-jurisdictional context, Belgian courts are the preferred venue for the “first strike” action when preliminary measures, such as gathering evidence and PIs, are required. Because of its unique geographical location in the heart of Europe, Belgium is very often the place where European distribution centres are located. When certain conditions are fulfilled, i.e., when a non-EU defendant (manufacturer or company that orchestrates the sales) can be sued together with a Belgian distributor or wholesaler, the Belgian courts are in addition prepared to issue a cross-border PI.¹⁶⁹

The unilateral, fast and cheap procedure of descriptive seizure is the preferred tool for IPR owners for quickly obtaining not only evidence of infringement, but also about its origin and destination. Once this evidence has been obtained, it can be freely used in other jurisdictions.

Apart from that, with a judgment in about 12-15 months on both validity and infringement of the asserted patent(s), our courts are also amongst the quickest in Europe. Apart from that, the Belgian fast-track proceedings on the merits are particularly noteworthy if the claimant is seeking a quick injunction, subject to deterring penalty payments. Injunctions are usually enforceable without the need for a bond. Patent proceedings in Belgium are usually less expensive than in other countries. Court fees are very limited.

ENGLAND AND WALES

The English courts have judges who are specialists in IPR laws and in the case of patents are also technically qualified. The judgments are provided in a timely manner (normally 1 – 3 months after trial) and are fully reasoned, and for these reasons they are well regarded by other jurisdictions in Europe.

Unlike other European jurisdictions, documentary disclosure is part and parcel of the pre-trial procedure. The rules on disclosure mean that where disclosure is ordered, the parties are generally required to disclose relevant documents, even if they are harmful to their case. This can provide useful information which would not otherwise be available, for example regarding processes or instances of prior use. It should be noted that the courts are keen to limit the extent of disclosure that is ordered so as to keep costs down. In relation to patents, where disclosure is ordered, disclosure on any ground on which the validity of a patent is put in issue, is limited to documents which came into existence within a four year window, beginning two years before the earliest claimed priority date; and ending two years after that date.¹⁷⁰ It is also possible for a defendant to provide a product and process description instead of disclosure,¹⁷¹ which again is aimed at reducing costs.

Pre-action disclosure is also available in certain instances and can be a useful tool in cases where there is uncertainty as regards for instance the nature of the alleged infringement.

Although search and seizure orders are available in England and Wales, they are rarely used in practice: unless there is a genuine concern that evidence will be destroyed, an action can be started based on a reasonable inference of infringement and further evidence to establish the alleged infringement can be obtained during the course of the proceedings usually by means of documentary disclosure (see section 2.3).

¹⁶⁹ See section 3 of this Survey.

¹⁷⁰ Paragraph 6.1(2) of Practice Direction 63.

¹⁷¹ Paragraph 6.1(1) of Practice Direction 63.

In the English courts both witnesses of fact and expert witnesses can be and normally are cross-examined, which can be useful where there are complex technical or factual issues in dispute. Expert witnesses, even though they are paid by the parties, have an overriding duty to assist the court, which, along with documentary disclosure produced by the parties, helps to keep them objective. The availability of disclosure of documents and cross-examination of fact and expert witnesses means that they are usually more careful in putting forward their fact and opinion evidence because they know that they will need to defend them in open court.

The considerable expertise of the English judges, coupled with the rigorous examination of the evidence through cross examination and their reasoned judgements makes the English courts an attractive jurisdiction in which to litigate complex disputes especially where the stakes are high.

FRANCE

Starting proceedings in France would typically have the following advantages:

- 1 The “*saisie-contrefaçon*” is a low cost, quick and easy tool to obtain evidence. Moreover, the authorization is given quite automatically (provided that the claimant demonstrates clearly that he is the owner of the IPR or application or the exclusive licensee). Once authorized, the claimant is entitled to seize not only samples and documents but also the manufacturing and distribution tools and materials.
- 2 Permanent injunctions are enforceable without the need of placing a sum in escrow.
- 3 No need to demonstrate urgency to obtain a preliminary injunction.
- 4 One court/one trial:
 - the Paris courts have exclusive jurisdiction over patent matters.
 - the Paris courts also have exclusive jurisdiction over infringement cases involving a EUTM or an CD.
- 5 Rules on the calculation of damages enable the claimant to recover not only the loss suffered but also part of the infringer’s profits.
- 6 Low costs: French proceedings are usually less expensive than in many other countries, and the reimbursement of costs is more satisfactory (especially in patent cases), provided that the judges are provided with documents supporting those costs. Hence, the market size/costs ratio is high.
- 7 French judges are used to confidentiality clubs and other confidentiality measures in order to protect trade secrets within the proceedings.

GERMANY

The key issues to be considered when developing a litigation strategy for Europe are the expertise of the relevant courts, the duration of the proceedings and the specific procedural rules, such as the question of whether the defendant will be heard with invalidity arguments, the availability of PI relief, the court language, cost issues, etc. Generally speaking, a multinational litigation strategy covering the respective European countries where the patent is in force and used with high economic benefit is a good means to increase the pressure on the defendant, for example, by using the different national systems to gain evidence that could be used on a cross border scale under the conditions set out *supra* section 2.3. In patent matters it is therefore in many cases highly advisable to choose Germany as a forum.

Apart from economic reasons, the well-established experience in patent litigation is also an important factor. The fact that German courts traditionally decide the highest number of patent cases in Europe (a third of all cases tried in Europe are dealt with by the courts of Düsseldorf) clearly demonstrates the importance of German jurisdiction in patent matters. Not least, in view of the aim to further harmonize European patent jurisdiction, it is likely in many cases that the outcome of a German trial will have considerable influence on the decision of the infringer and that the judgment of a German court will convince the infringer to settle the dispute in other European patent countries, instead of risking further

defeat in litigation. Furthermore, it is also of strategic importance to take legal action in the country where the infringement has its largest economic impact, which is often the German market. Finally, the consequences of a lawsuit, such as the impact on possible business relations to the infringer or to its customers in the relevant countries, have to be taken into account. Under these conditions it is often advisable to challenge infringers in other European countries in parallel, even though it is possible to sue the foreign infringer directly before a German court. However, with regard to the CJEU ruling in *GAT v LuK* (see section 3.1) cross border litigation has become *de facto* impossible and is therefore not recommendable anymore in proceedings on the merits.

ITALY

The Italian legal system encompasses a few useful peculiarities.

First, it is possible to enforce registered IPRs before they are granted. Of course, the applicant shall be quite careful in these cases, but this has proven to be a quite interesting strategic option in some circumstances.

Moreover, compared to proceedings on the merits, PI are quicker, and the applicant could obtain interim measures in 6 months to 1 year (if a Court Technical Expert phase is ordered), some of them eligible to become final without the need to start proceedings on the merits.

Unlike common law jurisdictions, in Italy the parties carry the full burden of proof of their respective claims and allegations, therefore there is no disclosure obligation. This means that each party is allowed to select and file only those documents that it considers favourable in support of its position, and not also those that might be compromising. The parties do not have to file all their evidence immediately with the introductory deeds of the proceeding, and instead are granted a later deadline.

In this regard, we recall the quite effective and not uncommon *descrizione* proceedings, which allow the IPR owner to collect evidence of the alleged infringement.

Furthermore, in patent matters, the evidence phase is generally characterized by a Court Technical Expert phase. The particularity of such phase is that the technical experts of the parties interact with the court technical expert, file and exchange technical briefs and are allowed to file new documents and other evidence in support of their claims, although the legal term for filing evidence has expired. It is often said that in Italy there is a “technical proceeding in the proceeding”, which makes Italian patent lawsuits technically highly skilled.

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Firstly, if the defendant is based in the Netherlands, it is possible to obtain a cross border preliminary injunction even if, in patent proceedings, an invalidity defence is raised (which is virtually always the case). This could provide for an adequate (first) step against pan-European infringement. Possibly this also applies to non-EU based defendants, which are brought before the Dutch courts together with a Dutch defendant (see section 3.1).

Furthermore, especially in other IPR cases, except patent cases, the courts have shown that ever since the implementation of the Enforcement Directive they are willing to provide *ex parte* relief, without hearing the other party, if the circumstances of the case would justify such relief (especially if very quick action is required).

Additionally, effective preservation measures are easy to obtain in the Netherlands. In section 2.3 the possibilities of evidentiary seizures are discussed, but it is also possible to request an *ex parte* prejudgment seizure (or freezing) order of infringing goods. When granted, such orders allow the IPR owner to seize the infringing goods under the condition that an infringement action is started within a time limit set by the court (usually 8 to 14 days with a general maximum of 30 days).

Another very effective tool, most notably in cross border infringement cases, is enforcement of IPRs by means of a border detention. Regulation (EU) Nr. 608/2013 concerning customs enforcement of IPRs allows customs to detain potentially infringing products that are in transit regimes (including bonded warehousing) on the suspicion that these infringe. This is also possible in case the infringing party is not domiciled in the Netherlands. Customs can detain the products by their own initiative or pursuant to an

application by the IPR owner, upon which customs will (*ex parte*) issue a general order confirming that they will monitor goods declared to be such potentially infringing goods.

Dutch customs are very active in such IP enforcement and have shown to be among the most effective border authorities in Europe. Their offices in the port of Rotterdam and Schiphol Airport, which both are main ports to Europe, have dedicated IP enforcement teams.

Acting on their own initiative, customs will detain the goods for 3 working days, enabling the IPR owner to file an application with customs to act against the potentially infringing goods. After the said application is filed, customs can detain the goods for 10 working days (extendable for another 10 working days). When acting pursuant to an application, the detention period is 10 working days (extendable for another 10 working days).

Customs notifies the IPR owner in case of customs detention of any goods, their nature and provenance as well as the identity of the holder (warehouse/forwarding agent), their shipper and/or consignee to facilitate legal action by the patentee set out below.

Within the detention period, the IPR owner must bring an infringement action, which, under these circumstances, could be a variety of types of action. First of all, article 11 of the Regulation provides for the opportunity that the infringing goods are destroyed if the infringing party has received a warning letter and does not oppose the destruction. If it does oppose, the IPR owner should either institute infringement proceedings before the court or apply for a civil prejudgment seizure order. When a civil prejudgment seizure order is obtained or an infringement action is started within the detention period, the goods remain under seizure/detention until an irrevocable judgment in the infringement action. However, a preliminary relief action can be instituted to lift civil prejudgment seizures.

SPAIN

Spain is competent to deal with an IPR infringement action when the infringing acts are taking place in Spain, or the infringer has its domicile in Spain. In the former, if there is not a special commercial interest to have the first decision in Spain (for example because the biggest market of the product is not Spain), we would not advise to initiate actions in Spain if there are other more specialized and faster courts available (for example German or UK courts). The proceedings in Spain are usually long (see section 1.1) and, with the exception of Barcelona Commercial Courts for patent matters, section 15 of the Court of Appeal of Barcelona, section 28 of the Court of Appeal of Madrid and the Spanish EUTM and CD courts, courts are handling a lot of different matters and have a heavy workload so it is not easy for them to tackle IP cases.

Furthermore, the Alicante's Spanish courts for EUTMs and CDs (see sections 1.3 and 2.2) are the exclusive courts to deal with EUTM and CRD infringement claims and validity counterclaims where neither the claimant nor the defendant are set or have establishment in an EU Member State.

There are no judicial decisions regarding cross-border actions. However, it is expected that the Spanish courts will not judge infringement or validity actions in relation to foreign IPRs following the doctrine of the CJEU in *GAT v LuK* (Case C-4/03) and *Roche v Primus* (Case C-539/03).

5.2. Possible courts for starting a patent infringement proceedings: choosing a suitable court and considering various parameters

BELGIUM

Apart from relative speed and specialism set out in the previous section, language can play a role in the choice of venue of a Belgian IPR dispute. The courts in Antwerp and Ghent work exclusively in Dutch, whilst the courts in Mons and Liège work exclusively in French. When jurisdiction can be established for the Brussels court (e.g., when a patentee/defendant in a revocation action has no domicile in Belgium) the claimant has the choice of whether to start the proceedings in French or in Dutch. This choice can be important in view of the fact that no translations are required of English language documents in courts where Dutch is the language of the procedure.

ENGLAND AND WALES

For IPRs other than patents, there is little choice as to the court in which the action has to be started – they are for the most part allocated to the Chancery Division (which is part of the High Court which in turn is based in London). Patent actions must be brought in either the Patents Court or the IPEC (both of which are part of the High Court). As noted above, the IPEC is intended to deal with lower value dispute in particular involving SMEs. It should also be noted that the availability of the low cost opinions from the UKIPO as to infringement and validity may be a valuable tool in some circumstances to assist with settling disputes before they reach court.

FRANCE

Regarding patents, there is no possible choice insofar as the Paris courts have exclusive jurisdiction.

GERMANY

As explained in section 1.2, infringement proceedings in patent matters can be started before one of the competent regional courts, provided that the infringement covers the whole territory of Germany, which is regularly the case. Since the Düsseldorf Regional Court is considered to be the most experienced, it is in most of the cases chosen as the forum. However, depending as well on the clients' company domicile or other practical considerations, Mannheim and Munich are also frequently chosen for infringement proceedings. Further to be mentioned is Hamburg which only recently has established a second patent chamber to deal with more cases. The remaining courts are seldom chosen for patent infringement actions and therefore have a less established reputation in this regard.

In trademark matters, the Hamburg Regional Court is widely preferred by trademark owners because it has the reputation to be less strict when it comes to deciding whether an infringement is at hand.

ITALY

Although all the Specialized Divisions are equally skilled, traditionally the Court of Milan, Rome, Turin and Venice are recognized by the IP operators as the most experienced.

THE NETHERLANDS

For many IP disputes, the District Court of The Hague has exclusive jurisdiction (see section 1.2). For those disputes where there is no exclusive jurisdiction (e.g., copyright infringement or infringement of a Benelux trademark or design right), the case may either be brought before the court in whose district

the defendant is located, or before the court where the infringement is taking place. The latter option provides the claimant with the opportunity to go 'forum shopping' if the infringement is taking place in more than one district. In that respect, it would be advisable to start proceedings in one of the courts highlighted in section 1.3 that have specialized judges.

SPAIN

The most suitable courts for starting IPRs infringement proceedings are the Commercial Courts of Madrid and Barcelona because they (and the Courts of Appeal in the corresponding regions) have demonstrated specific expertise in the IPR litigation field (see section 1.3). It is now perhaps more convenient to start infringement proceedings before the Courts of Barcelona, given the specialisation of certain Judges (see section 1.3), and the fact that the Barcelona courts concentrate approximately eighty percent of Spanish patent cases. To file the claim in any of these courts, the criterion is that the infringer's place of domicile or the place where the infringing actions are being carried out or could produce effects is respectively Madrid and Barcelona. The latter is easy to demonstrate because Madrid and Barcelona are the biggest markets in Spain. If the defendant is domiciled in a foreign country, the claimant is free to choose where to file the action (in the regions which have a specialised court, see section 1.3).

5.3. Advantages and disadvantages of the various courts and their national litigation rules

BELGIUM

One of the major strengths of the Belgian IPR litigation system lies nowadays in the ease and low level of cost with which evidence of infringement or origin of goods can be gathered via the descriptive seizure procedure. As stated above, this evidence can then be used in procedures abroad, even without starting up proceedings on the merits in Belgium.

Another advantage is the relative speed and efficiency of its proceeding which allows an IPR holder to obtain a permanent and immediately enforceable injunction within the time frame of some months (“fast track”) up to a year (regular proceedings, in which also damages can be claimed, possibly after having gone through external expert proceedings examining the company books).

The cost of litigating in Belgium remains low in comparison with other countries, but the recovery of attorney’s fees is also rather low (capped at a maximum of € 14,000). This means on the one hand that a claimant who is unsure of his case will not expose himself to the risk of having to pay all of the other side’s costs and fees, whilst on the other hand that an unscrupulous defendant can come up with the most bizarre and complexity-driven arguments only to increase the cost of the litigation for the claimant, without running a risk of having to reimburse all of these costs. However, Belgian courts are willing to allow (uncapped) recovery of the costs of technical expert assistance.

ENGLAND AND WALES

Four of the main perceived advantages of litigation in England are:

- 1 the court is willing to order the parties to disclose documents (regardless of whether they are favourable to the disclosing party or not),
- 2 a party relying on the results of experiments is obliged to provide a witnessed repeat of them,
- 3 there is an opportunity to cross-examine the expert witnesses at the trial, and
- 4 there is ample opportunity for the parties’ lawyers to present the arguments to the Judge orally.

All four of these matters result in a more rigorous assessment of the evidence and arguments by the Court.

The availability of orders for disclosure also provides opportunities to commence actions based merely on a reasonable inference of infringement, the evidence for which can then be sought by means of disclosure of documents from the defendant. In other words, even though there may not be sufficient evidence to establish infringement at the outset, by the time of the trial that evidence has been obtained through a combination of disclosure of documents and expert evidence based on the information contained in the documents.

The procedure in England and Wales is relatively speedy. If required a full trial can be heard in 12 months and appeals can also be heard quickly (within 9 – 12 months). Most cases therefore come to a conclusion in two – two and half years.

It is open to a claimant to apply for summary judgment in circumstances where the claimant can say that there is no serious prospect of success for the defendant. A hearing on a summary judgment application can be heard shortly after the claim form has been issued. Summary judgment applications are often made in trademark and design cases. They are exceptional in patent cases because the determination of most of the issues normally in dispute in a patent action requires expert evidence.

The fact that infringement and validity are heard together at the same time by the same court means that the defendant can run infringement/validity squeeze arguments (see section 2.4); a disadvantage for rightsholders but an advantage for alleged infringers.

It should also be noted that the statutory provisions (set out in section 2.5) relating to threats of IP infringement are unique to English IP litigation; although other countries may have other laws (e.g., unfair competition) protecting against unjustified threats of IPR infringement.

The validity of a European patent can be put in issue in an action in England (either by way of a revocation action or an invalidity counterclaim) even though the grant of the European patent is being opposed at the EPO. In the case of a national infringement and/or validity action, if there are parallel EPO opposition proceedings, the English courts will normally exercise their discretion not to stay the English proceedings pending the outcome of the opposition (see section 2.6) – therefore in cases where a party would wish to resist staying national infringement proceedings, England is an attractive jurisdiction.

It should also be considered whether the new and innovative forms of declaratory relief (such as Arrow declarations and declarations of non-essentiality) available in the English courts (see section 2.6) would be attractive to potential litigants.

Litigation in the English courts can be more expensive in comparison to other European jurisdictions, but it is important when making comparisons to bear in mind that validity and infringement are heard together and for practical purposes there is only one instance of appeal. A final decision on the merits is therefore normally available within two – two and half years.

England is considered to be a jurisdiction with economic significance due to the size of its economy. England is particularly significant for the pharmaceutical industry (many large pharmaceutical companies are based or have large scale operations in England and Wales).

FRANCE

France offers the following advantages as an IP litigation forum:

- IP Judges are highly specialized and are exclusively dedicated to IP matters.
- Proceedings are relatively inexpensive, and notably court fees are essentially non-existent.
- Time frames are very reasonable.
- Powerful tools are available for rightsowners, notably (1) the *saisie-contrefaçon*, which has long been provided for under French law and is the most efficient means for securing evidence of the reality and of the scope of infringement, and (2) document production rules that allow identification of infringer networks and collection of financial information.
- Recent trends in apportionment of costs and reimbursement of legal costs (attorney fees) allow right owners to recover a significant part, if not the entirety, of the costs incurred in bringing and conducting suit.
- Following a positive finding of infringement, the right owner virtually automatically obtains a permanent injunction against the infringer, very often under the benefit of financial penalties in the event of non-compliance.

GERMANY

Due to the bifurcated system one huge advantage of the German infringement proceedings is that relief, in particular injunctions, can be obtained in a relatively short time frame (usually within not more than a year for main proceedings at first instance level) since the defendant is not being heard with invalidity arguments, therefore, validity issues are as far as possible carved out from the proceedings. This has not significantly changed with the newly introduced “qualified notice”. If the preliminary opinion of the Federal Patents Court on validity is not negative, a first instance court will (usually) decide quickly. Moreover, German judges are recognized for their experience both in legal and technical matters and their thorough assessment of the cases. Furthermore, it has to be noted that the costs of proceedings in Germany are relatively low compared with other European countries or the UK. Particularly in view of the cost risk incurred by the opponents’ attorney fees that are only recoverable to the extent fixed by the Lawyers’ Fees Act, the German system has a comparative advantage when it comes to predicting the cost risk of the proceedings. As a rule, even in the event that a revocation action is filed as a reaction to parallel infringement proceedings, the decision on infringement is rendered earlier than the one in the revocation proceedings. This often leads to the effect that the infringer is willing to settle the infringement dispute even if his perspectives in the revocation action are not at all too bad.

Further it can be noted that Germany widely participates in the UPC: on the one hand with its local divisions Dusseldorf, Hamburg, Mannheim and Munich, on the other hand with its Central Division for mechanical patent cases in Munich. These divisions will consist of the judges from the respective regional courts and appeal courts which are already well known in the German patent community.

The fact that damages in general are only awarded to the extent necessary to compensate the actual harm incurred by the patent owner (as opposed to punitive damages known in the U.S.A.) may be considered to be a slight disadvantage of litigation in Germany. However, the unjustified privilege experience by the infringer is thus avoided, because the calculation of damages always takes into account the circumstances of the particular case (e.g. the degree of fault, interest benefits for the infringer, etc.) and is therefore very capable of treating the infringer differently from an authorized licensee.

All the above also applies to trademarks and designs.

ITALY

Filing proceedings in Italy may present a number of advantages, particularly because litigation in Italy is not expensive in comparison to other European jurisdictions.

Furthermore, invalidity and infringement actions may be filed before the same court in the following situations:

- 1 When an invalidity action is filed against an IPR, the IPR holder may counterclaim for infringement.
- 2 When an infringement action is filed, the alleged infringer may file (and generally files) an invalidity action against the enforced IPRs.

Such system produces certain benefits: in terms of costs and expenses, since the parties are not obliged to start two different proceedings, and in terms of procedure, since the court does not have to stay proceedings as in other jurisdictions.

Italy may also be advantageous with reference to interim measures, such as the PI and seizure and the *descrizione* because such measures may be granted *ex parte* (i.e., without notice) or before or during the proceeding on the merits.

The urgency requirement (*periculum in mora*) for such measure is evaluated by the Italian courts relatively rigorously. Case law usually excludes urgency when the IPR owner was aware of the infringement for a certain period of time. However, this period may be relatively long (from a few months to 1 year in some specific circumstances) and means that in Italy an IPR owner can obtain interim measures even if he has tolerated the infringement for a certain period of time.

Further, the time necessary for obtaining a PI and seizure is relatively short, especially in trademarks and design issues where there is no need for the judge to appoint a court technical phase. The time may be estimated to be 2 weeks to 1.5 months. The provision granting the interim measures may be appealed. The appeal will require 1 to 1.5 months.

Furthermore, during the proceeding on the merits, the parties are not obliged to immediately file all the evidence and arguments in support of their claims with the introductory briefs, but may develop them, until a certain point, during the procedure.

As far as the disadvantages are concerned, unlike other jurisdictions (such as England and Wales), in patent matters the judges although very skilled, are not technically qualified, and they generally resort to a court technical expert to help them. The judges in their decisions generally rely on the opinion of the court technical expert (but are not bound by it).

Italy is known to be a country with slow proceedings, for instance a first instance decision on the merits may be obtained in 2.5 to 3 years. However, this may turn out to be an advantage for those parties who are seeking a strategic reason to slow down the proceedings.

Other advantages may come from the Opposition proceeding against the registration of trademarks to be filed before the Italian and Patent Trademarks Office.

The advantages are:

- minor costs compared to a revocation action before the Courts,

- does not prevent from filing an infringement action and PI application before the judicial authority,
- in case of rejection, it is possible to file revocation action before the judicial authority.

The disadvantages are:

- the opposition is limited to two grounds of opposition,
- it is not possible to challenge distinctive signs other than trademark registrations and applications.

THE NETHERLANDS

Advantages of Dutch courts:

- 1 There are good, specialised judges, who have the technical knowledge required to handle complex patent proceedings.
- 2 Both preliminary relief proceedings and accelerated patent proceedings are effective means to obtain a judgment in a relatively short time frame.
- 3 In some cases, the Dutch courts have cross-border jurisdiction and grant cross-border injunctions.
- 4 The District Court of The Hague tends to put weight on expert opinions submitted by the parties, but there is no need to find a 'local expert', since foreign experts will be regarded with the same esteem.
- 5 Decisions of The District Court of The Hague are amongst the most highly regarded decisions with other European patent courts.
- 6 There are effective ways to preserve evidence and/or infringing goods before the outcome of the infringement proceedings is known.
- 7 Border detention by Dutch customs is an effective way to ensure that goods circulating in cross-border trade are taken off the market.

A disadvantage of the Dutch courts is that, partly due to their success as a high-quality court for patent proceedings and partly because of the extended line of work since implementation of the Enforcement Directive (evidential seizures and other *ex parte* requests), the workload of both the District Court and the Court of Appeal of The Hague is high, which means that judgments on the merits are often delayed. The Court has stated on numerous occasions that they are exploring several options to overcome this in the near future.

SPAIN

Advantages of Spanish courts:

- 1 The precautionary measures in Spain can be requested before the action on the merits.
- 2 Possibility of precautionary measures, even *inaudita altera parte* if their petitioner proves that urgent reasons exist or that a hearing would compromise the efficiency of the requested measures (see section 2.5).
- 3 Fast and efficient procedure of discovery and *saisie-contrefaçon* to obtain evidence of infringement and to gain access to commercial information and testimony of prospective defendants before the action on the merits (see section 2.3.).
- 4 Application of the *re ipsa* rule regarding damages (see section 2.5).

Disadvantages of Spanish courts:

- 1 The proceedings are slow (see section 1.1).
- 2 Multiplicity of competent courts in patent, trademark and design matters.
- 3 Regarding patent cases, the Spanish courts neither have technical knowledge nor special assistance.¹⁷² The Spanish procedural rules allow the parties to be assisted by an expert, either

¹⁷² Especially after the derogation in 2006 of the provision that would allow the court to address the Spanish PTO for technical assistance with no replacement whatsoever.

appointed by themselves or by the court from a pool if so requested. Of course, the report of the court appointed expert is deemed to be more objective than the ones prepared by the parties' experts. However, this does not mean that these are not taken into account, especially because the parties' experts generally have wider and deeper expertise and an appropriate curriculum vitae (which is a relevant element often considered by the court) compared to the expert appointed by the court.

- 4 Unless it is well-evidenced or generated *ex re ipsa*, damages are difficult to achieve. Spanish Courts are reluctant to award substantial damages.

5.4. Experience of the courts and the speed of proceedings

BELGIUM

Centralisation of IPR proceedings to five courts (or even one court for patents and EUTMs and CDs) has increased the level of specialism. Moreover, within courts, designation of specific chambers dealing with IPR matters has further helped in creating more experienced judges.

Overall, with an average duration of about 12-15 months between introduction and judgment, Belgian IP courts are amongst the best in class. “Fast-track” proceedings can normally deliver a judgment within some months. Since the reform of the Belgian procedural laws in 2007, considerably fewer expert appointments are made, and courts tend to issue judgment directly without referring the matter to an expert. This has significantly reduced the time between summons and judgment.

The introduction of the “fast track” proceedings may take away the need for urgent PIs. Since both types of actions are brought before the same judge, there is a risk to reject requests for PIs if the dispute can be handled via a “fast-track” procedure. A PI action must be conducted in a few weeks whereas a fast-track action takes a few months to complete.

“Regular” proceedings are recommended if there is a serious chance of recovery of damages that will exceed the cost of litigation. This is only the case when the volume of infringing product was considerable, or when bad faith can be demonstrated.

Appeal proceedings may take one to two years or sometimes much longer to complete, unless in preliminary proceedings where an appeal court is sometimes prepared to deal with a matter in a few months if the urgency of the case can be demonstrated.

ENGLAND AND WALES

The choice of venue for IPR actions is extremely limited: all patent and registered design actions are allocated to the Patents Court or the IPEC (both of which are part of the High Court) and all other IPR actions are allocated to the Chancery Division of the High Court. The Judges in the Chancery Division include some who are specialists in IPR law and the Judges in the Patents Court and IPEC are also technically qualified. As a general rule, a patent action would be expected to be heard by one of the Patents Court or IPEC Judges and a non-patent IPR action would be expected to be heard if not by one of these Judges, then by one of the other IPR specialist Judges in the Chancery Division.

As noted above, the English courts aim to bring actions and in particular patent actions on for trial in 12 months. In practice, a first instance decision on the merits is handed down within 12 – 18 months from the commencement of an action. An appeal decision is normally handed down within 9 – 12 months of the first instance decision. Most actions therefore come to a conclusion in 2 – 2,5 years.

FRANCE

Proceedings on the merits

Depending on the rights on which the claim is based, proceedings on the merits may last as follows:

- First instance proceedings: between 12 months (for example in an “obvious” trademark case) to 36 months (in complex patent cases). Approximately 6 months for “fast track” proceedings on the merits.
- Appeal proceedings: additional 18 to 24 months.
- Proceedings before the French Supreme Court: approximately 2 years.

Preliminary Injunctions

A PI can be obtained within 4 to 8 weeks. An *ex parte* order could be obtained the day the request is presented to the judge. Should the PI be obtained, proceedings on the merits must be launched by the claimant within 20 working days or 31 calendar days, whichever is the longer.

Appeal of a PI judgment or and *ex parte* order must be lodged within 15 days from the date of the notification of such decision. The appeal does not postpone the enforceability. Appeal proceedings in those cases may last 3 to 5 months.

GERMANY

Due to the high number of patent cases tried throughout Europe, the German courts and among those namely the Courts of Düsseldorf, followed by Mannheim and Munich, have extensive experience in patent litigation, and therefore have established a certain predictability regarding the outcome of the case in view of particular questions, such as the “infringement-by-equivalence” doctrine.¹⁷³ As already mentioned, infringement proceedings in Germany are quite time-efficient (see section 1.1). It has to be noted that if the infringement proceedings are stayed due to reasonable doubts of the court regarding the validity of the patent in suit (which is generally the exception), the proceedings may be prolonged considerably. The reform of the revocation proceedings may further counterbalance this drawback.

Regarding trademarks and designs, the judges’ high degree of specialisation has the same positive effects.

ITALY

- In order to obtain a first instance decision, we can estimate a time of 2.5 – 3 years.
- Appeal against the first instance decision filed before the Court of Appeal will generally last 2 – 3 years.
- The appeal before the Supreme Court generally will last 3 – 4 years.
- In order to obtain a preliminary injunction and other interim measures in patent matters, we can estimate a timeframe 6 months or 1 year (if a Court Technical Expert phase is ordered).
- In trademarks and design issues interim measures may be obtained within the timeframe of 2 weeks to 1.5 months.
- Appeal against interim measure decisions generally will last 2 or 6 months (if a Court Technical Expert phase is ordered).

THE NETHERLANDS

The relevant Dutch courts, especially the District Court of The Hague, have very good expertise in IPR cases. All judges in the intellectual property chamber of the District Court of The Hague have had fulltime experience in IPR cases for at least a few, but usually many years. Because of this, even in PI proceedings, it is possible to obtain a fully reasoned decision on e.g. complex patent cases. If prepared well enough by the claimant, it may be possible to have a reasoned decision within a few weeks after discovery of the infringement, which may be of use in other jurisdictions as well (in case of a PI).

SPAIN

In relation to the experience of the courts, with the exception of Section 15 of the Court of Appeal of Barcelona, Section 28 of the Court of Appeal of Madrid, Barcelona Commercial Courts for patent matters, and the Spanish EUTM and CD Courts, the courts do not have extensive expertise in IPRs.

Spanish courts tend to take considerable time before rendering judgment (see section 1.1).

¹⁷³ Important recent case law limiting the scope of equivalence: BGH, GRUR 2011, 701 – Okklusionsvorrichtung; BGH, GRUR 2012, 45 – Diglycidverbindung.

CHAPTER 6: THE UNITARY PATENT PACKAGE

The Unitary Patent Package is the biggest thing to happen in the field of patent litigation in Europe for a very long time. The package consists of two elements:

- A new court: the Unified Patent Court (“UPC”). This is an international court set up between certain of the EU Member States to deal with the infringement and validity of both European patents and European patents with Unitary Effect.
- A new patent right: the European patent with Unitary Effect, also known as “Unitary Patent”. This is a unitary, single patent title before and also after grant by the EPO.

6.1 Unitary Patent and Unified Patent Court - General Overview

The Unitary Patent

This new IPR will make it possible to get patent protection in multiple EU Member States by submitting a single request to the EPO. These patents will be subject to the same validity requirements as traditional European patents (as set out in European Patent Convention), and actually will have a quasi-identical granting procedure before the EPO. But once granted and subject to a valid request for unitary effect which the proprietor(s) have to file with the EPO within one month after grant, the patent will be effective in all of the participating EU Member States (currently 17, and up to 25).

These patents shall have unitary effect in the sense that they will be subject to one validation step, one annuity fee, a centralised administration post grant. As a drawback, unitary patents can be revoked with effect in all territory by a single decision. The amount of the annuity fee is approximately the same as that of the combined annuity fee in the top four participating EU Member States.

This right is governed by two EU regulations:

- EU Regulation No 1257/2012, which created the Unitary Patent.
- EU Regulation No 1260/2012 which lays down the translation arrangements.

Following their adoption by the European Parliament and the Council in December 2012, these two EU regulations entered into force on 20 January 2013. However, they will only apply from the date of entry into force of the UPC Agreement, considering that this UPC shall have exclusive jurisdiction to deal with issues of validity and infringement of the Unitary Patent (cf. *infra*).

Relevant secondary legislation includes in particular the Rules relating to Fees for Unitary Patent Protection (incl. reductions for SME’s, universities, etc.) and the Rules relating to Unitary Patent Protection (putting in place a Unitary Patent Division at the EPO and laying down procedures mainly relating to the request for unitary effect).

All EU Member States except Croatia and Spain are participating to the unitary patent system, but not all have currently already ratified the UPC Agreement. This means that not all unitary patents will cover all 25 participating Member States and the geographical coverage of this IPR will depend on the ratification status of the participating member states. However, the coverage of a given Unitary Patent granted on any given date will stay the same for its entire lifetime, even if there are subsequent ratifications of the UPC Agreement after the date of registration of unitary effect. Also, and contrary to traditional European patents, this implies that it is not possible either to abandon certain parts of the unitary patent (corresponding to the one or the other jurisdiction) during its lifetime.

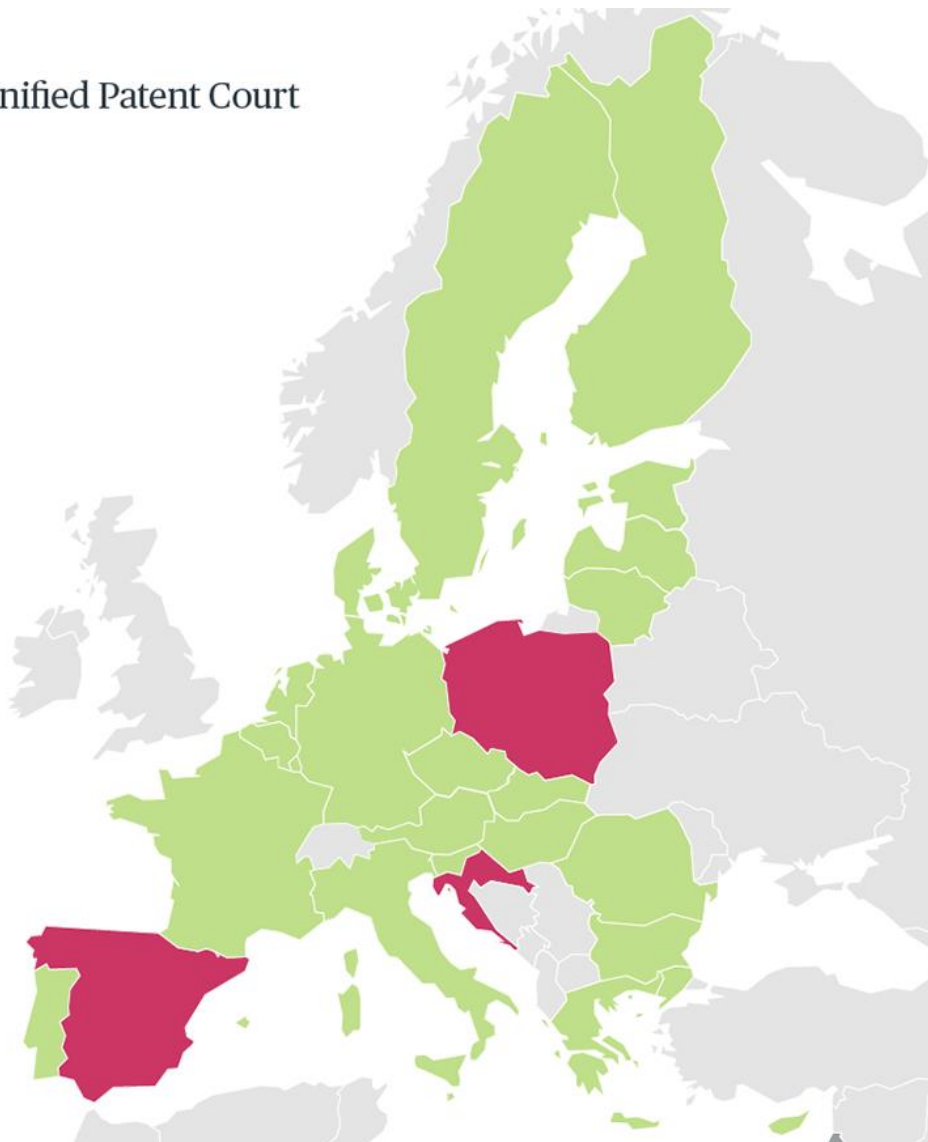
The UPC

The UPC is a court common to those EU Member States that have signed and ratified the 19 February 2013 Agreement on a Unified Patent Court (UPCA). All Member States will be participating, except Poland, Spain and Croatia (and Croatia will possibly join at a later stage). The UPC shall have exclusive jurisdiction in these EU Member States in respect of European patents (and supplementary protection certificates) and unitary patents, as far as questions of (in essence) validity and infringement are concerned. Matters such as entitlement to the patent are left to the national courts.

With respect to European patents, this exclusive jurisdiction will however be subject to exceptions during a transitional period of seven years (which can be prolonged by another 7 years). In essence, during that transitional period, European patents can be litigated before both the national courts and the UPC, or patentees can even choose to “opt out” their European patents from the jurisdiction of the UPC altogether, leaving them enforceable only before the national courts.

Proceedings before the UPC are governed *inter alia* by the specific provisions of the UPCA and by the elaborate set of Rules of Procedure of the Unified Patent Court.

Unified Patent Court



6.2 Centralisation and specialization

Organisation of the court

The UPC will comprise

- a Court of First Instance,
- a Court of Appeal,
- a Registry.

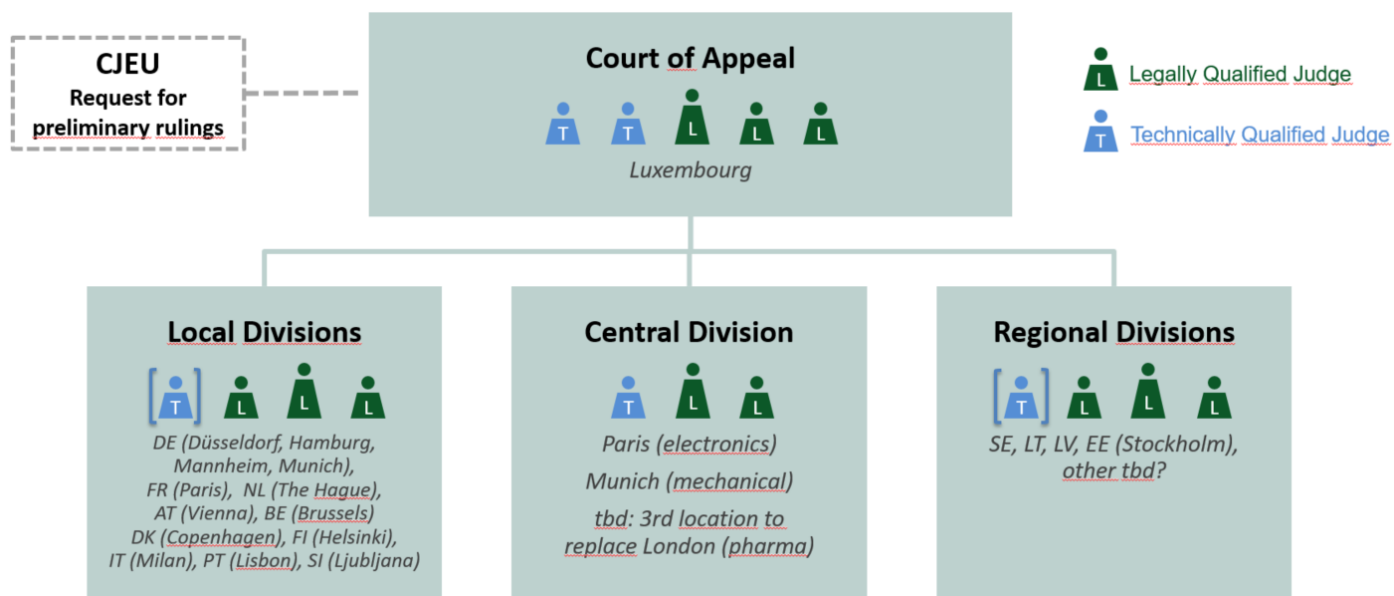
In addition, the UPC Agreement provides for (1) a Patent Arbitration and Mediation Centre and (2) a Training Centre.

At the first instance level, the UPC will consist of different divisions.

- On the one hand, a central division (based in Paris, with offices in Paris and Munich, and possibly in a third location to replace London as the original location of the third office).
- On the other hand, a series of local (and regional) divisions. Every participating EU Member State may host a local division, or together with one or more other states set up a regional division, of the Court of First Instance. Currently, there is one regional division (covering 4 Nordic-Baltic countries) and 13 local divisions spread across many of the participating EU member states (Paris, Düsseldorf, Munich, Mannheim, Hamburg, The Hague, Brussels, Milan, Helsinki, Copenhagen, Dublin and Vienna).

The central division shall deal principally with patent revocation claims and declarations of non-infringement. The local (and regional) divisions shall deal principally with infringement claims. However, the UPCA allows for many ways to deviate from this principal distribution of tasks.

The local and regional divisions will be composed of 3 legally trained judges, with the optional addition of one technically trained judge. The central division based in Paris will be composed of 2 legally trained judges and a technically trained judge. A single court of appeal will be based in Luxemburg, and will be composed of 3 legally trained judges and 2 technically trained judges.



The exact panel of judges will be determined on a case-by-case basis, with the judges delegated from a central pool of UPC judges. Some divisions may be influenced more by the local national law and practice than others. This is because, in countries where there are currently more than 50 patent cases a year (such as Germany, France, the Netherlands and Italy), two of the three legal judges on the panel will be from that country hosting the local division at hand. The rules on the internal competence of the UPC will in many cases offer the claimant a wide choice of divisions in which to launch the action, for instance in view of the preferred composition of the division. It is expected that, over time, training, case law of the Court of Appeal will impose more consistency across the Divisions. After all, these divisions are all part of the same court (UPC, first instance), dealing with the same issues of substantive, European patent law.

The judges and their background

As mentioned earlier, the UPC will be populated by both legally qualified judges and technically qualified judges. These judges must be nationals of a participating Member State, with proven experience in the field of patent litigation and good command of at least English, German or French. These judges have been selected out of several thousands of candidates. First by the Advisory Committee of the UPC (a committee consisting of patent judges and practitioners with the highest recognized competence), which established a list of the most suitable candidate judges. And ultimately, based on that pre-selection, the Administrative Committee of the UPC has appointed the judges of the Court acting by common accord (a full list of judges will become available shortly). These judges have also been offered training in preparation of their selection and appointment as UPC judge, all of which is aimed at ensuring the highest standards of competence for the UPC court.

Any panel of the UPC shall have a multinational composition. But, as mentioned earlier, certain local divisions will have a majority of local judges.

6.3. Conduct of proceedings

Applicable laws

As mentioned, proceedings before the UPC are governed *inter alia* by the specific provisions of the UPCA and by the elaborate set of Rules of Procedure of the Unified Patent Court. However, in addition to that, there is a whole body of private international law (including the Brussels Regulation), Union Law (incl. the Treaty on the Functioning of the European Union), the European Patent Convention, certain EU directives (incl. EU enforcement directive), certain aspects of national law (incl. prior user rights), etc.

First instance proceedings

Depending on the type of action which is to be started, the plaintiff shall lodge a Statement of claim (infringement action) or a Statement for revocation (revocation action) or other statement or application, and will do so at the relevant sub-registry of the UPC's Registry. The proceedings are digital, in the sense that all documents will be filed in an electronic filing system.

The proceedings are aimed at resolving the dispute swiftly. According to preamble 7 of the Rules of Procedure, a final hearing on the merits should take place within 1 year of proceedings. The proceedings are front-loaded, which implies that the opening statement (and reply statement) should in principle contain all of the respective parties' arguments of exhibits. A rejoinder may be filed in a second round.

An interim procedure is foreseen, led by a judge-rapporteur, aimed at making all necessary preparations for the oral hearing. The judge-rapporteur may order parties to provide further clarification on certain points, produce evidence or lodge specific documents including each party's summary of the orders sought at the interim conference. The judge-rapporteur shall explore with the parties the possibility for a settlement, including through mediation and/or arbitration (at the UPC mediation and arbitration centre).

An oral hearing will allow parties to present their case. The ambition is to hold one-day hearings at most. The UPC will give decisions on the merits will be given as soon as possible after the closure of the oral hearing, with a stated objective of six weeks.

Parties are obliged to seek external representation before the UPC. Such representative can either be a lawyer authorised to practise before a court of a participating EU Member State or a European Patent Attorney with additional appropriate qualifications (e.g. the European Patent Litigation Certificate).

Appeal

Appeals will be brought before the Court of Appeal of the UPC. The Court of Appeal may together hear appeals against separate decisions on the merits in infringement proceedings and in validity proceedings. Proceedings before the Court of Appeal will in principle be held in the language of the first instance infringement action before the local or regional division. The appeal may be based on points of law and matters of fact, but it will not be completely *de novo*: new facts or evidence may only be introduced if they could not reasonably have been submitted during first instance proceedings.

Since the UPC will be a court common to the participating EU Member States and must also apply Union law, it is subject also to the jurisdiction of the CJEU. Requests for preliminary rulings by the CJEU can be made.

6.4 Types of measures and relief

The UPC will have the power to order provisional measures to preserve evidence and the inspection of premises, or "saisie-contrefaçon", order a party to produce evidence or order a party not to remove from the UPC's jurisdiction any assets, or "freezing orders".

The UPC will have the power to grant provisional and protective measures such as injunctions against an alleged infringer or any intermediary or order the seizure or delivery up of products suspected of infringing a patent, as well as the seizure of the movable and immovable property of the alleged infringer.

6.5 Relationship between issues of validity and infringement

Relationship between infringement and revocation claims before the UPC

If an infringement action is initiated before the **central division** of the UPC, a counterclaim for invalidity of the patent can be brought before the central division, where both aspects will be dealt with together.

If an infringement action is initiated before a **local or regional division** of the UPC and a counterclaim for invalidity of the patent is brought before the local or regional division concerned, the local or regional division concerned may:

- proceed both with the infringement action and the counterclaim together (in which case a technically qualified judge will be allocated to the local division),
- refer the counterclaim for invalidity to the central division and, depending on the circumstances of the case, either suspend or proceed with the infringement action, or
- with the agreement of the parties, refer both the infringement action and the counterclaim for invalidity to the central division.

Proactive revocation actions must be brought before the central division of the UPC. However, this does not oblige the patentee to counterclaim for infringement within the central division. The latter may decide to bring a claim for infringement before the central division of the UPC or, equally, before a local or regional division of the UPC. The latter division shall again have the discretionary power to follow any one of the 3 scenarios set out above, taking into account *inter alia* how far the proceedings in the central division had advanced before the filing of the infringement claim.

Effect of EPO opposition on UPC proceedings

There will still be an important role for EPO oppositions after the UPC comes into existence. Compared to UPC revocation proceedings, EPO oppositions are expected to be less expensive, and, in any event, they will have a broader geographical scope (39 contracting EPC member states, as opposed to the number of EU member states ratifying the UPCA (17 countries at first)).

Important to note is that UPC revocation actions can be lodged in parallel to an EPO opposition and equally without any EPO opposition. The UPCA requires that the parties inform the UPC of any pending revocation, limitation or opposition proceedings before the EPO.

The UPC may stay its proceedings when a rapid decision may be expected from the EPO or not.

The UPC shall stay its infringement proceedings when a rapid decision may be expected and there is a high likelihood that the patent will be revoked.

The UPC may request the EPO to accelerate the opposition proceedings and may stay its proceedings pending such decision by the EPO.

6.6 Comparing main features of UPC or national courts

UPC	National courts
One procedure and one decision for up to 17 (or 24 countries).	Multiple procedures and decisions. Contradictory judgments possible.
Same powers e.g., for preliminary relief or preservation of evidence regardless of location of UPC division.	Despite the IP Enforcement Directive, substantial differences between countries' approaches e.g., to preliminary relief and tools for preserving evidence.
Uncertainty at present about how procedure (e.g. bifurcation) and matters of substantive law (e.g. questions of validity and infringement which are not harmonized as of yet) will play out.	Relative certainty, in most countries, about law and procedures. Uncertainty in other countries where patent litigation is rare.
Ambition to handle claims within 1 year.	Depending on the jurisdiction, proceedings may take a bit or much longer.
Specially trained and appointed patent judges, including technical judges.	Judicial experience with patent or technical matters varies by country.
Jurisdiction over UPs and EPs. No jurisdiction to deal with national-filed patents and opted-out EPs.	Jurisdiction over national patents and, for the transitional period of 7 to 14 years, EPs. Exclusive jurisdiction over opted-out EPs. No jurisdiction over UPs.
No jurisdiction to handle certain patent-related issues, in particular issues of entitlement, nor other subject matter such as tort or trade secrets based claims, or claims based on other IP rights such as design rights.	Each court has jurisdiction over all issues for national or EP-nationalised patents in that country together with associated claims permitted under the laws of that country or over which the court may have jurisdiction.
Various language options: all UPC divisions allow pleadings in English.	Most national courts require proceedings to be conducted in the local language.
Costs of comparable cases in UPC should be comparable. Costs of proceedings in within UPC higher than those of proceedings in EU member states.	Costs of comparable cases in different national courts differ substantially. With multiple actions, costs can multiply quickly.

CHAPTER 7: HYPOTHETICAL EXAMPLE

Health Company, a Japanese company with headquarters in Nagoya, has developed a technology that is said to revolutionize the field of personal medicine, namely a pen that allows an individual person to make an extensive haematological evaluation based on a few drops of self-collected blood and communicate this data to the patient's general practitioner for analysis and possible diagnosis.

Health Company has also sought to safeguard its technology by means of patent protection. Ahead of its launch, Health Company has filed an international patent application. A first patent is about to issue in Europe later in 2022, as the EPO has issued an intention to grant notice. The patent claims cover the medical device itself, as well as the method using the device for measuring haematological values.

Health Company has not only developed a technologically innovative product, but has also paid attention to the appearance of its actual product. This pen has indeed an appealing design, as can be seen in the below picture.



Health Company commercializes this product under the brand name *BLUTH*. Health Company has a registered trademark and design in Japan, and is in the middle of a global trademark and design protection scheme, including in the European Union and the UK. The EU trademark application has been filed but has not yet matured into registration. Health Company has however already managed to register a Community Design in the EU and its design and trademark in the UK.

The BLUTH branded pen is an instant success in Japan. It seems that Health Company's flagship product will also become a massive success in Europe and the UK as it has almost instantly sold out after its pre-launch on 1 June 2022. The BLUTH branded pen is marketed in the European Union by Health Company's German subsidiary, which operates as its European manufacturing site and distribution hub.

However, Copycat Company, a Country A based company with a manufacturing plant in Country B, who is suspected to have poached certain of Health Company's employees (including engineers and designers), has also started to commercialize a very similar medicinal product, under the brand BLUD and having the below depicted design.



It seems that Copycat Company has started offering this medical device throughout Europe and the UK about eleven (11) weeks ago. Products are being offered, on the one hand, through Copycat Company's own website and, on the other hand, on the widely popular third-party e-commerce platform Emagine. Emagine is heavily promoting the BLUD branded pen. It appears - with and without the brand name visible - in Emagine's advertisements on its own website and on third party websites where only Emagine's brand name is prominently visible (which attracts traffic to its platform).

Health Company obtained a specimen of the BLUD branded pen for more in-depth analysis by its technical and legal department, and is convinced that the technology used in the BLUD branded pen infringes its IPRs.

Consequently, Health Company has put Copycat Company on notice to cease-and-desist from the offer for sale, sale and/or promotion of the BLUD branded pen, including in the European Union. In reply to this notice letter, Copycat Company has among others disputed the validity of Health Company's trademark, design and patent rights and has stated that, consequently, it feels entitled to continue commercialising the copycat product.

Health Company suspects that Copycat Company manufactures the BLUD branded pen in its production facility in Country B. Health Company has also gained intelligence that the goods arrive at the port of Rotterdam (The Netherlands). It may be that the goods are declared under transit at the time of importation. It is likely that the products may be stored by Copycat Company's French subsidiary Copycat SA, which has recently built state-of-the art distribution centre, and/or Copycat Company's Belgian subsidiary Copycat SA, which operates the Copycat Company's historical distribution centre. If so, it is likely that the BLUD branded pen is subsequently distributed across various countries in the European Union and the UK. Health Company lacks at this stage information about which countries the BLUD branded pen is shipped to and in what volumes. Health Company's major markets are the UK, Germany, France, Italy and Spain. The BLUTH branded pen is however also gaining traction and popularity in markets such as The Netherlands, Poland and the Czech Republic.

Health Company is determined to defend its unique position on the market in the EU and the UK and wants to avoid that it loses any market share to the BLUD branded pen. It is not the first time that the Copycat Company rides on the coattails of the popularity of a Health Company product. Health Company has had enough, but is forced to go smart about it as its litigation funding is somewhat scarce for the time being (as the main chunk of its budget has been invested in product development and marketing).

CONSIDERATIONS FOR ALL JURISDICTIONS

UP/UPC strategy

While Health Company's patent application is pending at the EPO, Health Company can consider its strategy also under the unitary package. For instance, once the sunrise period starts, Health Company could request the EPO to postpone the grant of the patent until after the UPCA becomes effective date, so as to be able to request unitary patent protection. Timing may be of the essence, considering that the EPO has already issued an intention to grant. Alternatively, Health Company could consider not postponing the grant of the pending EP, so as to quickly obtain a European patent that it can enforce against the infringers, but also file a divisional European patent application that offers the option of applying for a unitary patent at a later stage. Depending on the overall strategy, if it does not "opt out" from the jurisdiction of the UPC, the Health Company has procedural options to enforce the soon to be granted EP both in the UPC or before national courts.

Infringing acts

The BLUD pens are imported in The Netherlands and the goods are stored either in France or Belgium by Copycat Company's EU subsidiaries. The Country A-based Copycat Company offers the BLUD pens on their website and on Emagine's online platform. For products offered for sale on websites on the internet, the issue as to whether the products are being offered for sale in any of the jurisdictions covered depends upon whether a reasonable consumer in that jurisdiction would consider that Copycat Company's website is directed at them. The types of information which the court will take into account are, amongst others, whether the goods are physically available to consumers in that jurisdiction, the extent of any delivery service, any local peculiarities on the site, the website address (e.g. a local top level domain), the language of the website and the currency of payment. It is presumed from the information provided in the case study that a reasonable consumer in all of the jurisdictions included in this case study would consider that both the Copycat Company website and the advertisements on Emagine platform are directed at them. Health Company have obtained a specimen of the BLUD pen. They would have images of the pen being offered for sale from the screenshots of the Copycat Company website and Emagine platform. The assertion of infringement of Health Company's IPRs could therefore be based on a side-by-side comparison of the names and the pens.

Parties

Claimants: Health Company is the owner of the IPRs (trademark, design and patent) and would be a claimant to any action. If Health Company's German subsidiary as the manufacturer and main distributor of Health Company's pens is suffering damage as a result of the infringement, then it should be granted rights under Health Company's IPRs to enable it to commence proceedings for infringement of Health Company's rights in its own name so that it too can be joined as a claimant to any action.

Defendants: the principal defendant would be Copycat Company as the person responsible for their own website, next to its French or Belgian subsidiary. The third-party e-commerce platform Emagine cannot be held liable by Health Company for the (offer for) sale of the BLUD branded pen to the extent that (i) it plays a neutral role (i.e., automatic data processing), (ii) has no actual knowledge of the illegal activity and (iii) as soon as it has such knowledge, it acts promptly to remove the disputed information or makes access to the infringing product impossible. Therefore, unless it can be proven that the third-party e-commerce platform Emagine plays an active role (which under the present circumstances seems not the case as there is no use of the BLUD brand for the platforms' own commercial communication on third party websites), the main option for the Health Company is to send a notice-and-takedown to Emagine requesting to block the infringing sale and imposing an obligation to prevent further similar infringements by the same supplier. If Emagine does not act promptly, it may be held liable.

Warning letter

In all of the jurisdictions in the case study, a warning letter is not required by law. It may be preferred if there are chances that the infringer would stop once notified. A warning letter was sent to the Copycat Company in this case, and Health Company might consider also sending the letter to its subsidiaries in France and Belgium. However, it comes with the risk that the defendant in response may file an action at the EUIPO aimed at e.g. challenging the validity of the asserted design. Such torpedo may also significantly delay the infringement claim before the national courts. It may also take away the surprise effect which one aspires when performing an *ex parte* evidence gathering proceedings, or even lead to claims of unjustified threats.

Possible actions

A local action based on the granted European **patent** would only concern its national branch, and due to the principle of territoriality, a court issued injunction would only have effect in that jurisdiction. It may therefore be highly advisable to have a well-considered approach, choosing the right tools and forums for fighting the infringement with optimal effect.

With regard to **trademark and design rights** enforcement strategies, it is highly advisable to have a coordinated, European approach, due to the high level of harmonization of the relevant legislation and cross-border possibilities. In general, for a pan-European injunction, proceedings can be initiated in the member state where the infringer is located. If the infringer is located outside of the EU, proceedings can also be initiated in the member state of the rightsholder. In case both parties are located outside the EU, proceedings can be initiated in Spain.

In the present case, it would be advisable to commence proceedings in France or Belgium to obtain a cross-border injunction, as Copycat SA is located there, or to create a forum by initiating proceedings in one of the countries where a reseller is located. French or Belgian courts would have jurisdiction against Copycat SA in relation the acts of infringement of the EUTM and the CD occurring in any member State.

Alternatively, regarding EUTMs, the CJEU ruled that “*a legally distinct second-tier subsidiary, with its seat in a Member State, of a parent body that has no seat in the European Union is an ‘establishment’, within the meaning of that provision, of that parent body if the subsidiary is a centre of operations which, in the Member State where it is located, has a certain real and stable presence from which commercial activity is pursued, and has the appearance of permanency to the outside world, such as an extension of the parent body*” (CJEU, 18 May 2017, C-617/15).

It could then be contemplated to initiate a trademark infringement action in France or Belgium against the Country A-based Copycat Company in relation to acts of infringement committed in all Member States. It should be demonstrated that Copycat SA acts as the “centre of operations” of Copycat Company, has a “certain, real and stable presence” and has the “appearance of permanency to the outside world, such as an extension of” Copycat Company.

Health Company’s EUTM has not been registered yet. In theory, referring to article 131 EUTMR, interim measures can be obtained for an EUTM application, provided that the national trademark law foresees in this possibility. Most jurisdictions, however, do not allow this under their national trademark law and, therefore, reference is made to article 11(3) EUTMR, which states that the courts are prevented from dealing on the merits of the case until the registration has been published. Therefore, we would not recommend Health Company to commence PI proceedings against Copycat Company prior to registration of its EUTM. There are, however, some alternative causes of action, discussed below.

Health Company has obtained a registered CD. Subject to fulfilling the criteria for validity (that is, if the BLUTH design is new¹⁷⁴ and has an individual character), this CD offers protection against any other design that does not convey a different overall impression, during 5 years (renewable up to 25 years). Actions may be brought before one of the specialised Community Design Right Courts were set up in the EU Member States.

BELGIUM

Patent actions

Inter Partes preliminary injunction proceedings

Once the patent is issued, it would be worth seeking via the Belgian Court a PI with “cross border” effect, since a European-wide distribution centre seems to be located in Belgium, ran by the Belgian subsidiary of Copycat Company. Enjoining this subsidiary from distributing products from its Belgian distribution centre would already stop a part of the commercialization and have *de facto* some cross border effect.

However, such effects may be limited in time, subject to the past, present or future relocation of the distribution activities to the French (or other) distribution centre. Indeed, such injunction would not prevent Copycat Company from possibly relocating its distribution centre and continuing its supply via other parties or other venues in Europe.

¹⁷⁴ It appears from the facts that the first disclosure of the device took place in Japan, i.e. outside the territory of the EU. As a result, and unless a valid claim for priority of an earlier registration of the design can be made, Health Company might have a problem of demonstrating novelty of its design, unless the Japanese product could reasonably have become known in the normal course of business to the circles specialised in the sector concerned, operating within the Community (the so-called “relative novelty requirement”).

It is therefore advisable, for instance, to try to join the Country B based manufacturing company or the Country A based mother company of Copycat Company as a co-defendant to the proceedings, as well as its French subsidiary, and to apply for an injunction against all of them. An injunction should cover the offer, placement in commerce and use of the litigious BLUD pen and also any importation and storage for such purposes. The defendants may be ordered to stop infringement in all countries designated by the European patent (once it issues). The Belgian Courts will typically accompany such injunctions by a financial lump-sum penalty (“astreinte”) that can be directly recovered by Health Company in case of violation of the injunction.

If opposition proceedings would be instituted before the EPO against the European patent, that would normally not stop the Belgian Court from granting a PI, because the patent stands and may therefore be considered *prima facie* valid. On the basis of the evidence collected from Copycat Company’s website and the technical analysis carried out by Health Company’s technicians, Belgian Courts may also find the required evidence of *prima facie* infringement, and will order an injunction, on the condition that the urgency requirement has been fulfilled. Although certain Courts have considered an infringement of an IPR as being “urgent” by nature, as a matter of prudence, it is recommended to initiate proceedings within weeks (in the absence of a valid reason for not initiating proceedings earlier, eleven weeks may be considered long). In this case, it seems such legal action should indeed be initiated without undue delay after grant of the patent and awareness of the infringement.

If urgency would not be acknowledged, Health Company can start a “fast track” action, where urgency is not a requirement. However, in such proceedings (considering that it is a proceedings on the merits) the validity of the European patent might be challenged by way of counterclaim, and cross-border jurisdictions can in principle not be granted.

Ex Parte “saisie” proceedings

If more evidence is required about the technology in the allegedly infringing products, or about their volumes, origin and/or destination, a very effective option may be to start *ex parte saisie* proceedings.

The description can only be carried out in Belgium (i.e., at the Belgium based subsidiary’s premises and any other location where evidence can be found), but the results can go beyond the Belgian territory. A Court-appointed expert will draft a report of its relevant findings. This report has a high probative value and can be used in parallel infringement proceedings before other national Courts against Copycat Company, provided that proceedings on the merits are commenced shortly after receipt of the descriptive report of the alleged infringement.¹⁷⁵

Health Company can, together with a request for “saisie description”, ask to issue an *ex parte* injunction to “freeze” the stock of the allegedly infringing product and to stop shipment to European customers until an *inter partes* decision has been reached. No urgency is required here, but Health Company should demonstrate the *reasonable nature* of the measure, taking into account all parties’ interests. The weighing up of interest elements, such as significant, irreparable damages, danger to public safety, etc. may justify this measure.

Costs

The average cost for obtaining a PI can vary from €40,000 to €100,000, depending on the urgent nature of the matter and Health Company’s assistance in offering clear evidence of infringement (English language reports are not a problem if the action can be launched in Brussels or Antwerp). If the (*ex parte*) action succeeds and no opposition is made against the order, costs can sometimes remain as low as €15,000. When *inter partes* proceedings are launched to overturn that order, costs can rise to €100,000. Complex testing and analyses during the “saisie description” might also increase the costs, but these costs can be fully recovered via the proceedings on the merits. The recoverable attorney’s fees for these types of PI proceedings is capped at €14,000.

Trademark actions

In the Benelux countries, including Belgium (as there are no Belgian trademarks), Article 2.8 of the Benelux Convention on Intellectual Property provides the applicant with the opportunity to ask for immediate registration of its trademark application, with the examination taking place after registration. In this case, it would seem advisable to obtain a separate Benelux trademark registration in order to ask for a PI and/or seizure proceedings (so-called “saisie-contrefaçon”), since there would be a (more than) reasonable chance that the Court will rule that the BLUD sign infringes upon the BLUTH trademark, due to the high likelihood of confusion. This would be a result of the (oral, visual and conceptual) similarities between the two conflicting trademarks

¹⁷⁵ The judge may determine the deadline at his own discretion, but if not, proceedings on the merits must be lodged within 20 working days or 31 calendar days.

and the identity of the goods at stake). A fast track registration will also allow to formulate an extra claim based on Benelux trademark law in addition to the PI proceedings recommended above.

However, as Health Company will not be relying on its EU trademark (application), but on a Benelux trademark, it can only obtain an injunction for the Benelux countries and, hence, not an EU-wide injunction or in any jurisdiction outside of the Benelux. Parallel proceedings will have to be initiated in these other jurisdictions.

ENGLAND & WALES

Health Company's intellectual property rights and infringement

Health Company has the following IPRs in the UK protecting its BLUTH pen: a registered trademark and a registered design, and, following the success of its pre-launch in June 2022, possibly also sufficient goodwill in the name and/or get up of the pen to be able to bring a passing off action against a third party selling a pen with a confusingly similar name or get up. As such, Health Company would have the right to commence proceedings for registered trademark and registered design right infringement, and possibly also passing off, and seek an injunction, damages (or an account of profits) and legal costs.

The European patent has not yet granted. If Health Company indeed requests grant of a Unitary Patent and postponement of the grant of the patent is requested until after the commencement of the UPC, then the European patent will be granted in the UK at the same time as the UP. As and when the European patent does grant in the UK, Health Company would have the right to commence proceedings for patent infringement and seek an injunction to prevent future infringement and claim damages (or an account of profits) in respect of past infringement (including the any post-publication pre-grant infringement provided that such acts infringed not only the patent claims as granted but also the patent claims as published) and their legal costs.

A UK unregistered design right is unlikely to subsist in the design of the BLUTH pen because the design was made by a Japanese person employed by a Japanese company and Japan is not a "qualifying country" for this purpose. The only circumstances in which it might subsist, is if the articles made to the design were first marketed in the UK (or another of the few qualifying countries), but this seems not to be the case. As a result of Brexit, there is also a new unregistered design right called a supplementary unregistered design. This right is intended to mirror that of the unregistered Community Design Right, but again, it only subsists if the design is first published in the UK and this seems not to be the case.

Insofar as Health Company's ex-employees being engineers and designers have also used Health Company's confidential information in the course of designing Copycat Company's BLUD pen, then there may also be a cause of action against them/Copycat Company for breach of confidential information albeit that the misuse of the confidential information took place outside the UK (presumably either Country A or Country B). See later.

As to the acts of Infringement, Health Company has obtained a specimen of the BLUD pen. It would also have images of the pen being offered for sale from the screenshots of the Copycat Company website and Emagine platform. This would be sufficient for the purpose of commencing an action for registered trademark and registered design infringement. Based on the analysis carried out by Health Company's technical and legal department, Health Company would seem to have good ground for believing that the technology used in the BLUD pen falls within the scope of the claims of Health Company's patent. As such, Health Company would be in a position to assert infringement of the patent based on a reasonable inference of infringement. This would be sufficient to commence an action for patent infringement. Once the action had been started, Health Company would be able to ask the Court for an order for disclosure of documents (most probably by way of a product and process description) from Copycat Company relating to the technology used in the BLUD pen to enable Health Company prove infringement at the trial.

Pre-action steps

As regards the advertisements on the Emagine website, arguably the most cost-effective way of dealing with those advertisements would be to put first the third parties and if necessary Emagine on notice of the fact that the advertisements are for products that infringe Health Company's (registered) IPRs and request that the advertisements are taken down. Health Company would need to be advised that depending on how the requests were made that the third parties and possibly Emagine may have a cause of action against Health Company for unjustified threats. Health Company would need to be advised on how to minimise that liability.

As regards the warning letter, in general, it is good practice to send a letter before action (LBA) in order to explore settlement options without the need to commence legal proceedings, and also in circumstances where settlement is likely to protect the right owner on costs. The main issue to consider when deciding to send such

a letter in respect of registered IPRs (including therefore trademarks, designs or patents) and also in drafting the letter, is the potential for the recipient, or indeed any third party, aggrieved by the threat to commence proceedings for unjustified threats.

Given that in this case the LBA was sent to Copycat Company who, as the manufacturer of the BLUD pens, is a primary infringer, there would be no risk of an unjustified threats action.

Venue

As the immediate action would involve both trademark infringement as well as registered design infringement (and possibly passing off), it would have to be brought in either the Patents court or the IPEC, as between them, these two courts have exclusive jurisdiction over registered design rights.

As regards the choice between these two courts, it needs to be borne in mind in the IPEC that there is a cap placed both on the damages that can be recovered (£500,000) and also the costs that can be claimed (£60,000). Given the need for Health Company to find a cost-effective way of stopping Copycat Company's activities and limit its exposure to costs, Health Company would be advised to consider commencing the claim in the IPEC as opposed to the Patents Court. The downside is that if the action is vigorously defended, Health Company's costs are likely to be an order of magnitude larger than £60,00 and if successful, Health Company would not therefore be able to recover those costs.

Any future patent action would need to be brought either in the Patents court or the IPEC. In practice, the claim could be brought into any still pending registered trademark and design right action.

Service of the Proceedings

Copycat Company is a company based in Country A. Health Company would therefore need to obtain permission from the Court to serve the proceedings on Copycat Company outside the jurisdiction of the English court. An application to serve out is made *ex parte* supported by evidence showing:

- 1 a specified ground. E.g.: a claim is being made for an injunction, or there is between the parties a real issue that it is reasonable for the English court to try, or (applicable to the possible breach of confidence) a claim is made for breach of confidence or misuse of private information where detriment was suffered or will be suffered, within the jurisdiction,
- 2 a reasonable prospect of success,
- 3 the defendant's address and
- 4 England is the appropriate forum for the dispute to be tried.

In the circumstances, Health Company would expect to obtain that permission for its IPR infringement claims.

Having served the proceedings on Copycat Company in Country A, Copycat Company would have a window of opportunity (e.g., 28 days) to challenge the order granting permission. If Copycat Company decides not to challenge the order or any application to set aside is unsuccessful, then the proceedings would move forward. Copycat Company would be obliged to serve a defence and there would then be a first Case Management Conference.

Preliminary Injunction and/or Summary Judgment

Preliminary Injunction

In relation to all UK IPRs, it is open to a right owner to commence proceedings in the UK for infringement and seek not only a final injunction, but also to make an application for an interim injunction to prevent the continuation of the infringing activities pending the full trial.

The criteria used by the courts to determine how they should exercise their discretion as to whether an interim injunction should be granted, were laid down by the House of Lords in *American Cyanamid v Ethicon*. The court should consider:

- whether there is a serious question to be tried, and provided the answer is yes,
- how much irreparable damage the claimant will suffer if the injunction is not granted and how much irreparable damage the defendant will suffer if the injunction is granted.

Insofar as both sides will suffer irreparable damage, the court will go onto consider balance of convenience. The balance of convenience assesses whether in all the circumstances, the inconvenience to the defendant, should the court grant the injunction, outweighs the inconvenience to the claimant should it not do so. In

considering the balance of convenience, particular regard should be had to preserving the *status quo* existing as of the date of the application, while regard could also be had to the merits of case. In most cases therefore, the merits of the case were relegated to the bottom of the list of factors to be taken into account in deciding whether or not to grant an interim injunction.

There are various matters raised in the case study that are relevant to any application by Health Company for a preliminary injunction. They are and their relevance is as follows:

- Copycat Company's activities in the UK are understood to have started on their website directed at UK consumers 11 weeks ago. The fact that injunctive relief is an equitable remedy has consequences in terms of the exercise of the court's power to grant an interim injunction. Relief is likely to be refused if the claimant delays in making the application after having become aware of the defendant's activities. The Court will interpret any delay as an indication that the claimant does not consider the damage to be serious and that damages would be an adequate means of compensation. It will therefore be important to ascertain when Health Company first became aware of Copycat Company's intention to launch its BLUD pen, the time that elapsed before it sent the letter before action, and also how long it took for Copycat Company to respond and how much time has passed since Health Company received that response. Health Company would need to explain in its evidence the reason for any delays that may have taken place.
- In making the application for an interim injunction, Health Company will need to serve evidence in support establishing that there is a serious issue to be tried (i.e., its ownership of the rights, the nature of the infringing acts taking place in the jurisdiction and the reasons why those acts constitute infringement). In its evidence in support, Health Company will also need to establish that it is likely to suffer irreparable damage as a result of Copycat Company's activities.
 - It is also understood that following Health Company's pre-launch in June 2022, Health Company believes that their product will become a massive success and there is good reason to believe that Copycat Company's activities in promoting and selling its BLUD pen will jeopardise Health Company's first mover advantage. If, as seems likely, the BLUD pen is being offered for sale at a lower price than the BLUTH pen, BLUTH have reason to believe that to compete it would have to lower the price of its BLUTH pen, and that it might be difficult to raise it again when Copycat Company are enjoined at trial, then this too may be an important factor favouring the grant of an injunction.
 - The fact that Health Company have invested heavily in developing the BLUTH pen and furthermore that the result of that investment is that the BLUTH pen is to be Health Company's flagship product are also important factors favouring the grant of an injunction.

When making the application, Health Company would also need to offer to the court a "cross-undertaking in damages". This is required so that in the event that it is determined that the rights in issue are invalid or not infringed, the applicant/Health Company should compensate the respondent/Copycat Company for being kept off the market. Insofar as Health Company's financial position is not as strong as might otherwise be (having invested heavily in the development and marketing of the BLUTH pen) might necessitate that undertaking to be supported by some form of security.

The costs of obtaining an interim injunction depend upon many factors including the IPR in suit, the number of defendants, the complexity of the facts, and the extent to which the defendant vigorously defends the application. In practice, the costs of obtaining an interim injunction in a defended application are unlikely to be less than £75,000 and may be at least double that figure.

Summary Judgment

In trademark and design right cases which involve clear cut cases of infringement and a right whose validity is not seriously open to challenge, it is open to the right owner to apply for summary judgment. The court will grant summary judgment if it considers that the defendant has no real prospect of successfully defending the claim or issue. The issue of infringement of the registered design seems more clear cut than the issue of infringement of the trade mark. However, as Copycat Company has disputed the validity of Health Company's rights, Health Company would be advised to investigate the merits of those claims especially in relation to the registered design right as well as considering the merits of its infringement argument before deciding on whether to make an application for summary judgment.

Remedies

Injunction

In the circumstances, Health Company's main remedy will be a PI followed, if successful at trial, by a permanent injunction. Obviously, if successful, then Copycat Company would have made few sales in relation to which they would be liable to pay damages. If Health Company are unsuccessful in obtaining a PI but succeed at trial, then Copycat Company would be liable to pay damages (or render an account of profits) on the intervening sales of their BLUD pen.

Damages v Account of Profits

A successful right owner normally has the choice of asking the court either for an inquiry as to the damages that it has suffered, or an account of defendant's profits in each case as a result of the infringing activities. In most cases, successful right owners opt for damages because of the greater degree of certainty of outcome.

Insofar as Health Company can establish (as would seem likely) that in the counterfactual (i.e., Copycat Company not being on the market), they would have made sales of their BLUTH pen, then Health Company would be entitled to recover their lost profits on those lost sales. There may be other heads of damage which Health Company would be entitled to claim, including for example lost sales of ancillary products and price erosion (if applicable). If the action is brought in the IPEC as proposed above, then there is a cap of £500,000 placed on the level of the damages that can be recovered. The case study refers to Copycat Company's bad faith. Whilst there may be scope to reduce any award of damages for innocent infringement, there is no scope to increase the award of damages for deliberate infringement.

Costs

The general rule in English litigation is that the winner is entitled to recover its legal costs of bringing an action to trial. Legal costs include court fees, external lawyers' fees and (if applicable) experts' fees. If the action is brought in the IPEC as proposed above, then there is a cap of £60,000 placed on the level of the legal fees that can be recovered for the main action (other than in exceptional circumstances).

Possible Claim for Breach of Confidential Information

Finally, there is a suggestion in the case study that the employees who were poached may have misused Health Company's confidential information in assisting in the design of Copycat Company's BLUD pen. If that is likely to have been the case then Health Company may also wish to consider bringing a claim for breach of confidential information. In a recent case to come before the English court between a US claimant and a Chinese defendant, the US company asserted that as a result of employees obtaining confidential information in the US, they had then used it in the manufacture of batteries in China which were then being imported into and sold in the UK.¹⁷⁶ The claimant in that case obtained permission to serve the proceedings out of the jurisdiction and although that permission was challenged, having heard evidence from both parties, the English court decided that it was the appropriate jurisdiction in which to hear the claim and went on to grant an interim injunction against the Chinese company preventing the importation of batteries into the UK pending the full trial. The merits of Health Company bringing a confidential information claim against Copycat Company in the English courts would need to be explored further with Health Company.

FRANCE

One of the main advantages of the French procedural rules generally is that an IPR owner is entitled to perform a **seizure** ("*saisie-contrefaçon*") at the premises of an alleged infringer, enabling them to obtain information about the materiality of the infringement and also its extent (number of infringing products, channels of supply and distribution). The seizure must be followed by an action on the merits in France against the seized party within 1 month, subject to the nullity of the seizure. The information gathered through the seizure may be used in foreign proceedings.

Regarding **patent infringement**, an infringement action may be initiated by Health Company against the French company Copycat SA before the Paris Civil Court, based on the French part of its European patent and would relate only to the infringing activity in France (notably regarding damages and potential injunction). The proceedings may be stayed pending the grant of the patent and, although it is less likely, should the patent be opposed after grant. However, a **PI** may be requested against Copycat SA. Recent case law of the Paris

¹⁷⁶ Celgard, LLC v Shenzhen Senior Technology Material Co Ltd [2020] EWHC 2072 (Ch) upheld by the Court of Appeal [2020] EWCA Civ 1293

Civil Court acknowledged the possibility to obtain such a PI based on a patent about to be granted (TJ Paris, 27 July 2022, RG 22/54367).

Regarding **trademark and design**, France is pre-eminently one of the jurisdictions to start proceedings, since Copycat SA is located here and French courts would have jurisdiction in relation to the acts of infringement of the EU trademark and the CD that occurred in any member state, although it should be waited until its delivery with respect to the pending EU trademark.

GERMANY

Patent Actions

Since the patent at stake is a very important one, we would advise to file a divisional application to allow more flexibility in the future and (if the application is less than ten years old) in parallel branch off one or more German Utility Model(s) with potentially tailor-made claims in respect to the infringement to have the full scope of remedies immediately available.

One month after the grant of the patent, Health Company has two further general options to obtain injunctive relief based on the freshly granted patent: seeking a PI or directly filing an action on the merits. In parallel, the registered utility model can be brought to court in a PI and/or main action as well.

Whilst a **PI** would be very helpful in such an early stage of infringement, we would not advise seeking a PI in Germany in this case, unless there are very special circumstances: since the grant of the EP will only occur a couple of weeks prior to the PI request, it is very unlikely that a German court would grant the PI. There is well-established case law that a freshly granted patent is not suitable for a PI. The reasoning behind this case law is the following:

- a PI always brings immense economical disadvantages for the defendant,
- the defendant will only have very little time to dispute the attacks, and
- the court itself has to assess a very difficult technical scenario in a limited amount of time.

In order to reduce the risk of a wrong decision with serious consequences, the German case law therefore only considers granting a PI if both the validity of the patent and the infringement are to be answered so clearly in favour of the applicant that a wrong decision to be revised in a subsequent main proceeding is not seriously to be expected. Further, the court must be convinced of the urgency of the injunction. The courts therefore prefer to grant a PI regarding the infringement of a patent which has already survived an attack on validity ("went through the fire") or if it was accepted for years by the peer industry. There are exceptions to the rule, e.g., if the parties have had extensive prior litigation over a family member patent in another jurisdiction or the patent is a pharma-patent, and the patent proprietor requests the PI against a generic drug new on the market. For some time, the Munich court was prepared to grant injunctions on freshly granted patents but also this approach has changed recently.

Since in our case, none of the above scenarios apply, we would recommend filing an **action on the merits** immediately either on the granted patent or in parallel and before a different court in Germany on basis of the branched off utility model.

Health Company could sue Copycat Company in any of the twelve German infringement courts since (due to the website offer) all of Germany is the place of infringement (most widely used courts are: Dusseldorf, Munich, Mannheim, Hamburg and Braunschweig).

As to the different German courts:

- Munich is for many the currently preferred forum, mainly because of the two oral hearings – the first oral hearing can give a good indication what the court requires from the plaintiff and the plaintiff may adjust – also potentially complex licensing scenarios can be dealt with more efficiently and utility models are well accepted.
- Mannheim was always preferred for their short time to trial (8-10 months) but is less preferred for utility models.
- Dusseldorf was for long the strongest court with three parallel chambers first and two second instance. Many would still prefer it for technically complex cases – this court is less likely to ask for a court appointed expert – and patents with good fallback solutions (such as subclaims) would allow to prevent a stay.

The necessary threshold (*Substantiierung*) to an action on the merits in Germany is rather low but still must be met. The patentee must only allege infringement of the patent by the identified product, proof of infringement is not required. This is why Germany does not have a pre-litigation seizure (*saisie-contrefaçon*). However, once the defendant has properly contested the infringement, the plaintiff is obliged to counter-argue with evidence of infringement. Therefore, the infringement complaint would already meet the threshold if the Health Company is able to argue infringement of the patent and the fact that the defendants are distributing the BLUD pen in Germany. No test purchase is required as evidence. Given that Health Company obtained a specimen of the BLUD pen and conducted an in-depth technical and legal analysis, the threshold is likely to be met.

It is further advised to anticipate the defendant's attack on validity with an opposition before the EPO. Germany has two peculiarities with respect to the opposition. Whilst other countries would often stay an infringement action for the time of the opposition, German courts would not differentiate between opposition and nullity action and consider both in the course of a stay decision. On the other hand, a German nullity action is not feasible as long as the opposition is ongoing.

Even though a main action does not feature an immediate (preliminary) injunction, we highly recommend filing the action on the merits in Germany since this would best fit the Health Company's requirements: The complaint would have a comparably big impact on the Copycat Company's distribution (Germany is one of their main markets), the litigation in Germany is comparably fast and comparably not expensive and a first instance judgement can be obtained rather quickly, even if opposition is ongoing, and the first instance judgement can be enforced immediately by providing a security bank bond.

Trademark actions

The BLUTH EU Trademark has been applied for but is not yet granted. German trademark law, however, provides for the protection of unregistered trademarks. The sign "BLUTH" could enjoy trademark protection if it has already acquired a "sufficient degree of brand awareness" (*Verkehrsgeltung*), i.e., the sign is regarded as an indication referring to the origin of the products or services (a manufacturer or distributor of goods or provider of services), within the affected (German) trade circles (mainly consumers) through its mere use as a trademark.¹⁷⁷

Normally, a degree of brand awareness of at least 20% is required, which is relatively high for a company that has just entered the market. The best way to prove brand awareness is by way of expert surveys based upon extensive polls, for instance on whether people would consider "BLUTH" to hint to a specific enterprise (they are not required to know that the sign is used for a pen in the field of personal medicine nor that it is used by Health Company). In the present case such an expert survey will certainly not exist, since it is too time consuming and the results would probably not suffice to justify unregistered trademark protection. Other indications of a sufficient degree of brand awareness are the extent to which the owner, here Health Company, has already made use of the BLUTH sign. In this context the crucial issues will be the amount spent on advertising and the number of BLUTH pens already sold in Germany. Presuming that Health Company has not spent an enormous amount on advertising and has not sold large numbers of its pens yet, it will probably not get a PI on the basis of an unregistered trademark.

A PI also requires urgency. Health Company's legal department was informed about the brand BLUD about eleven weeks ago, therefore even presuming that it took another week to get a reliable judicial assessment of the legal situation, it would still be recommended to apply for a PI before a rather lenient court, e.g. the Düsseldorf Regional Court. Although the standard urgency deadlines are between one and two months, urgency can still be affirmed in individual cases despite the expiry of the standard time limit if the applicant has valid reasons for the waiting period and provides sufficient evidence.

If Health Company would nevertheless obtain a PI, the court will order Health Company to file an action on the merits at Copycat Company's request; otherwise, the injunction will be repealed.

ITALY

Some useful actions can be brought before Italian Courts.

Indeed, patent, trademark and design applications can be enforced in Italy before their grant both in proceedings on the merits and in PI proceedings. However, for the time being, there is no evidence that the BLUTH branded pen is offered or sold on the Italian market.

¹⁷⁷ Section 4 no. 2 Trademark Act.

In this context, Health Company could proceed as follows:

- 1 Perform a so-called “test / trap purchase”, i.e. buy online a sample of the BLUD branded pen, asking to deliver it in Italy. In this way, Health Company could discover which companies take care of the distribution activities (so identifying the entities to be effectively sued) and also ground the jurisdiction of the Italian Courts.
- 2 Meanwhile, take care of the steps needed to enforce the patent application: file an Italian translation of (at least) the claims before the Italian Patent office. This translation can then be enforced against any third party identified according to step 1 or be served on Copycat Company if the patent application can be enforced against this target only.
- 3 Health Company could file **PI proceedings** asking for interim measures such as injunction, seizure of products and accounting documents, withdrawal from the market, penalties, publication of the decision. PI proceedings are:
 - a quite common way to enforce IPRs – Italian Courts are not reluctant to grant interim measures,
 - fairly quick (from 6 months to 1 year in case CTE phase is ordered),
 - cost-effective (Italian legal costs are pretty low compared to other jurisdictions¹⁷⁸).

Therefore, they are usually considered a good strategic tool used to put pressure on the alleged infringer, which would risk facing an PI - which becomes final if no proceedings on the merits are started - and suffer a negative precedent which could be exploited in other jurisdictions.

Indeed, PI proceedings seem to be an available option in this case: if Health Company should quickly file its PI application, the urgency requirement would be met as the infringement started 11 weeks ago, which is not a long period of time according to a majority of the Italian Courts.

Health Company could in the first place claim the infringement of the patent application.

It could also claim the infringement of the trademark application and of the design with the same PI complaint. However, some checks have to be performed before adding these further rights: the BLUTH trademark could be considered lacking distinctiveness and / or weak (as referred to a product used for haematological evaluation), the design could include technical functions and not mere aesthetical features. If these possible issues are cleared, the infringement seems to be quite likely.

On the other hand, there seems to be enough evidence of likelihood of patent validity and infringement. Health Company's patent application does not enjoy the presumption of validity benefited by granted patents. Therefore, some arguments to show the validity should be outlined in the PI application. In this case, an intention to grant has been issued and Health Company could argue that the patent is basically granted and thus benefits the presumption of validity. It is also common practice attaching to the PI complaint a report made by a third-party patent attorney pointing out validity and infringement arguments. The report would, in this case, basically outline the infringement analysis performed by Health Company. Furthermore, considering that patent validity and infringement are usually assessed by a Court Technical Expert also in PI proceedings, Health Company could try to anticipate some arguments against the validity performing a prior art search in order to elaborate a defence on the most dangerous documents.

From a strategical point of view, it is advisable not involving the Country B mother company in PI proceedings as this could significantly slow down the process (the PI complaint would have to be served in Country A, which could take many months) and, in the end, could not be needed as the actual import / distribution of the contested product is performed by another EU company. Copycat Company could be involved in possible future proceedings on the merits aimed - *inter alia* - at obtaining final injunction and damages.

In this context, sending a cease-and-desist letter was not necessary but, considering the peculiarities of the case, it did not harm the Health Company's strategy as it was not its plan asking for measures which would be useful if asked and executed *ex parte* (e.g., *descrizione* proceedings).

- 4 **Proceedings on the merits** should be considered only in case it would appear that Copycat Company established an Italian subsidiary and / or regularly offers and import infringing products in Italy.

In proceedings on the merits, Health Company could especially ask for - *inter alia* – a final injunction and damages. The criteria for the quantification of damages can be generally identified in the loss of profits suffered by the IPR owner and/or might involve the surrender of the infringer's profits. If the damage is difficult or complex to quantify (which could be the case), the compensation may be determined by the

¹⁷⁸ Pursuant to the Italian law, the Court deciding the case will order that legal costs, CTE's fees and attorney's fees are paid by the losing party. However, the Court could also order each party to bear its own costs. In any case, the amount is quantified on a case-by-case basis, and quite often generally does not correspond to the actual costs and fees incurred by the parties.

judge applying the laws of equity. In any case, a Court Technical Expert phase could be ordered to check Copycat Company's accounting documents and quantify the damages suffered by Health Company.

THE NETHERLANDS

Customs seizure

Based on the intelligence available to Health Company it can be concluded that Copycat Company ships into the Netherlands via the Rotterdam port and distributes to other countries via The Netherlands.

As the alleged infringing goods are arriving in the EU via the Rotterdam Port, the Netherlands is a key jurisdiction in the above case study. To ensure Customs will be able to detain the incoming infringing shipments, it is highly advisable to file a so-called Application for Action (AFA) with Dutch Customs, containing information about the IPRs of Health Company and information regarding the infringing goods and entities. Please note that such a request cannot be based on applications of IPRs, so Health Company currently can only base the application on the Community Design. It is advisable to wait until the patent is granted and the trademark application is matured into a registration.

After filing the AFA, Dutch Customs will actively pursue detaining the alleged infringing products, including goods in transit. Even though the goods arrive in Rotterdam in transit status, there are sufficient indications that the goods are meant for the EU market, which means that customs is allowed to detain these goods on the basis of patent infringement. In case of trademark infringement (if there is a granted trademark), the protection is even broader. Counterfeit goods in transit can be detained in any event (meant for the EU market or not) as long as the rightsholder has protection in the country of destination.

If a shipment of BLUD pens is detained, customs will inform both the rightsholder as well as the owner of the shipment. Health Company could then decide to immediately request a civil prejudgment order and/or start infringement proceedings with the court.

Patent actions

Please do note that following Dutch case law, an injunction is only granted on the basis of a granted patent. We therefore advise to wait until the grant of Health Company's European patent before initiating patent actions in The Netherlands.

Preliminary injunction

It should be noted that the PI judge will award an injunction based on a balance of interests of the parties involved. The infringement must be pretty crystal clear and any reasonable doubts as to the allegations of Health Company is likely to result in dismissal of the PI. The urgency requirement is relatively flexible in the Netherlands. An ongoing infringement is generally sufficient for a PI, unless the patentee has unjustifiably delayed its action in The Netherlands. As a rule of thumb, urgency is still present within half a year after the rightsholder obtained evidence of the infringement. After that timeframe, Health Company would have to be able to justify the delay in starting proceedings.

With regard to patent litigation, the Dutch PI judge will conduct his/her own validity assessment of the patent based on the arguments of the parties (and decide on whether it is likely the patent will be upheld by the court in proceedings on the merits or revoked). There is no requirement that the invoked patent has to have been maintained already by the OD or TBA of the EPO (or in regular proceedings on the merits). With regard to the infringement, Health Company must be able to clearly demonstrate that the BLUD pen embodies all features of the invoked patent claim. This means that it would need to have sufficient information to present its infringement allegations in the PI writ. From the case study it follows that a BLUD pen has been analysed by the technical and legal department, and this could thus serve as a basis for the infringement argumentation. Infringement of a valid patent is generally considered sufficient harm to merit an injunction, all the more so if the patentee markets a competing product (as is the case in this matter with the BLUD pen). The timelines vary based on the urgency of the case. The time until a hearing generally varies between 2 weeks and 3 months. The time between the hearing and a decision is generally 4 weeks.

As required by Article 9(5) Enforcement Directive, a successful PI decision must be followed up by proceedings on the merits (unless otherwise agreed in a settlement).

Proceedings on the merits

For proceedings on the merits (and that is the type of proceedings chosen in the vast majority of cases), there are two options in the Netherlands for patent cases: either the accelerated patent regime or the regular

proceedings on the merits. In the accelerated patent regime, decisions are currently to be expected within 18-24 months after filing the case. Since these are front loaded proceedings, this is an option in case Health Company has sufficient information on the BLUD pen for the patent Health Company wants to assert to present its infringement allegations. If that is not the case, it could opt for regular proceedings on the merits.

In regular proceedings on the merits, decisions are currently to be expected within 24-30 months after filing the case. In these proceedings there is more room for any motions (including those to gain more information) and there is a second written round also allowing to amend our claim in the case (which may better suit proceedings on the BLUD pen if Health Company is in the process of gathering further information). We also note that in these proceedings the defendants likely have to file their (revocation) defence quicker (because the deadlines are not counted back from an upfront scheduled hearing date as is the case in the accelerated regime; the longer overall duration relates to the fact that oral proceedings are only scheduled at the end of the written phase in regular proceedings on the merits).

Trademark and design actions

Based on Health Company's CD, and EUTM once registered, it is possible to obtain a national injunction in the Netherlands (both in PI and in proceedings on the merits). As the Health Company at the moment does not have a registered EUTM, it is advisable to look for other options, such as unfair competition: under certain conditions, Health Company may rely on the so-called doctrine of slavish copying (which is a variant of the general tort theory). However, this requires, *inter alia*, that the pen of Health Company has its own recognizable appearance and that the pen is not merely the result of functional/technical requirements but has allowed for design choices.

Costs

The costs of any action brought to the District Court based on patent infringement may be anywhere between about €75,000 to about €500,000 depending on the difficulty of the case. Other IP cases are usually much cheaper and seldom cost more than €70,000. See section 4.1 for the possibilities to recover these costs.

SPAIN

Spanish courts will only be competent for damages caused in Spain. If it can be established that Copycat Company also has a subsidiary in Spain, they can be jointly sued in Spain, based on the domicile of the latter, if it is proven that the Country A entity somehow acts or controls the activities of this subsidiary.

Patent actions

Taking into account the goal of Health Company, a PI would be the most effective way to stop the commercialisation of the BLUD pen in Spain. In order to obtain a PI, Health Company must demonstrate:

1 *Fumus boni iuris*: likelihood of the validity and infringement of the patent

Assuming that the patent will be granted by the EPO, the *prima facie* validity of the patent might be accepted as such. Health Company should then file the patent information obtained from the EPO and file a translation with the Spanish patents office and a receipt proving the payment of the annuities. The court might reject the application if the defendant provides substantial evidence in a preliminary hearing that the patent is (or if there are strong reasons to believe that it is) actually invalid. The burden of proof lies on the defendant.

2 *Periculum in mora*: danger of imminent and irreparable harm

This would include evidence of the availability of the device on the Spanish market. Health Company should substantiate irreparable damages derived from such marketing, coupled with the fact that the timing to obtain a decision on the merits may hinder or impede effectiveness of a favourable decision. Health Company has been aware of the existence of the BLUD product for eleven weeks, but this would not be considered to exclude urgency by Spanish courts (the threshold is around three months and the patentee must have known the infringement in Spain). Health Company should file an action on the merits within a short term following the court order granting the injunctive relief.

In Spain, costs for obtaining preliminary relief would amount to €40,000 - €85,000, award of costs is limited to a third of the economic value of the discussed subject matter. IPRs are difficult to quantify numerically, therefore it is normally agreed that they have a value of €18,000 (the amount the SCPA establishes for proceedings with undetermined value). This does not mean however that the award on costs is limited to €6,000 if the winning party demonstrates that attorney fees were reasonably higher because of the work

involved. In addition, the winning party is awarded with preparatory costs (expert fees, research and investigation, warning letters, etc.).

Trademark and design actions

Spanish law does not allow to grant interim relief on the basis of the trademark application. Would the trademark be granted, it is not too late to bring such claim in PI proceedings. However, in Spain they have to be filed with the main action (this rule is strictly applied by Alicante courts, which have exclusive jurisdiction for EUTM or EU design).

ABOUT BIRD & BIRD

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Bird & Bird is an international law firm, with a rare and invaluable grasp of strategic commercial issues. We combine exceptional legal expertise with deep industry knowledge and refreshingly creative thinking, to help clients achieve their commercial goals.

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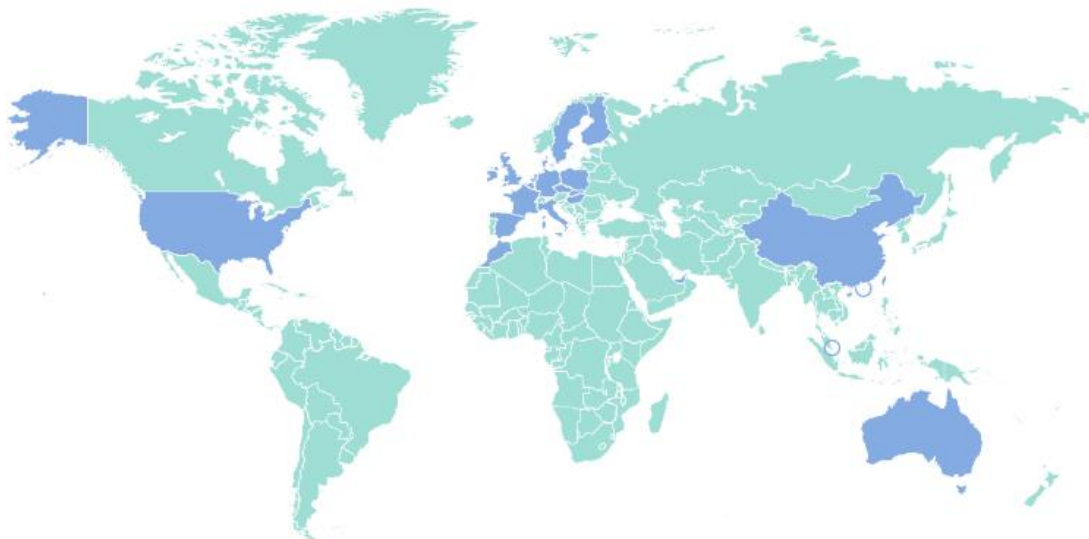
The key to our success is our constantly evolving sector-focused approach. Our clients build their businesses on technology and intangible assets and operate in regulated markets. To better meet their needs, we have developed deep industry understanding of key sectors, including automotive, aviation & defence, energy & utilities, financial services, life sciences & healthcare, retail & consumer, media, entertainment & sport and tech & comms.

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In addition, we have specialized working groups in Africa, India, Japan and Russia as well as collaboration agreements with local law firms consolidate our presence in the most important jurisdictions.

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Working at Bird & Bird implies a privilege to work for and together with inspiring individuals and cutting edge companies. Our clients have said they appreciate our openness to the business and drive to grasp the most complex science. Investing time to understand these extra factors goes hand in hand with the sector approach for which Bird & Bird is known. I advise clients on patent and trade secret laws and practice on a daily basis, have represented design and trademark holders in infringement and validity proceedings, up to the CJEU level, and helped clients recapture their legitimate IP rights (incl. domain names), ban copycats from the market or fence off unfounded infringement claims.

Having acted before different courts and IP offices in Belgium and abroad, I know the procedural intricacies of IP litigation but also how to get to constructive out-of-court solutions. Contract drafting and negotiation is another inherent part of my practice.

I am a board member at AIPPI Belgium and a member of the Licensing Executing Society (LES), the Benelux Trademarks and Design Association (BMM) and the European Patent Lawyers Association (EPLAW).

I am fluent in Dutch, English and French and have a good understanding of German.



Belgium

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Over the years, I have assisted clients in complex trademark, copyright, design and patent litigation, as well as in various commercial disputes, ranging from distribution to sponsorship and beyond.

I have successfully represented clients before national courts, the EUIPO and BOIP and EU courts (CJEU and General Court).

I developed in-depth expertise in managing global trademark and design policy and strategy, recognising the value of dynamic tools to manage portfolios in a cost-efficient manner.

Clients have asked for my assistance on a range of transactional matters, where I always strive to provide constructive and pragmatic advice, weighing the risks linked with every option.

I am fluent in French, Dutch and English and have a good understanding of German.



Belgium

Silke Fiers

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I am an associate in our IP Group in Brussels, advising clients in various IP-heavy industries on their IP strategy and disputes, both in Belgium and abroad.

IP combines innovation - in science, technology, art - with business strategy. That is why I have been passionate about IP throughout my studies in law and economics and why I am eager to assist clients in IP issues.

Coordination is key within the team and the firm. That way, we can offer clients outstanding service and consistency, in cross-border as well as national issues. Finding the best solution to meet our clients' needs in these complex and varied cases is what I enjoy most as a lawyer. I advise our clients on patents, trade secrets, designs, trademarks and copyright, in Dutch, English and French.



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My practice is focused on litigating patents especially patents protecting pharmaceutical products in the UK as well as advising on and co-ordinating European patent litigation strategies more broadly.

I joined the London office of Bird & Bird in 1986 and became a partner in the Intellectual Property Group ten years later in 1996. I offer expertise in UK patent actions and the co-ordination of cross border patent litigation, in particular in the area of pharmaceuticals and medical devices. My practice also encompasses regulatory data exclusivity and supplementary protection certificates.

I speak at IP conferences and contribute to leading IP journals on aspects of IP law and litigation. I am also the editor of International Intellectual Property Litigation, published by Butterworths.



England and Wales

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I am co-head of the IP department in London and a member of the International IP Steering Group. I am fascinated by IP and the challenge of helping my clients protect, exploit and defend their IP rights to further their business objectives.

I have a broad IP practice, mostly focused on litigation of patents, trade marks and designs. I have considerable experience of coordinating and running patent litigation in more than one jurisdiction and in designing and implementing pan-European protection and enforcement programs, running one such program for a consumer electronics client for almost 10 years.

I enjoy making use of my engineering background and over the years have done a lot of work in the engineering and tech & comms sectors. More recently, I have been advising on AI issues – something which I find particularly interesting since my final year dissertation for my Masters was in robotics.

As part of my role in the international IP group, I help my clients to find the best person or team of people within Bird & Bird to assist them, whatever the IP issue or the technology. I also help to foster the use of Bird & Bird's project management and reporting tools in the management and coordination of cases.



France

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I'm a Paris-based partner leading our Intellectual Property Group in France, with over 30 years' experience in IP. I also led the establishment of the Bird & Bird office in Lyon.

Thanks to the experience I have acquired over decades working in the sector, I have gained a deep and broad understanding of IP in various areas, on both French and international levels. I have had the chance to handle some of the most significant and complex IP litigations, with a strong focus on patents, in an extensive range of sectors such as pharmaceuticals, food, telecoms, energy, defence and automotive.

Besides my practicing as a lawyer, I am a Professor at CEIPI in Strasbourg, a lecturer at Centre Paul Roubier and teach regularly at Montpellier Law University.

In addition, I am a member of the board of AAPI (French IP litigators association) and other many professional organisations including APEB, EPLAW, APRAM, GRAPI and AIPPI, where I am Honorary President of its French Group.



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I am one of the founding partners of Bird & Bird Germany. As a patent litigator, my practice focuses on patent law. For years now I have been active in all technical areas and advised on all manner of patent law issues, in particular patent litigation before civil courts and arbitration on complex licensing agreements. I have particular expertise in advising on technically complex patent infringement cases with parallel litigation throughout Europe and the US, and with a strong antitrust component (FRAND).

My clients come from all technical fields, especially the automotive, pharmaceutical and food industries.

I regularly give lectures on various topics in the field of intellectual property law, in particular on the following subjects: FRAND, Cross-Border, licences in arbitration proceedings, enforcements at trade fairs (e.g. at the IBA in Cancun and San Francisco, the LESI conference in Amsterdam and Copenhagen). I am also a frequent speaker at Cambridge's IP Summer Law School and co-author of a comment on the community trade mark.



Italy

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I am a partner in Bird & Bird's Milan office, where I focus on different intellectual property issues mainly concerning patents, trade secrets and software. In particular, I deal with litigation and provide advice on how to give value to intellectual property.

I specialise in patents (telecommunications, electronics, mechanical, including Standard Essential Patents), trade secrets, software, trade marks and designs.

I advise clients on the best strategies to litigate intellectual property rights. I frequently discuss cases before the Italian Courts and have gained significant experience in managing customs anti-counterfeiting surveillance. I manage both pan-European and domestic cases always looking at the end result.

I am a member of the EPLAW and on the Editorial Board of the EPLAW blog. I am a speaker at seminars and conferences about patents and trade secrets. I am co-author of a book on trade secrets and regular contributor to the Kluwer Trademark Litigation Smart Charts. I co-conceived the project NEXT® - New Generation Excellence Training, a training programme focused on soft skills for the next generation of general counsel.



The Netherlands

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I've been based in The Hague with Bird & Bird since our office opened here in 2001. Today, I'm a partner in our Intellectual Property Group and jointly head our tech & comms team in the Netherlands.

I was admitted to the bar in 1991, and in the years since then I've developed in-depth knowledge and experience in patent litigation in the electronics, life sciences and food sectors.

Here at Bird & Bird I'm dedicated to intellectual property litigation and providing strategic advice, with a focus on international patent disputes, trademark litigation (especially in the anti-counterfeit space), trade secrets litigation and IP transactions. I am proud that working and mastering the field of IP is what I have been doing since I graduated, working together with magnificent people in our Dutch IP team.



Spain

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I am a Of Counsel in Bird & Bird's Intellectual Property department in the Madrid office.

I'm renowned for my specialism in IP and pharmaceutical law. I act on landmark pharmaceutical patent and SPC cases here in Spain.

I have extensive experience in patent litigation and appeals before the Spanish civil and administrative courts and the health authorities. My work includes multi-jurisdictional proceedings and strategic advice relating to pharmaceutical agreements and patents around product manufacture, distribution and clinical trials.

In addition, I advise companies in the technology sector where my work includes intellectual property and trade secrets litigation, as well as regulatory and contract law. Additionally, I help clients in the life sciences sector; drafting technology transfer contracts in the fields of pharmacy, biology, electronics and mechanics.

With great experience of legal matters around joint ventures, due diligence and contractual work I also advise universities, institutions and private biotech-entities on ownership and entitlement issues.

I also teach and lecture for universities, judicial schools and private institutions. I write extensively on Patent Law and other subjects.

Thank you



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