

Norway

A year in intellectual property

Trademarks

What's new in the new Trademarks Act?

While the new Trademarks Act, which came into force on July 30 2010, has helped to modernise Norway's legislation from the point of view of drafting and language, as far as substantive law is concerned the act adds little new. The following are the most significant changes introduced by it:

- It will no longer be possible to import original products from markets outside the European Economic Area (ie, Norway, Iceland, Liechtenstein plus EU member states) without the rights holder's consent.
- The courts now have the power to order a party to litigation to cancel a registered domain name that has been used in violation of trademark rights or to transfer the domain name to the rights holder.
- The maximum punishment for wilful trademark infringement remains three months' imprisonment; however, this can be extended to one year if the infringement was clearly intended to result in a significant and unlawful gain.
- The new act allows administrative re-examinations, including for non-use, before the IP Office as a cheaper and simpler way of invalidating trademarks than by a court action.
- The statutory requirement that all foreign owners of registered trademarks must have an agent domiciled in Norway has been repealed and replaced by a requirement that they should register a postal address which the Industrial Property Office can use to communicate with them. The Patents Act and the Designs Act have been similarly amended. However, the requirement that communications with the Patent Office must be in Norwegian, Swedish or Danish continues to apply.

Case law – Red Cross must be respected

The Supreme Court has demonstrated the protected status of the Red Cross sign in a criminal case against a

dentist's office. Even though there were differences between the signs at issue that might have been sufficient to avoid a risk of confusion, the court found that the defendant's use of the sign conflicted with the Criminal Act, which is based on Article 53 of the Geneva Convention.

The defendant's sign consisted of a shaded red cross on a green background decorated with an 'A' on each arm of the cross and a tooth, surrounded by two rings and a star, in the middle of the cross. The Supreme Court emphasised that the Red Cross is meant to be easily recognised in all situations, including war and disasters. It is therefore not sufficient to consider the risk of confusion under normal conditions and at close range. Given this, the court found that the differences between the two signs were not sufficient to avoid confusion and the defendant's use of the sign was illegal.

Patents

In patent infringement cases, one available defence is to challenge the validity of the enforced patent. A separate validity case will then be initiated; the validity and infringement proceedings are then usually joined together in one legal hearing. As is true in other jurisdictions, the success will depend on the factual grounds and the merits of the case. However, in Norway there is an additional dimension, as the courts tend to place emphasis on the Patent Office's decision *per se*.

It has been a longstanding precedent that the courts are supposed to tread carefully when re-examining decisions issued by the Patent Office on the patentability of inventions. In Case Rt 1975 p 606, relating to the game *Swingball*, the Supreme Court stated that the courts should be reluctant to deviate from decisions issued by the Patent Office regarding patentability in view of the latter's special expert knowledge and broad experience in assessing novelty and inventive step.

However, an examination by Judge Kleppstø of the Oslo District Court (NIR 6/2007 p 552) of post-*Swingball* decisions has revealed that courts are not always as

cautious as the Supreme Court decision directed them to be. In several cases where patent validity was raised as a defence against claims for infringement, the courts invalidated the disputed patent.

However, the *Swingball* doctrine was manifested by the Supreme Court's decision in *Biomar* (Rt 2008 p 1,555). Although the Supreme Court upheld the Patent Office's decision, it did not emphasise the technical skills of the officials there, but instead pointed to the Patent Office's broad experience in assessing the patentability of inventions.

It might be expected, therefore, that following *Biomar* courts would be more likely to adhere to the Supreme Court's directions and be reluctant to overturn granted patents. However, recent Norwegian case law shows that this is not necessarily the case.

The authors have reviewed 11 patent validity cases that were decided after *Biomar* and up to Summer 2010. The disputed patents were actually overturned in more than half of these cases.

The reasons for doing so varied. In a case between Transocean and Seadrill, the Borgarting Court of Appeal decided that an undated brochure was part of prior art, whereas the Patent Office did not consider this document. Based on the brochure, the court found that the invention was not novel. Thus, the different evaluation of the status of prior art documents may lead to different conclusions when the case is disputed in court. In *Heerema v Seadrill* the patent was invalidated based on new prior art. Thus, the factual basis for the decision was different from the situation when the Patent Office decided the case.

When overturning a patent in a dispute between Ratiopharm and Mundipharma, the Oslo District Court simply stated that there was no need to be cautious to the same extent in re-examining the Patent Office's considerations "as would have been the case if [the Patent Office's reasoning in favour of the granting of the patent had been more thorough". Insofar that there are no procedural requirements for giving a detailed reasoning with respect to the grant of patents, and therefore such reasoning is regularly not very thorough or even lacking, this defence may be used in almost all cases. Even so, it is not a terribly strong argument.

In the remaining three cases where the patents were invalidated, the cases were more or less decided on the same factual basis as was available to the Patent Office. In one of the cases relating to fishing equipment, the patent was even invalidated on the basis of the applicant's former Norwegian patent applications. Thus, also in cases relying on the same factual evidence as was available to the Patent Office, patents have been

invalidated despite the Supreme Court's advice to respect the Patent Office's decisions.

Only two years have passed since *Biomar* and it remains to be seen what direction court decisions will take in the future. Already the available material suggests that courts tend to make the decisions that they think are most correct in view of the technical evidence presented to them, without necessarily placing any particular emphasis on the considerations of the Patent Office.

The lesson to be learnt for an alleged infringing party is that there is no reason to be reluctant to challenge granted patents in Norway, provided that there is a good factual basis for claiming lack of novelty or inventive step. However, a case is always improved if there is new prior art to be added or if the Patent Office's proceedings or reasoning were not sufficiently thorough. On the other hand, patentees should, in addition to emphasising the factual merits, argue the case in view of the fact that the Supreme Court has directed the courts to respect the Patent Office's decisions.

Research exemptions and contributory infringement

In its judgment of December 22 2009 the Supreme Court quashed a judgment from the Borgarting Court of Appeal, laying down the law on an issue that had so far not been dealt with by Norwegian courts: the interpretation and extent of the research or experiment exemption from the exclusivity granted to patents, in the context of an alleged contributory infringement.

The Norwegian research foundation SINTEF had developed software for a customer's fish counters. The fish counters in question had been found to infringe a patent belonging to Torbjørn Kvassheim. Having failed to collect the damages awarded to him from the principal infringer, who went bankrupt, Kvassheim sued SINTEF claiming damages for contributory infringement. SINTEF's primary defence was that it was exempt since it had delivered to its customer the results of commissioned development work. Both the district court and the Court of Appeals agreed with SINTEF. However, the Supreme Court held that the experiment exemption does not allow the free delivery of essential means for exploiting a patented invention. Thus, it appears from the Supreme Court's reasoning that a distinction should be made between the research work itself, which may be freely undertaken, and the subsequent delivery of means enabling the recipient of the commissioned research work to exploit an invention protected by a third-party patent. A minority of two of the five judges found that delivering the software was nothing more than delivering the results of the commissioned research activities,

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which in their opinion fell within the scope of the research exemption. The case will now be heard in full by the Court of Appeal, since the Supreme Court dealt with a purely legal question. The Court of Appeal will have to decide if the specific conditions for liability for contributory infringement are fulfilled.

For research institutions and their contractual counterparts this judgment means that more care will need to be taken when entering into agreements for research and development (R&D) work. It is especially important to realise that research institutions and universities are not exempt as such, and can become responsible for contributory infringement. R&D agreements in which the research institution demands to be indemnified against any third-party infringement claims are no longer sufficient.

Harmonising substantive patent law

Norway amended its Patents Act effective December 18 2009, introducing a *Bolar*-type exemption to the patent owner's exclusive rights.

Interestingly, the exemption goes further than required by Article 10(6) of EU Medicinal Products Directive (2001/83). While the directive exempts certain applications set out in paragraphs one to four of Article 10 (eg, generic applications and biosimilar applications), the Norwegian exemption is not limited to the specific types of application mentioned by the directive, but also includes tests and trials that are required for applications relating to any type of marketing authorisation, (eg, in respect of original drugs). The territorial scope is also wider than required by the directive, in that it is linked to having a marketing authorisation issued in any contracting state to the World Trade Organisation Agreement.

Novelty test aligned to that used in Germany and the European Patent Office

On January 7 2010 the Second Division of the Patent Office (Board of Appeal) stated that henceforth the novelty requirement in Norwegian patent law should not include a requirement that an invention should show a “reasonable technical difference” from the art. The practice of the European Patent Office and of German courts was referred to, and it was said that an invention should be considered novel if it “could not be derived directly and unambiguously from one reference in the art” in view also of common general knowledge and any documents referred to in the reference considered.

Designs

Following Norway's accession to the Geneva treaty on June 17 2010, applicants will now be able to designate Norway in international design applications filed with the World Intellectual Property Office. The number of registered designs in Norway has traditionally been relatively low and it is hoped that accession to the treaty will bring the numbers up.

A design may be considered to be a copyright-protected work, even though the requirements for originality of design products are quite strict in Norway compared to other jurisdictions. Further, and depending on the circumstances, the copying of a product may be deemed to be prohibited as unfair competition. However, Norway does not offer any unregistered design protection, thus applying for a registered design is the only way that designs can benefit from protection as such. Therefore, a design registration in Norway should be considered when introducing a product bearing special design features.

Copyright

A group comprising Norwegian record companies, film distributors and film producers, five US film studios and the Norwegian performing rights society TONO petitioned a district court for a preliminary injunction against Norwegian internet service provider (ISP) Telenor to prevent it making available to the public works protected by the plaintiffs' copyright or neighbouring rights via The Pirate Bay website and to take any steps required to prevent customers from gaining access to The Pirate Bay's internet addresses. The injunction was denied.

On appeal, it was remarked that while the E-commerce Act expressly exempts ISPs from civil and criminal liability under the Copyright Act in their capacity as providers of transmission and access services, it also expressly provides that this exemption should not prevent courts and administrative authorities from demanding that a violation be discontinued or prevented. However, a separate legal basis is required to make such demands.

The Court of Appeal found that Telenor's "neutral and technical contributions are too far removed" to be deemed to be illegal and punishable acts, and that its

activities as network supplier could not constitute a punishable contribution to illegal up or downloading.

The Court of Appeal also said that even if Telenor's acts did qualify as a contribution, the file sharing facilitated by The Pirate Bay could be either legal or illegal depending on the choices of the users. Thus, the appeal court found that as the provider of a technical infrastructure, Telenor could not necessarily be deemed to be acting improperly, unjustifiably or reprehensibly.

As Telenor was not liable for damages, the plaintiffs would have to seek damages from those who actually carried out the illegal file sharing. The judgment is final, since it was not appealed. Some commentators have questioned whether, in light of this, Norway is compliant with Article 8.3 of the EU Infosoc Directive (2001/29/EC), which requires that "Member States shall ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe a copyright or related right".

Hopefully, any such concerns will vanish once the authorities publish a bill to amend the Copyright Act and, in particular, to introduce more detailed provisions on liability for contributing to illegal file sharing.



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