

Enforcing patents in Iceland

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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?

An important remedy for a patent holder in Iceland is the possibility of having a preliminary injunction against the allegedly infringing act. Such an injunction is granted not by courts but by governmental authorities, somewhat similar to sheriffs. Such actions are relatively swift and one can expect a ruling within a few weeks. An injunction is possible upon proving, or showing that it is plausible, that an act is likely to infringe one's legitimate rights, that the act has already begun or that it is pending, and that the owner's rights will be diminished or harmed substantially if it is forced to wait for a court's decision. The most important condition is that it must be proven that general rules on torts or punishment will not provide for sufficient protection for the rights holder. There is also a comparison of the interests of the rights holder to have the injunction granted with the interests of the alleged infringer to pursue its actions.

If an injunction is granted, a case will immediately follow in the courts in order to confirm the preliminary injunction (must be filed within one week of issuance of the preliminary injunction). The alleged infringement will be dealt with in that same case.

General court proceedings are also possible without any prior injunction measures. The court system in Iceland is made up of two stages: district courts (eight courts in eight jurisdictions around the country) and the Supreme Court. All patent cases, including verification cases following injunctions, are dealt with in the district court of Reykjavík.

Finally, we would like to mention that there are some remedies available under Icelandic customs laws. It is possible, if there is a belief that products infringing intellectual property rights are being imported, to have those products withheld in customs clearance. This is possible upon request from the relevant IP rights holder while it seeks justice before the competent authorities. In these cases, the rights holder must submit an indemnity to cover any financial damage for withheld products which are subsequently found to have been imported legally.

2. Does your jurisdiction have specialist patent courts? If not, what level of expertise can a patent owner expect from the courts?

There are no specialist patent courts in Iceland. Patent cases, like all other cases, are tried before general courts, although cases involving patents are all tried within the same jurisdiction, the district court of Reykjavík.

Only a few patent cases have been tried before Icelandic courts, although it is our opinion that the number is increasing. Expertise among judges is therefore not great. It is possible, however, to call for experts in a certain field to sit as assisting judges in a patent case. These experts do not have to be lawyers but are usually professionals in the relevant technical field. Another option is to appoint outside assessors to give expert assessments regarding certain questions or uncertainties relevant to the case at hand.

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?

Yes, it is possible to cross-examine witnesses. The rule is that the party bringing the witness first asks questions. The opposing party then has an opportunity to cross-examine.

The main rule is that all cases before Icelandic courts go through oral proceedings. Parties present the case and explain the submitted materials and other evidence they have put forward. Evidence in a case can be statements of parties before the court, statements of other witnesses, expert assessments and statements before the court, written materials and other substantial materials.

There are general rules that one must comply with in order to have a court-appointed expert assessor. An expert assessor can answer questions that pertain to, for example, what is a fact in a given case. The role of an expert assessor is, however, limited by the role of the judge - that is, he cannot be used to answer general questions that pertain to interpretation of the law or questions that one only needs general knowledge or education to be able to answer. Those are within the role of the judge in each matter. The judge then decides the evidential value of an expert assessment. In general, though, it is safe to state that expert assessment is usually considered very strong evidence with regard to the questions it covers.

4. Are infringement and invalidity dealt with simultaneously? What level of proof is necessary to demonstrate one or the other?

In an infringement case the defendant can counter-summon the plaintiff claiming invalidity of the patent. When this happens the validity of the patent is dealt with simultaneously with the infringement claim.

Rules on proof are not very well defined in Icelandic law and practice in matters relating to patent infringement and invalidity. This is true mainly due to lack of precedents in courts. The basic rule is that the burden of proof regarding infringement lies on the party alleging the infringement. The judge then decides in accordance with general rules on proof in Iceland whether a fact has been proven or not. There are, however, special rules regarding the burden of proof in an infringement case involving process patents. If the alleged infringer is making the same product as the process patent covers it has the burden of proving that the product is not made with the patented process.

In cases involving invalidity of patents, the party alleging invalidity has the burden of proving that to be the case. Here again it is within the general role of the judge to decide whether the claim has been proven or not.

In addition to the above, we would like to emphasise that Icelandic patent laws have

been amended to comply with the EPC. It remains to be seen how much Icelandic courts will look to court precedents in relation to the Convention.

5. To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted?

Pre-trial discovery phase as it is known in the US does not exist in Iceland.

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

According to Icelandic laws, the scope of the patent is based on the patent claims. The claims are constructed with reference to the description given in the patent. In general, it is also safe to say that courts will to some extent use some kind of doctrine of equivalents in resolving infringement matters. However, again, we have to emphasise lack of court precedents in this regard, so it is difficult to lay down detailed rules in this respect. Courts would, however, look to precedents in other Nordic countries.

Moreover, as Iceland is now a party to the EPC, its courts are bound by the Protocol on interpretation of article 65 of the EPC, although the Protocol is not directly a part of Icelandic laws. It remains to be seen how much courts will refer to the the Protocol in relation to its interpretation of the scope of patent claims.

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

Since 1st November 2004, the patent laws of Iceland have been harmonised with the EPC. Icelandic laws have also been amended to comply with the EU directive on the legal protection of biotechnology inventions. Therefore, there are no provisions in Icelandic laws that would act as an obstacle for enforcement of European patents in this respect. But, again, there is very little case law in the field so it is very difficult to predict the possible outcomes in such cases. Regarding computer software-related inventions the practice by the Icelandic Patent Office up until now has been to follow EPO practice. Consequently one would expect that that would apply also for the courts.

In this respect we would, however, also like to draw attention to recent changes in the patent laws of Iceland to comply with EU Directive 2004/27/EC of 31st March 2004, which changed Directive 2001/83/EC. A

certain limitation was added to the scope of patent protection on 8th March 2005 (Bolar type exception) with regard to research and testing, and other necessary means to allow applications for marketing authorisation of, for example, generics.

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?

In general, courts look to precedents when deciding cases if the cases in question are similar and there have been no changes in the laws. Precedents of the Supreme Court of Iceland are of particular importance in this respect. District court precedents are of lesser importance.

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

In general, Icelandic courts are often willing to consider reasoning and precedents given by courts in the other Nordic countries. This also applies in the field of intellectual property rights. Court decisions from other countries might also be relevant, especially if they are related to the interpretation of international agreements to which Iceland is a party.

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

Parties to a court proceeding cannot by themselves, even if they both agree, delay a case. The judge is supposed to deny granting of useless extensions of terms to ensure that the case will be resolved quickly and effectively. This rule prevents parties from delaying a case out of the ordinary, on their own or in agreement with the other party.

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

Preliminary injunctions are granted by governmental authorities, somewhat similar to sheriffs. Such actions are relatively swift and one can expect a ruling within a few weeks. An injunction is possible upon proving or showing that it is plausible that an act is likely to infringe one's legitimate rights, that the act has already begun or that it is pending and that the owner's rights will be diminished or harmed substantially if it is forced to wait for a court resolution. The most important condition is that it must be proven that general rules on torts or punishment will not provide for sufficient

protection for the rights holder. There is also a comparison of the interests of the rights holder to have the injunction granted with the interests of the alleged infringer to pursue its actions. If an injunction is granted, a case will immediately follow in court in order to confirm the preliminary injunction (this must be filed within one week of issuance of the preliminary injunction). The alleged infringement will be dealt with in that same case.

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

It takes about six to 12 months to complete a case at first instance. An expert assessment, however, usually takes up a large chunk of time, if one is requested. Deciding to have an expert assessment therefore usually delays a final decision. There is a special procedure before the courts for cases requiring quick resolution, but this procedure is in general not available in a typical infringement case. An IP-related matter might qualify for this special procedure if the matter revolves around a decision of government authorities.

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?

An appeal from the district courts in Iceland is possible to the Supreme Court. The criteria for granting an appeal are not very strict but mainly relate to the minimum amount claimed, if the claim involves a certain amount of money. The minimum amount today is around Euros 5,500. An appeal must be lodged within three months of a court's decision in a first instance case. The appeal process takes about six to eight 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?

This is very difficult to estimate. The number of cases has been very limited in the past and they have not been very complex. To give some guidelines we would estimate the cost to be in the range of Euros 30,000 to Euros 50,000 for taking a non-complex patent case through the first instance court.

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

Although parties can represent themselves in Icelandic courts, that rarely happens and especially not in complex matters such as

patent cases. To be able to represent others in court one must be an attorney at law authorised to practise before the courts of Iceland. Patent attorneys (patent agents) are not allowed to represent others in court.

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

Upon proving infringement the remedies available are damages for the injury which the infringement may have caused. Some compensation for the exploitation of the patent is also possible. If the infringement is conducted intentionally the punishment can be a fine or, under aggravated circumstances, imprisonment for up to three months. Other measures may be demanded by the court upon a claim thereon to prevent the abuse of products manufactured in accordance with the patented invention or of any apparatus, tool or other article the use of which would involve patent infringement.

Punitive damages are, however, not available under Icelandic laws.

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

It is, of course, possible to solve cases through arbitration in Iceland. That has not been used much in IP-related matters, however, and we would not recommend it as a realistic alternative, due to lack of experience in such cases.

18. Has your jurisdiction signed up to the London Protocol or the European Patent Litigation Agreement? If not how likely, is it that it will do so?

Iceland acceded to the London Agreement on 31st August 2004 when depositing its instruments for EPC membership. In practice, the principles of the London Agreement have actually been followed in Iceland since 1st January 2002. This means that only a translation of claims into Icelandic is required, provided the description is filed in English. If the description of an issued European patent is in German or French, the proprietor can choose to file either an Icelandic or English translation or validation. This rule applies to all European patents validated in Iceland and having an effective filing date after Iceland's accession to the EPC. This is worth special attention as it reduces the cost of validating European patents in Iceland considerably.

19. Are there any other features of the

enforcement system in your jurisdiction that you would like to point out?

We would like to draw special attention to new legislation (Law 53, 13th June 2006), which entered into force on 1st July 2006, concerning obtaining proof in relation to infringement of IP rights, including patents. The law stipulates that following a court order, where a patent holder needs to show that infringement is already likely to have occurred, a search may be conducted by government authorities (sheriffs) to collect evidence - such as products, equipment for production, computer data or other relevant material - of the infringement. This procedure is designed to be relatively swift and it is worth noting that under certain circumstances the judge does not need to advise the alleged infringer of the court proceedings or of the upcoming search.