

Enforcing patents in Austria

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

The European patent holder has several options when seeking to enforce its rights in Austria. It may initiate civil proceedings claiming (preliminary and permanent) injunctive relief, removal and destruction of infringing products, rendering of accounts, payment of compensation and damages, and publication of the verdict concerning the injunction.

In the case of wilful infringement, the patent owner may also instigate criminal proceedings against the infringer or unknown perpetrator and pursue the case as a so-called "private prosecutor". Where infringing products originate from countries outside the European Economic Area and are being imported into Austrian territory, the patent holder may additionally file for a product piracy order and respective border seizure measures through Austrian customs authorities.

Furthermore, the patent holder may file a request with the Austrian Patent Office for a declaratory decision establishing the fact of whether a specific object or process falls within the scope of its patent. Such request needs to be filed prior to an infringement action concerning the same subject matter. The decision of the Patent Office is binding upon the courts.

2. Does your jurisdiction have specialist patent courts?

No. However, as a matter of statutory patent law, the Commercial Court of Vienna (*Handelsgericht Wien*) has exclusive jurisdiction over all civil patent matters. Within this Court, only three departments hear and adjudicate patent infringement

cases. Consequently, the judges staffing these departments are well versed in patent law issues. They sit in panels of three, consisting of two judges and one lay-judge who is usually a patent agent. The competent court for criminal patent matters is the Criminal Court of Vienna (*Landesgericht für Strafsachen Wien*).

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

A witness is regarded as a means of evidence for either party; thus, as a matter of equal fighting chances, either party may interrogate the witness and the law does not formally distinguish between examination and cross-examination. It is usually the judge who examines the witness first, followed by the party representatives who are allowed to ask supplemental questions.

Admissible evidence in civil court proceedings includes witness testimony, expert opinions and expert witness testimony, party testimony, documents, inspection of objects or on-site inspections. Written statements of witnesses are admissible in preliminary proceedings but not in full-scale proceedings. By law, all forms of evidence are given equal weight and are subject to the judge's free evaluation. However, in practice, written documents tend to be the most important form of evidence.

There are no particular restrictions on the use of evidence from experts. The court may appoint an expert to submit a written report on technical aspects of the claim and to answer, in an oral hearing, questions put forward by the judge and the parties. In addition, the parties tend to retain their own experts and file party expert opinions with the court in order to support their case.

4. Are infringement and invalidity dealt with simultaneously? What level of proof is

necessary to demonstrate one or the other?

Infringement and invalidity are not usually dealt with simultaneously. Infringement issues lie within the exclusive jurisdiction of the judiciary whereas issues of invalidity are decided separately by the Patent Office. Where the validity of a patent is contested in infringement proceedings, the court may have to suspend its proceedings until the Patent Office has ruled on the validity issue. This does not apply in preliminary proceedings, however.

No particular level of proof is required in either proceeding. Pursuant to the Austrian Code of Civil Procedure, the court and the Patent Office respectively are required to consider the results of the hearings and evidence proceeding carefully in their deliberations. However, they are free in their decision as to which party has successfully established its case and thus is to prevail under the law.

5. To what extent is pre-trial discovery permitted?

Principally, the taking of evidence is considered the sole prerogative of the state. Therefore, pre-trial discovery is not permitted in Austria. However, on the criminal route the patent holder assumes the position of the (private) prosecutor and thus may file all available criminal pre-trial discovery motions with the investigating judge.

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

Besides literal infringement, Austrian courts have also recognised infringement under the doctrine of equivalents. As a matter of Austrian case law, infringement under the doctrine of equivalents occurs when, on the priority date of the patent in question, a person skilled in the art, equipped with general technical expertise and knowledge of the state of the art laid down in the patent specification, without an inventive endeavour would infer the modified features as a solution equivalent to those defined in the patent claims. By contrast, the usage of features having the same effect but essentially altering the protected solution idea or contradicting the fundamental idea of the invention would not be considered equivalent under the doctrine.

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

There are no patent rights that are more difficult to enforce by virtue of the law;

however, as a matter of fact, the Commercial Court of Vienna does not often get the chance to adjudicate rare patents such as biotech patents.

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

As the Commercial Court of Vienna has exclusive jurisdiction in patent infringement issues and consequently no other national court deals with patent infringement cases, there are no other decisions that the Commercial Court of Vienna could consider. However, declaratory decisions by the Patent Office as to whether a specific object or process falls within the scope of a patent, or decisions on the nullity of a patent, are binding upon the court.

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

Austrian courts are not bound by law to take the reasoning given by foreign courts in similar cases into consideration. However, the panel hearing the case might consider the reasoning given on a discretionary basis.

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

The defendant can delay a case by counterclaiming that the plaintiff's patent is partially or completely invalid and thus subject to nullity; issues of invalidity are decided separately by the Austrian Patent Office. Hence, the court has to examine whether the objection is founded and suspend the civil proceedings if it concludes that the invalidity of the patent is likely. The defendant then must file a motion for nullity of the patent with the Patent Office within one month and the court will resume and continue the infringement proceedings only upon issuance of the Patent Office's decision. The plaintiff can only counter this delaying tactic by convincing the court of the validity of its patent and thus preventing the suspension of the infringement proceedings.

The defendant may also file for a negative declaratory decision seeking the Patent Office's finding that its product or process does not infringe the plaintiff's patent. Although not strictly required by statutory law, the first instance court sometimes stays the infringement proceedings as contradicting decisions may give rise to a re-opening of the

proceedings. Again, the plaintiff can only counter this delaying tactic by convincing the court otherwise.

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

Infringement of patent rights generally entitles a plaintiff to preliminary injunctive relief irrespective of any urgency requirement even prior to the commencement of full-scale proceedings. To this end, the patent holder must present a clear and well-founded case but need not prove danger of recurrence, which is regularly presumed through the present infringement, or irrecoverable loss. Having applied for preliminary injunctive relief prior to filing legal action, the patent holder must commence full-scale proceedings within a certain period of time to be determined by the court.

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

For a patent infringement action of medium complexity, the average length of a first instance trial is one to two years, provided the proceedings have not been suspended due to an objection of invalidity of the patent. Preceding preliminary proceedings being subject to interlocutory appeal may also delay the full-scale decision. Besides preliminary injunction proceedings, there are no expedited proceedings available in Austrian courts.

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

The party defeated in the first instance of the full-scale proceedings may file an appeal against the judgment within a period of four weeks based upon one or more of the following grounds: nullity; violation of procedural law; false or incomplete ascertainment of facts; and/or false assessment or misinterpretation of the law. In appeal proceedings, no new facts may be contended and no motions for taking new evidence may be brought forward. The opponent may file a reply to the appeal. Oral hearings can be directed by the court of appeals but are usually rare. In most cases, the court of appeals will decide based upon the written appellate briefs of the parties. The appeal process in patent infringement cases usually takes between six months and one year.

In relation to the first instance preliminary proceedings, the defeated party

may file an appeal within two weeks. The same grounds and formal requirements apply. The appeal process in the preliminary proceedings usually takes between two and four months.

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

A court fee is payable upon filing the legal action, the amount depending upon the value of the claim. In patent infringement cases, the fee usually starts at Euros 1,082 and goes up to 1.2% of the value of the claim plus Euros 1,509. Moreover, as a matter of statutory civil procedural rules, the defeated party must reimburse the legal costs of the prevailing party, amounting to 100% in the event of a total defeat and a respective portion thereof in case of partial defeat. Legal costs comprise court fees, attorneys' fees (calculated upon the statutory fee schedule) and possible costs of witnesses, expert witnesses and expert opinions.

15. Who can represent parties in court? Is specialist representation required?

In patent infringement proceedings, an attorney at law must represent the parties. Specialist representation is not required but highly recommended. A patent agent usually assists the attorney at law with regard to technical patent aspects of the litigation.

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

The remedies in civil proceedings include (preliminary and permanent) injunctive relief, removal and destruction of infringing items, rendering of accounts, payment of compensation and damages, and publication of the verdict over the injunction. Damages will be awarded if the plaintiff can prove actual loss suffered which was caused by the defendant, and that the defendant acted wilfully or negligently.

The plaintiff may be strictly liable for all damages suffered by the defendant if a preliminary injunction is lifted in subsequent full-scale proceedings for reasons which rendered the preliminary injunction unjustified from the very beginning.

The Austrian legal system does not provide for punitive damages; however, in the case of gross negligence or wilfulness on the part of the infringer, the plaintiff is entitled to double damages, comprising twice the amount of adequate compensation,

without having to prove the amount of the actually incurred loss.

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

No. In Austria, the usual alternative dispute resolution schemes such as arbitration and mediation exist, but they are hardly ever used to settle patent disputes. The usual course of action is to send a demand letter for cease and desist to the infringer before bringing legal action. If no out-of-court settlement can be reached, court proceedings are immediately initiated.

18. Are there any other features of the enforcement system in your jurisdiction that you would like to point out?

There is no specific cause of action for groundless threats of patent infringement proceedings under Austrian law; however, a respective liability may be considered under general tort rules. Moreover, the civil remedies of the patent holder are subject to a statute of limitation of three years, starting to run from the point at which the patentee first learns of the infringement and the identity of the particular infringer. Also, the Austrian civil procedural laws do not provide for representative legal actions (*Prozessstandschaft*); only the rights holder, ie, the patent owner or the exclusive licensee, may legally pursue a patent infringement in court.