

Norway

Courts move to harmonise patent law with EPO practice

To date, Norway's accession to the European Patent Convention, which took effect on January 1 2008, has produced no direct changes in Norwegian patent practice since Norway is designated only for patents granted based on applications filed after January 1 2008. However, the harmonisation of Norway's patent law and practice with that of the European Patent Office (EPO) is now even more important than ever and it appears that the courts are prepared to accept accession as a reason to 'look to Munich', even when Norwegian national patents or applications filed long before January 2008 are at issue.

During 2007 and 2008 the Norwegian courts decided a considerable number of IP cases. In particular, the number of patent cases appears to be on the rise. In Autumn 2007 experienced IP and patent judge Knut Kleppetoe of the Oslo District Court published the results of his study of Norwegian court decisions in patent nullity cases and cases reviewing the Norwegian Patent Office's (NPO) refusal to grant patents over the last 35 years. The study shows a remarkable independence on the part of the courts in overturning NPO decisions. Furthermore, the principle laid down by the Supreme Court in its 1975 *Swingball* decision, which dictated caution on the part of the courts in departing from the NPO position on account of that body's specialist competence, no longer appears to govern court practice.

Further, a recent decision of the European Free Trade Association (EFTA) Court in a case submitted to it by a Norwegian court appeared finally to put an end to Norway's position that under the European Economic Area (EEA) Agreement, global trademark exhaustion can be upheld.

Patents

Two Transocean patents in the field of dual activity drilling declared invalid

In a judgment of February 8 2008 the Oslo District Court found two patents held by the world's largest offshore

drilling contractor, Houston-based Transocean, to lack inventive step and thus declared them invalid, awarding full costs to the opposition party Seadrill.

Transocean sued Seadrill and others for infringement of the two patents; Seadrill and the other defendants responded by bringing a nullity action. The infringement and invalidity actions were joined to be heard and decided jointly by the Oslo District Court.

'Dual activity drilling' refers to the capability of performing drilling operations from the same drilling tower with two drilling stations that work together and simultaneously in the same drill hole. This allows contractors to keep drilling at all times, even when maintenance and replacement work must be done to one of the drill strings. The economic advantage of this grows with increasing seawater depth. The court found that the solutions that had been patented by Transocean – one patent directed at a method and the other at a device – were obvious to the average person skilled in the art.

In the infringement action Transocean claimed compensation for use, equal to a reasonable licence fee of five per cent to eight per cent of the daily rate of the drilling rig. Thus, considerable amounts of money were at stake. Following the decision, Transocean will be unable to claim royalties on other parties' use of the dual activity drilling technology in Norway and on the Norwegian continental shelf.

In principle, the judgment of the Norwegian court has no effect in other jurisdictions. The parallel European patent covering the method is before the EPO Board of Appeals, while the device patent was granted by the EPO in September 2007. The parallel US patents were upheld by the US District Court for the Southern District of Texas in December 2006, with the court also awarding Transocean damages for patent infringement. That judgment resulted in Transocean and the defendant, Global Santa Fe, entering into a licence agreement allowing Global Santa Fe to use the inventions against

payment of a royalty of three per cent or five per cent, depending on whether drilling operations are conducted on existing rigs or vessels of Global Santa Fe or on rigs or vessels acquired after the settlement agreement. In a February 20 2007 press release announcing the settlement with Global Santa Fe, Transocean stated that it would be happy to discuss licence arrangements with other drilling contractors.

The Oslo District Court judgment was unanimous, although one of the two technical judges said he had been in doubt and therefore did not favour an award of costs to Seadrill and the other defendants. The judgment has been appealed and the appeal will be heard in early 2009 by the Borgarting Court of Appeal.

Supreme Court reverses appeal court judgment in NPO judicial review case

In a decision of April 1 2008 the Borgarting Court of Appeal found that, contrary to the findings of the NPO, a method to reduce the occurrence of cataracts in farmed salmon by ensuring that the feed included a certain amount of the amino acid histidine was inventive (ie, non-obvious), declaring the NPO's refusal to grant a patent for this invention invalid. The appeal court referred extensively to EPO practice. The Ministry of Industry, which acts on behalf of the NPO, appealed the judgment to the Supreme Court. On November 17 2008 the Supreme Court reversed the appeal court decision, confirming the decision of the NPO and reaffirming that courts should be restrictive when deviating from NPO decisions. The practice of the EPO is relevant and important, but not decisive in individual cases.

Procedural law in patent cases: protective orders and confidentiality

In a two-to-one split decision issued on January 7 2008 the Borgarting Court of Appeal clarified some of the conditions applying to the issue of protective orders under Norwegian procedural rules. Eli Lilly had requested a preliminary injunction against Hospira to prevent the launch of the latter's generic drug gemcitabine, which allegedly infringed one of Eli Lilly's patents. Before the Oslo Court of Execution and Enforcement heard and decided the petition, the parties were unable to reach agreement as to the type of confidentiality regime that should apply to the case. Hospira wanted to submit in the case a description of the method of manufacture and an expert report, but requested a protective order to prohibit disclosure of these documents to any party other than certain named individuals within Eli Lilly and its counsel. Since the parties failed to agree on this, Hospira requested and

obtained a ruling imposing confidentiality and restrictions on disclosure to the named individuals. Eli Lilly appealed the decision, arguing that since Hospira had not been asked or ordered to disclose the two documents, submitting them was entirely voluntary and could not entitle Hospira to impose a protective order on Eli Lilly. The issue also raised questions as to whether the new Civil Disputes Act (in force from January 1 2008 but not applicable to the appeal) had introduced a new legal situation with regard to establishing a confidentiality regime.

The appeal court confirmed the lower court's ruling, finding that the documents in question were of a nature that required them to be treated as confidential, and that the Civil Procedure Act empowers the court to issue a protective order in respect of such evidence that a party volunteers to submit, albeit on condition that it be covered by a protective order. The dissenting judge found that under the Civil Procedure Act (which was in force until December 31 2007), the court could impose a protective order on such evidence only if the court ordered a party or witness to produce that evidence – in her opinion, the appealed ruling should have been quashed.

From the decision it appears clear that under the new Civil Disputes Act, protective orders of this nature will be available to parties or witnesses that volunteer to submit evidence, even if not requested to do so by another party. However, the courts will still have to decide whether the evidence in question qualifies for a protective order. In general, the Norwegian courts do not favour protective orders and hearings behind closed doors.

Pharmaceutical patents: analogy method patents and the doctrine of equivalents remain a contentious issue

Until January 1 1992 product claims for pharmaceuticals were not accepted. Instead, the applicant could claim the protection of a method, even if the method as such was not novel or inventive. Such analogy method claims protect the chemical process for the preparation of the new compound. It is the compound that is novel and justifies patent protection. The prohibition against patents on pharmaceutical products was lifted with effect for applications filed after January 1 1992. Due to the supplementary protection certificates granted, a number of analogy method patents in Norway will not expire until 2017. The scope of protection afforded under analogy method claims has been the subject of a number of disputes and the application of the doctrine of equivalents, which is a subject of debate in itself, to such patents has been litigated in several recent cases.

The Norwegian Supreme Court has issued no decisions regarding analogy method patents; neither has

it expressly ruled on the doctrine of equivalents. However, two judgments regarding these two issues have been appealed to the Supreme Court in 2008. Both were denied leave to appeal.

EFTA court judgment finally ends global exhaustion of trademark rights

The question of whether trademark exhaustion is mandatory across the European Economic Area has been disputed since the EEA Agreement came into force.

In its 1998 *Maglite* decision the EFTA Court chose an interpretation allowing the international exhaustion of trademark rights. Shortly thereafter, in the *Silhouette* decision the European Court of Justice adopted mandatory EEA-wide exhaustion, and upheld that position in *Sebago and Maison Dubois* ([1999] ECR I-4103) concerning goods originating from outside the EEA.

Two Norwegian district courts (Oslo and Follo) recently referred questions on the subject to the EFTA Court. On July 8 2008 the EFTA Court entered a judgment concluding that: "Article 7(1) of the First Council Directive of December 21 1988 to approximate the laws of the member states relating to trademarks (89/104/EEC) is to be interpreted to the effect that it precludes the unilateral introduction or maintenance of international exhaustion of rights conferred by a trademark regardless of the origin of the goods in question."

Thus, it appears that Norway, which had taken the position that it is up to each EEA country to decide its own rules on trademark exhaustion, will now have to adapt its laws to introduce EEA-wide exhaustion only.

Trademarks

Cancellation on account of non-use

The Borgarting Court of Appeal confirmed the Oslo District Court's judgment in the SAGA trademark case. After merging with Saga Petroleum in 1999, Norsk Hydro ASA did not actively use four SAGA trademarks. Another oil company sued, claiming that the four trademarks should be cancelled from the Trademark Register since they had not been used for more than five years. The district court entered a cancellation judgment, but Norsk Hydro appealed. The appeal court confirmed the lower court's judgment, noting that even though the trademarks could probably be considered established in Norway through their use, this did not prevent the cancellation of the registrations as such. The judgment is final.

Anti-counterfeiting: enforcement of trademark rights and copyright

Norway has not implemented the EU IP Rights Enforcement Directive as it considers that it relates to procedural law and hence is not relevant to the EEA Agreement. However, Norway has adopted systems for the enforcement of IP rights and to combat counterfeiting and product piracy that are similar to those implemented in other European countries.

Thus, it is possible for an IP rights owner to obtain a preliminary injunction against "unknown third parties" if it can substantiate that it is likely that counterfeit goods or goods that would infringe its rights if imported will reach Norway. The enforcement of such an injunctive order is carried out by serving it on the Customs Authority, which puts its officers on alert to look out for the products in question and then to prevent their release to the owner or recipient.

In an order of March 15 2007 the Oslo Court of Execution and Enforcement granted an injunctive order to Italian company Cassina instructing Customs to find and seize any furniture bearing the mark LE CORBUSIER. However, Cassina also requested that Customs be ordered to find and seize any pieces of furniture that were illegal copies of certain copyrighted works. The court refused to grant the order, noting that a number of difficult issues may arise if Customs cannot only rely on a trademark, but must withhold goods that violate copyright. Cassina appealed, arguing that there were no legal grounds to treat copyright differently from trademarks and referring to Norway's obligation to comply with Article 51 of the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights, which expressly requires contracting parties to offer protection against pirated copyrighted goods.

The appeal court agreed and granted an injunction covering copyrighted works. However, in so doing the appeal court did not rely on principles, but rather found that the difficulties that Customs would encounter when deciding whether pieces of furniture infringed copyright would not be so great. In its assessment, the court also noted that the plaintiff was in the process of providing a booklet that would assist Customs in identifying counterfeit Le Corbusier furniture. The court also stated that it did not find that the difficulties faced by Customs would be greater than those anticipated when the relevant provisions were introduced in the Enforcement Act.

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