# Intellectual Property: Editor's Preface



11 February 2025

**Venable LLP**
By Dominick A Conde

Advances in artificial intelligence (AI) have made it an important topic in nearly all aspects of life and society, and intellectual property law is no exception. Intellectual property questions to be addressed in the years ahead include whether the use of unlicensed content to train AI tools infringes copyright and trademark rights, who owns AI-generated work and to what extent AI-generated content is eligible for intellectual property protection. How AI will impact the legal field, generally, is also a major question. Machine learning and generative AI are already being used to conduct legal research and draft legal documents, and AI tools promise to play an increasing role in many other areas of legal practice. Additionally, these issues will be even more complex because of the differences in law between each country. As a result, practitioners will need to navigate AI-related developments as they apply to IP across a variety of legal systems.

To aid practitioners in the ever-changing environment of global intellectual property, we present the 14th edition of In-Depth: Intellectual Property. In this edition, we present 15 chapters that provide an overview of the forms of intellectual property coverage available in each particular jurisdiction, along with an update on its most recent developments. Each chapter is written and assembled by leading practitioners in that jurisdiction. While all involved have striven to make this review both accurate and comprehensive, it is necessarily a summary and overview, and we strongly recommend that the reader seek the advice of experienced advisers for any specific intellectual property matter.

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**IN-DEPTH**

# Intellectual Property

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In-Depth: Intellectual Property (formerly The Intellectual Property Review) provides a global overview of the forms of intellectual property coverage available in each jurisdiction, along with an update of the most consequential recent developments. It offers deep insight into the key legal and commercial issues that arise when seeking to obtain and enforce IP rights – including patents, copyright, designs, trademarks and trade secrets.

## Overview



## Jurisdictions

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|---|---|
| **Germany** | FPS |
| **Greece** | Bernitsas Law |
| **India** | Sujata Chaudhri IP Attorneys |
| **Indonesia** | Affa Intellectual Property Rights |
| **Japan** | Anderson Mori & Tomotsune |
| **Malta** | Chetcuti Cauchi Advocates |
| **Romania** | Cabinet M Oproiu Patent & Trademark Attorneys |
| **Slovakia** | Čermák a spol |
| **Sweden** | Rouse |
| **United Kingdom** | Pinsent Masons LLP |
| **USA** | Venable LLP |
| **Vietnam** | Aliat Legal |

# Intellectual Property: Brazil



19 March 2025

**Bhering Advogados**
By Philippe Bhering and Jiuliano Maurer

## Introduction

*This chapter was first published in April 2024. Be advised that some of the below content may no longer apply.*

Intellectual property protection and enforcement in Brazil is highly influenced by international treaties and multilateral agreements, such as:

a. the Berne Convention for the Protection of Literary and Artistic Works;
b. the Paris Convention for the Protection of Industrial Property;
c. the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS);
d. the Patent Cooperation Treaty (PCT);
e. the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations;
f. the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
g. the Strasbourg Agreement Concerning the International Patent Classification;
h. the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks;
i. the International Union for the Protection of New Varieties of Plants (UPOV) Convention; and
j. the World Intellectual Property Organization (WIPO) Convention.

Brazil has structured a legal framework that provides for intellectual property protection in all its most relevant forms (i.e., copyright, trademarks, patents, industrial designs, trade secrets and software).

In Brazil, the provisions of trademark, patent, industrial design and unfair competition law are collectively set out in the Brazilian Industrial Property Law (Law No. 9,279/96) (BIPL). Of note regarding copyright and software law are the Brazilian Copyright Law (BCL) and the Brazilian Software Law (BSL), respectively.

## Copyright and neighbouring rights

Copyright and neighbouring rights are governed in Brazil by the BCL, which establishes that the intellectual works that are protected are creations of the mind, whatever their mode of expression or the medium in which they are fixed, tangible or intangible, known or susceptible to invention in the future. The BCL broadly defines literary, artistic and scientific works as being the subject matter of copyright.

The BCL guarantees authors' moral rights (e.g., the right to claim authorship of the work at any time and to keep the work unpublished), as well as economic rights (the right of economic exploitation of the work), which include exclusive rights to, among other things, reproduce, distribute, adapt, perform and display the work.

The economic rights of the author are protected for 70 years from 1 January of the year following their death. The moral rights involved are inalienable and irrevocable (i.e., they cannot be transferred, licensed or waived).

On the other hand, the Brazilian copyright system presents legal limitations to the author's exclusive rights. An example of this is the provision of Item VIII, Article 46 of the BCL, which states that it does not constitute violation of copyright to reproduce in any work short extracts from existing works, regardless of their nature, on condition that the reproduction is not in itself the main subject matter of the new work and does not jeopardise the normal use of the work reproduced or unjustifiably prejudice the author's legitimate interests.

Registration is optional for purposes of protection. Assuming that the work is original, it will be afforded copyright protection irrespective of registration.

Although not mandatory, copyright registration is still recommended as a way to evidence authorship, especially in light of the government's choice to adopt a first-to-create system of copyright protection.

## Trademarks

The BIPL establishes that any distinctive, visually perceptible sign may be registered as a trademark, provided that it does not fall within the prohibitions set out in the law. The requirement of visual representation excludes from the scope of protection non-traditional trademarks such as olfactory, sound and gustatory marks. On the other hand, the protection of three-dimensional signs has been admitted in Brazil since the enactment of the current BIPL.

The BIPL sets out, in its Article 124, a list of examples of signs that are not registerable as trademarks. The list includes:

a. signs of a generic, necessary, common, usual or merely descriptive character, when relating to the product or service to be distinguished, or those commonly used to designate a characteristic of the product or service in respect of the nature, nationality, weight, value, quality and moment of production of a product or provision of a service, except when the sign is presented in a sufficiently distinctive manner;

b. signs or expressions used only as a means of advertising;
c. colours and their names, except when arranged or combined in an unusual and distinctive manner; and
d. names, prizes or symbols of sporting, artistic, cultural, social, political, economic, or technical official or officially recognised events, as well as imitations likely to cause confusion, except when authorised by the competent authority or entity promoting the event.

Trademark protection in Brazil is based on the first-to-file system. The BIPL states that the ownership of a mark is acquired by means of a validly granted registration, following which the title holder has an established right to exclusive use of the trademark throughout the national territory.

Nevertheless, the BIPL also provides protection for the owners of trademarks not yet registered with the Brazilian Patent and Trademark Office (BPTO). One example of this protection is the right of prior use. This right applies to any person who, in good faith, at the date of priority or the filing date of the application, has been using an identical or similar mark for at least six months in Brazil to distinguish or certify a product or service that is identical, similar or akin. That person has a preferential right to registration.

Another example is the protection afforded to trademarks that are well known in their field of activity (see Article 6 *bis* (1) of the Paris Convention). Well-known trademarks are given special protection independently of whether they have been previously filed or registered in Brazil. The BPTO has powers to reject *ex officio* a trademark application that wholly or partially reproduces or imitates a well-known trademark. On the other hand, in the event of the owner of a well-known trademark filing an opposition or an administrative nullity action based on its well-known trademark, it has a period of 60 days commencing on the filing of the opposition or administrative nullity action in which to file an application for the registration in Brazil of its well-known mark.

The BIPL also prescribes that signs that imitate or reproduce, wholly or in part, a third-party mark of which the applicant could not be unaware, owing to the commercial activity in which they engage, are not registerable as trademarks if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark and is likely to cause confusion or association with the third-party mark. As a consequence, the BIPL enables the owner of a trademark that has not yet been filed or registered in Brazil to challenge third parties who attempt to register similar or identical trademarks. Similar to the situation mentioned above, the owner of the trademark has a 60-day term in which to file an application for registration of their mark in Brazil, with the period commencing on the date they filed the opposition or administrative nullity action.

When applying for registration in Brazil, there is no need to claim prior use or to submit proof of use of the trademark. Multi-class applications are not currently allowed in Brazil; however, because of the country's accession to the Madrid Protocol, it will be possible to file a trademark application in Brazil in more than one class when the BPTO implements the system, which was scheduled to occur on 9 March 2020 but which was postponed; a new date has not been announced yet.

The trademark registration remains in effect for 10 years commencing on the date of its grant and may be renewed for equal and successive periods.

## Patents

The BIPL establishes two types of patents: patents of invention and utility models.

According to Article 8, an invention is eligible for patent protection if it satisfies the requirements of novelty, an inventive step and industrial application.

An invention will meet the novelty requirement if it is not part of the state of the art. The state of the art consists of everything that became known or accessible to the public prior to the filing date of the patent application, by use or by any other means, in Brazil or abroad, with a few exceptions provided by the BIPL. In addition, an invention is endowed with an inventive step if, for a person skilled in the art, the invention does not derive in an evident or obvious manner from the state of the art. Lastly, an invention is capable of industrial application if it can be used or produced in any kind of industry.

An object of practical use or any part thereof is patentable as a utility model provided that it is capable of industrial application, presents a new form or arrangement, and involves an inventive act that results in functional improvement in its use or manufacture. The requirement of an inventive step in utility models requires a lesser degree of inventiveness.

The term of protection of patents of invention is 20 years and of utility models 15 years, commencing on the filing date of the respective application before the BPTO.

Inventions that are contrary to morality, customs, or public safety, policy and health, are not patentable, and nor are the following:

a. discoveries, scientific theories and mathematical methods;
b. purely abstract concepts;
c. commercial, accounting, financial, educational, advertising, raffling, and inspection schemes, plans, principles or methods;
d. literary, architectural, artistic, and scientific works or aesthetic creations;
e. computer programs per se;
f. presentation of information;
g. games rules;
h. surgical techniques and methods, as well as therapeutic or diagnostic methods, for application to humans or animals;
i. all or part of natural living beings or biological materials found in nature, even if isolated therefrom, including the genome or germoplasm of any natural living being, and the natural biological processes;
j. substances, materials, mixtures, elements or products of any kind, as well as the modification of their physical–chemical properties and the respective processes for obtainment or modification, when resulting from the transformation of the atomic nucleus; and
k. all or part of living beings, except for transgenic microorganisms that satisfy the three requirements of patentability and that are not mere discoveries.

According to the BIPL, a person who, in good faith, prior to the filing or priority date of an application, was using the object of the patent application, is allowed to continue the use, without onus, in the same manner and under the same conditions as before.

A patent confers on its title holder the right to prevent third parties from, without consent, producing, using, offering for sale, selling or importing a product that is the object of the patent and a process or a product directly obtained by a patented process.

Finally, the BIPL authorises the patent applicant or title holder to request a certificate of addition to protect an improvement or development introduced into the claimed invention that is the subject of a patent application or a granted patent, provided that the same requirements for inventiveness are satisfied.

## Industrial designs

An industrial design is an ornamental plastic form of an object, or an ornamental arrangement of lines and colours, that might be applied to a product to provide a new and original visual result in its external configuration and that might serve as a model for industrial manufacture.

The industrial design is considered new when it is not included in the state of the art. The state of the art consists of everything made available to the public prior to the filing date of the application, in Brazil or abroad, by use or by any other means, with a few exceptions provided by the BIPL.

The industrial design is considered to be original when it results in a distinctive visual configuration in relation to other prior objects. The original visual result may be derived from the combination of known elements. An application for an industrial design registration must refer to a single object. Multiple designs, however, are admitted under the BIPL. An application may include a plurality of variations, provided that they are destined for the same purpose and retain the same predominant distinctive characteristic.

Creations of purely artistic character are not considered industrial designs. Furthermore, the necessary common or ordinary shape of an object or shapes, essentially determined by technical or functional considerations, cannot be registered as an industrial design.

Similarly to patents of invention and utility models, prior rights to users in good faith are also granted in connection with industrial designs.

The term of registration of an industrial design is 10 years from the filing date of the application, extendable for three successive periods of five years each.

## Trade secrets

The nature of trade secret protection in Brazil differs from the protection of trademarks and patents. Whereas owners of trademarks or patents have a property right, the owner of a trade secret has a right against acts of unfair competition. Trade secrets include confidential information relating to business or administrative strategies, data submitted as part of an application for approval for the sale of certain types of products, and industrial and technological information.

To prove violation of a trade secret, it is necessary to assert that the alleged infringing conduct is exactly that described in the statute, particularly in the BIPL.

The Brazilian Criminal Code also provides penalties for undue disclosure of a trade secret, and Brazilian employment law entitles employers to dismiss employees for just cause (i.e., without compensation) if employees expose trade secrets. A trade secret remains enforceable for as long as the information remains secret.

## Software

The BSL states that the protection system for software is the same as that granted to literary works by the copyright statute. Nonetheless, this provision does not preclude a computer program from patent or trade secret protection.

Software is protected for a term of 50 years as from 1 January of the year following its publication or creation. As with any copyright work, software rights arise from creation regardless of registration, although registration is advisable.

## Other intellectual property statutes and regulations

The regimes described above are the foundation of Brazil's intellectual property regime. Perceived gaps in the availability of protection for certain creations of the human endeavour have given rise to specific legislation. For instance, Brazil has enacted a law that provides for the protection of intellectual property of integrated circuits (Law No. 11,484/2007) and a Plant Variety Protection Law (Law No. 9,456/1997).

Trade dress can also be protected in Brazil under the unfair competition provisions of the BIPL.

In order to regulate the exclusivities relating to intellectual property rights, the government has created certain administrative bodies. Of particular note relating to the pharmaceuticals industry is the National Health Surveillance Agency (ANVISA) (the Brazilian Food and Drug Administration), the agency that regulates, controls and inspects products and services that involve public health. ANVISA issues marketing authorisations for the sale of drugs in Brazil. In addition, ANVISA is responsible for the examination of pharmaceutical patent applications, along with the BPTO, with regard to safeguarding human health.

# Year in review

## The 12th edition of the Nice Classification (NCL 12) comes into force in Brazil

The BPTO completed the necessary updates on its system for adopting the latest edition of the Nice Classification (NCL 12) for trademark applications. The NCL 12 came into force in Brazil on 15 February 2023.

The WIPO continuously makes updates and improvements to the NCL for the benefit of trademark applicants worldwide.

## The BPTO changes regulations on technology agreements

With the objective of simplifying and modernising the contract registration process, as well as adapting its regulations to the demands of the technology market, the BPTO published, in the Official Gazette No. 2740 of 11 July 2023, the Ordinances No. 26 and No. 27/2023, modifying formal and technical aspects regarding the registration of agreements involving technology.

Among the main changes, there was the elimination of the following formal requirements:

a. notarisation and apostille or legalisation of foreign signatures;
b. initials on all pages of contracts;
c. insertion of two witnesses when the contract provides for a Brazilian city as the place of signature; and
d. the presentation of the statute, articles of incorporation or constitutive act of the legal entity.

Also, the Ordinances prescribed the acceptance of digital signatures without an ICP-Brasil (Public Key Infrastructure) certificate, and of the licensing of non-patented technology (which will be registered in the Technology Supply – FT category), in addition to determining that the declared value of contracts involving only trademark applications will be included in their respective certificates.

The new Ordinances have been in effect since the date of their publication.

## New law changes transfer pricing rules in Brazil

The Provisional Measure 1,152/2022, which changed the transfer pricing rules in Brazil, adjusting the local legislation to the standard established by the Organisation for Economic Co-operation and Development (OECD), was converted into Law No. 14,596, on 14 June 2023.

Among the main modifications, the ones that will reflect on technology transfer agreements are the following:

a. mandatory application of the transfer pricing rules to determine the deductibility limits applicable to technology agreements, starting on 1 January 2024;
b. adoption of the arm's-length principle, which establishes that entities that are related via management, control or capital in their controlled transactions should agree to the same or similar terms and conditions which would have been agreed between non-related entities for comparable uncontrolled transactions;
c. elimination of the pre-fixed maximum deductibility previously in force; and

d. revocation of the need for registration of transfer technology agreements with the BPTO for the purpose of obtaining tax deductibility of the payments provided for therein.

This new law came into force on 1 January 2024, but the new rules could have been adopted since 1 January 2023.

## Brazil joins Hague Union and BPTO publishes rules for registration of industrial designs under Hague Agreement

The government of Brazil deposited to the WIPO on 13 February 2023 its instrument of accession to the 1999 Geneva Act of the Hague Agreement for the international protection of Industrial Designs, becoming the 79th member of the Hague Union.

On 4 July 2023, the BPTO published the Ordinance No. 25 of 3 July 2023, which regulates the registration of industrial designs under the Hague Agreement, which came into force on 1 August 2023.

Among the rules established by the BPTO, the following are highlighted:

a. the international registration designating Brazil must contain the name of the author (creator of the design);
b. each industrial design may have up to 20 variations referring to the same purpose and which maintain the same distinctive characteristic (design unity);
c. it will be possible to split the application;
d. maximum protection of 25 years counted from the filing date of the international registration, subject to the payment of renewal fees every five-year period; and
e. every act performed before the BPTO must be done by a local representative.

The Hague Agreement aims to simplify procedures and reduce costs for registering industrial designs abroad, bringing advantages to Brazilians who seek protection in other countries and foreigners who want to invest in protection in Brazil. As a result of the Agreement, Brazilians will be able to apply for protection of their industrial design in 95 countries that are signatories to the Agreement, in a single language (French, Spanish or English) and with costs in a single currency (Swiss francs).

## Brazilian Senate approves the agreement for the protection of geographical indications on Mercosur

On 4 October 2023, the Legislative Decree Bill 165/2022, which ratifies the Mercosur agreement on the protection of geographical indications (GIs), was approved by the Federal Senate. The Bill had already been approved by the Chamber of Deputies and will therefore be enacted into law. In order to strengthen Mercosur's GIs, the bloc's member states undertake to mutually respect the GIs of each member country.

One of the main features of the agreement is the viability of two or more GIs coexisting for the same product or service. In addition, a GI similar to that of another country outside the bloc is allowed to coexist. However, the agreement establishes that recognised GIs cannot be registered as trademarks for similar products or services in member countries, unless the

trademark application was made before the resolution of the Common Market Group (GMC). In addition, trademark registrations that include a GI will not be accepted when their use constitutes an act of unfair competition or misleads the consumer.

### BPTO has released a new rule regarding the reordering of the examination queue for patent applications

The BPTO announced in the Official Gazette of 12 December 2023 a technical notice detailing a significant change to the patent application examination queue's order, effective 1 January 2024. This modification reorganises the queue based on the date the examination request was submitted, moving away from the previous method that prioritised the application filing date.

This strategic change is aimed at streamlining the patent examination process in Brazil, ensuring that it aligns with international standards. The examination request deadline remains set at 36 months following the international filing date, noting that historically, most applicants tended to submit their examination requests close to this deadline.

This shift in procedure is expected to influence applicants' strategies regarding when to file examination requests and make amendments, potentially leading to more proactive planning and submission processes.

## Obtaining protection

The BIPL establishes two types of patents: patents of invention and utility models.

To be patentable, an invention must satisfy the following criteria: novelty, an inventive step and capability for industrial application. An object of practical use or any part thereof is patentable as a utility model provided that it is capable of industrial application, presents a new form or arrangement, and involves an inventive act that results in functional improvement in its use or manufacture.

An invention will meet the novelty requirement if it is not part of the state of the art. The state of the art consists of everything that became known or accessible to the public prior to the filing date of the patent application, by use or by any other means, in Brazil or abroad, with a few exceptions provided by the BIPL.

An invention is considered obvious in view of prior art when it is considered that a person skilled in the art would naturally reach the solution proposed in the invention. The basic criteria involved are:

a. identifying the nature of the problem for which a solution is sought;
b. analysing the solution proposed by the invention in question; and
c. determining whether the solution is reached by way of a new or unexpected technical effect.

Examples of aspects to be considered include the type of problems encountered in the art, the prior art solutions to these problems, the movement of persons skilled in the art in a different direction from that taken by the inventor, the new technical effect that can be achieved by the invention and commercial success.

The disclosure of an invention will not be considered to be state of the art if it occurred during the 12 months prior to the date of filing or of priority of the patent application, if made by the inventor; by the BPTO, by means of official publication of the patent application filed without the consent of the inventor, based on information obtained from them or as a result of their actions; or by third parties, based on information obtained directly or indirectly from the inventor or as a result of their actions.

# Enforcement of rights

## Possible venues for enforcement

The BIPL provides that infringement of trademark, design, patent and GI rights and acts of unfair competition constitute both a civil wrong (tort) and a crime. Hence, the injured party is entitled to rely on both civil and criminal measures to enforce their rights.

In addition, it is possible to file nullity actions against trademark, design or patent registrations or against administrative acts that annul trademark, design or patent registrations.

Border control mechanisms also feature as part of the Brazilian system of enforcement of intellectual property rights. Federal Decree No. 6759 of 5 February 2009 includes authorisation for the customs authority to seize any products that it considers to bear altered or imitated marks. Furthermore, a trademark owner who has sufficient evidence of the planned import or export of counterfeit goods may request (setting out the facts or circumstances that give rise to suspicion) the seizure of the goods by the customs authority.

## Requirements for jurisdiction and venue

Infringement actions must be filed before state courts, as the BPTO does not participate in these proceedings, whereas nullity actions are heard by federal courts. This is because the BPTO is automatically a party to all nullity actions, and whenever a government agency is a party to a lawsuit, the action must be filed before federal courts.

The entry level (first instance) of the Federal Court of Rio de Janeiro has four courts specialising in intellectual property. At the appeal level, the Regional Federal Court of the Second Region, with jurisdiction over the states of Rio de Janeiro and Espirito Santo, has two specialist panels for intellectual property.

As for civil proceedings, the injured party may file a lawsuit seeking the cessation of the infringing act, coupled with a claim for damages. The lawsuit may also include an *ex parte* preliminary injunction request, with a view to immediate cessation of the harmful conduct until a decision on the merits is rendered, subject to specific requirements of the Civil Procedure Code

(CPC). To obtain a preliminary injunction, the plaintiff must demonstrate a *prima facie* good case (i.e., that there is a likelihood of success on the merits of the case, and that delay in granting the relief sought would be likely to give rise to harm that is irreparable or very difficult to redress).

The plaintiff may also seek the imposition of a daily penalty for failure to abide by the preliminary injunction. If the interim relief sought is granted, the defendant will be restrained from practising the infringing act pending a final and definitive ruling on the substantive lawsuit. In some circumstances, a court will grant interim injunctive relief only if the petitioner posts a bond or a fiduciary guarantee to cover any losses incurred by the respondent.

A criminal action requires the filing of a criminal complaint, except in the case of a crime against armorial bearings, crests or official public distinctions, be they national, foreign or international, in which case the criminal action will be public (i.e., commenced by the public prosecution service).

In terms of criminal proceedings, one very important provision is the possibility of filing a preliminary criminal search and seizure action, aimed at gathering evidence of acts of infringement and avoiding the destruction or hiding of evidence by the infringer. Pursuing a preliminary criminal search and seizure action is normally more straightforward than undergoing the more complicated civil proceeding of early production of evidence. Given that it is possible in both civil and criminal proceedings to rely on the evidence obtained under a search and seizure warrant, an application for preliminary criminal search and seizure is frequently a useful starting point for civil infringement proceedings as well as for criminal proceedings per se.

## Obtaining relevant evidence of infringement and discovery

The CPC states that the plaintiff may draw on all legal and morally legitimate means of proving the existence of the rights asserted. It makes specific reference to 'personal deposition' (the giving of oral evidence by the person or persons asserting the rights), the exhibition of documents or other material, witness testimony, expert evidence and court inspections.

In addition, the CPC permits the court to direct early production of evidence. A party is therefore entitled to make an application for the production of expert evidence prior to the filing of the substantive lawsuit (or, post-filing, at an early stage of the proceedings). The plaintiff must demonstrate solid reasons for the application – for example, that there are reasonable grounds for fearing that, in the absence of an order for early production, the evidence in question might be lost or destroyed.

Discovery, in the form that exists in common law systems as a pretrial phase in a lawsuit, is not provided for in the Brazilian legal system.

## Trial decision-maker

Infringement and nullity actions are heard by a single judge in the first instance. The appeal courts (second instance) consist of panels of three judges.

Experts can be appointed by the judge to assist with any technical issues involved in the case.

## Structure of the trial

Once the initial complaint is filed, the defendant is notified to present its response within 15 days. The plaintiff may respond to the defendant's answer within 10 days. There are usually two hearings at first instance: a conciliatory or preliminary hearing, in which the parties try to settle the case amicably; and an evidentiary hearing, in which the expert and the parties' technical assistants may be cross-examined as to their findings in the event of a dispute between them (the relevant questions having been filed and responded to in writing prior to the hearing – the scope of the cross-examination being issues that remain in dispute), depositions are taken from the parties and the witnesses listed are heard. This second hearing occurs only in cases where there is a need for evidence to be produced.

At the close of the hearing, the judge may immediately make a final order (final decision of the first instance) or may direct the parties to submit final briefs. In the latter case, the judge will make the final order following the submission of the briefs and after consideration.

It is possible to file an appeal against this order to a state court of appeal. The final order on appeal of the state court of appeal may be challenged, provided that certain legal requirements are met, by a further appeal, known as a special appeal, to the Superior Court of Justice, or an extraordinary appeal to the Federal Supreme Court.

A final decision on infringement and nullity actions might take between one and two years at first instance. A final decision at second instance might take up to two years. These time frames will vary according to the complexity of the case and the state and court in which the lawsuit is filed. Preliminary injunctions may be granted immediately, provided that the legal requirements are met.

## Infringement

Patent infringement can be literal or by equivalence.

According to Article 41 of the BIPL, the scope of the protection conferred by the patent shall be determined by the content of the claims and interpreted on the basis of the specifications and drawings.

Article 42 of the BIPL states that a patent confers on its title holder the right to prevent a third party from, without consent, producing, using, offering for sale, selling or importing a product that is the object of the patent and a process or a product directly obtained by a patented process.

The title holder is further assured the right to prevent third parties from contributing to the perpetration by others of the acts described above.

## Defences

In a civil infringement action, the defendant, in its reply, may assert facts that impede, modify or terminate the plaintiff's right. In addition to its reply, the defendant may also file a counterclaim against the plaintiff, if the legal prerequisites are duly met.

In relation to criminal actions, an allegation of nullity of the registration on which the action is based may be relied on as a defence. Acquittal of the defendant, however, will not automatically lead to nullity of the registration, which can be requested only in an action before the competent courts.

The most common defences to patent infringement are patent invalidity (e.g., lack of novelty or part of the state of art) and non-infringement.

With regard to non-infringement, Articles 43 and 45 of the BIPL provide exceptions to patent infringement, such as:

a. private acts without commercial purpose that do not jeopardise the economic interests of the patent holder;
b. acts of experimental purposes in connection with scientific and technological studies and research;
c. preparation of a medicine in accordance with a medical prescription for individual cases;
d. a product manufactured in accordance with a process or product patent that has been introduced onto the domestic market directly by the patent holder or with their consent;
e. non-economic use of the patented product as an initial source of variation or propagation to obtain other products in the case of patents relating to living material;
f. production of data and results of tests with the purpose of obtaining the authorisation for commercialisation of the patent product after the term of the patent expires; and
g. use, in good faith, of the object of the patent prior to the priority or filing date of the patent application.

## Time to first-level decision

A final decision on infringement and nullity actions might take between one and two years at first instance. A final decision at second instance might take up to two years. These time frames will vary according to the complexity of the case and the state and court in which the lawsuit is filed. Preliminary injunctions may be granted immediately, provided that the legal requirements are met.

## Remedies

Civil remedies include an order for the immediate cessation of the infringing act and damages. The lawsuit may also include an *ex parte* preliminary injunction request, with a view to immediate cessation of the harmful conduct until a decision on the merits is rendered, subject to specific requirements of the CPC.

To obtain a preliminary injunction, the plaintiff must demonstrate a prima facie good case (i.e., that there is a likelihood of success on the merits of the case, and that delay in granting the relief sought would be likely to give rise to harm that is irreparable or very difficult to redress). The plaintiff may also seek the imposition of a daily penalty for failure to abide by the preliminary injunction.

If the interim relief sought is granted, the defendant will be restrained from practising the infringing act pending a final and definitive ruling on the substantive lawsuit. In some circumstances, a court will grant interim injunctive relief only if the petitioner posts a bond or a fiduciary guarantee to cover any losses incurred by the respondent.

In relation to the quantum of damages payable for infringement, the BIPL applies a triple criteria calculation, so damages are fixed on the basis of the criterion that is the most beneficial to the injured party, chosen from the following list: the benefit that the injured party would have obtained if the violation had not occurred; the benefit actually obtained by the author of the violation of the rights; or the remuneration that the author of the violation would have paid to the proprietor for a licence for use of the protected rights.

Criminal remedies include preliminary criminal search and seizure measures, imprisonment of the infringer and fines. The BIPL also establishes that anyone who manufactures a product that is the subject matter of a patent of invention or of a utility model patent without authorisation from the owner, or who uses a means or process that is the subject matter of a patent of invention without authorisation from the owner, shall be subject to imprisonment for a period of three months to one year or a fine.

In addition, the BIPL establishes that anyone caught exporting, selling, displaying or offering for sale, keeping in stock, concealing or receiving to use for economic purposes a product that is manufactured, that infringes a patent of invention or a utility model patent, or that was obtained by a patented means or process, is subject to imprisonment for a period of one to three months or a fine. So too is anyone caught importing a product that is the subject matter of a patent of invention or a utility model patent or that was obtained by a means or process that is patented in Brazil to use for an economic purpose, and that has not been placed on the foreign market directly or with the consent of the patent owner.

The same penalty applies to anyone caught supplying the component of a patented product or material or equipment with which to carry out a patented process, provided that the final application of the component, material or equipment of necessity leads to the use of the subject matter of the patent.

## Appellate review

The CPC sets out various avenues of appeal to which parties may resort. There are both appeals on the merits (substantive issue) of a case and appeals on procedural grounds or relating to questions other than the substantive issue. The possible forms of appeal include motions based on conflicting case law, motions for clarification of rulings and appeals based on internal court rules. The final decision of the first instance court, for example, may be challenged on appeal before the state court of appeal. From the appeal court, a further appeal on issues pertaining to federal law is possible to the Superior Court of Justice or, in the event of a constitutional issue arising, to the Federal Supreme Court.

The appeal courts consist of panels of three judges. A final decision on second instance might take up to two years. This time frame will vary according to the complexity of the case and the court and panels handling the matter. Appeals to the Superior Court of Justice or to the Federal Supreme Court are estimated to take between two and four years to be analysed and for decisions to be issued.

### Alternatives to litigation

The BIPL does not have any provision relating to alternative dispute resolution. Arbitration proceedings are governed by the Arbitration Act. Although arbitration is not commonly used in trademark and patent infringement cases, the parties may agree to arbitration instead of resorting to the courts. Among the possible benefits of using arbitration are the comparative speed of proceedings and their confidentiality.

## Outlook and conclusions

The BPTO continues its efforts to significantly decrease the number of patent applications awaiting technical examination. According to official information, in August 2019, there were 149,912 patent applications filed before 31 December 2016that were pending technical examination. By 28 December 2023, this number was reduced to 3,625 cases, representing a significant improvement in the backlog since the launching of the Backlog Combat Plan.

On 27 March 2023, the BPTO published its Strategic Plan for the period 2023–2026, which was made official by Ordinance No. 10/2023. Among the nine strategic objectives brought by the plan to be accomplished within this four-year period, the following are worth highlighting:

a. to optimise quality and speed in the granting of registration for industrial property rights, with a view to achieving international performance standards;
b. to promote the culture and the strategic use of industrial property for competitiveness, innovation and development of Brazil;
c. to consolidate Brazil's role as a protagonist in the international industrial property system; and
d. to deepen digital transformation with a focus on improving performance and service to users.

The Brazilian federal government launched, on 24 October 2023, the 2023–2025 Action Plan of the National Intellectual Property Strategy (ENPI). According to the Ministry of Development, Industry, Commerce and Services, the actions should allow, among other points, a reduction in the decision time regarding patent applications by the BPTO, from 6.9 years (as of December 2022) to three years until July 2025. The Ministry states that this goal is intermediate, as the BPTO has planned complementary measures that seek to reduce the decision time to two years by 2026. Also, the objective is to move Brazil from sixth to third in the ranking of countries in terms of number of trademark registrations, and from 12th to 11th in terms of the number of industrial design filings.

The BPTO announced, on 12 September 2023, the much-anticipated second edition of its Industrial Designs Manual, which entered into force on 2 October 2023. The objective of this new edition is to align the Brazilian Guidelines relating to the processing of industrial designs with the guidelines of the Hague System, which has been in force in Brazil since 1 August 2023. Among the most relevant updates included in this new edition is the introduction of the possibility of protection of designs that include a trademark or textual elements of any kind, in any language, and of static or dynamic graphical

interfaces, icons and families of typographic fonts, as well as three-dimensional configurations composed of parts without mechanical connection between them. Also, the new Manual expands the possibilities for representing the object of the application, by now allowing the use of dashed lines to represent unclaimed illustrative elements.

# Intellectual Property: China



19 March 2025

**IP March**
By Stephen Yang , Wei Yang and Zunxia Li

## Introduction

China patent law provides for three types of patent rights, namely invention patents, utility model patents and design patents, which are collectively called 'invention-creations'. An invention patent protects products, methods and use. A utility model patent protects only products, not methods or use. A design patent protects only the appearance of a product, not the technical aspects thereof. The term for an invention patent is 20 years, the term for a utility model patent is 10 years and the term for a design patent is 15 years, counted from the filing date. Patent term adjustments and patent term extensions for drug patents are available.

Trademark protection and copyright protection are, respectively, provided for in China trademark law and China copyright law, and trade secret protection is provided for in anti-unfair competition law.

## Year in review

2024 saw the issuance of multiple administrative measures. First of all, the Implementing Regulations of the Chinese Patent Law and the Guidelines for Patent Examination took effect on 20 January 2024.

Multiple administrative measures were issued in 2024. Specifically, on the trademark side, the China National Intellectual Property Administration (CNIPA) and the State Administration for Market Regulation (SAMR) jointly issued Provisions on Evidence for Trademark Administrative Enforcement on 26 December 2024, which took effect on 1 January 2025.[1] CNIPA

and SAMR also jointly issued Method for Calculating Illegal Business Turnover in Trademark Infringement Cases on 14 October 2024, which took effect on 14 October 2024.[2]

On the patent side, CNIPA issued Administrative Adjudication and Mediation Measures for Patent Disputes on 26 December 2024, which became effective on 1 February 2025.[3] SAMR issued Antitrust Guidelines for Standard Essential Patents on 4 November 2024, which took effect on the same day.[4]

In addition, the National People's Congress published the Anti-Unfair Competition Law of the People's Republic of China (Draft Revision) on 25 December 2024.[5]

# Obtaining protection

## Absolute novelty

China has an absolute novelty standard and requires that any patent should not belong to any prior art or prior design, which means any technology or any design known to the public, in China or abroad, before the date of filing. An invention is known to the public when the technical solution is in a state where it is accessible to the public. The public refers to non-specific persons. It is not relevant if the technical solution is actually accessed by anyone. As long as it is in such a state, it is considered known to the public and thus a disclosure. A typical example is a product containing an invention that is sold publicly but the technical solution of the invention can be obtained only through reverse engineering. In this case, the technical solution is still considered to have been disclosed to the public. In contrast to what is known in the United States as an 'on-sale bar', which does not exist in Chinese patent practice, a secret sale or a sale to any party under a confidentiality agreement is not considered a disclosure. An exhibition does not constitute a disclosure as long as the technical solution is not accessible to the public.

China's Patent Law offers a grace period. Specifically, an invention-creation does not lose its novelty if, within six months before the date of filing:

a. it was first made public for the purpose of public interest when a state of emergency or an extraordinary situation occurred in China;
b. it was first exhibited at an international exhibition that was sponsored or recognised by the Chinese government;
c. it was first made public at a prescribed academic or technological meeting; or
d. it was disclosed by any person without the consent of the applicant.

The international exhibitions and academic or technological meetings that qualify for a grace period are very limited, and hence it is difficult to take advantage of this provision. However, the grace period does provide a remedy in cases where a party that has a confidentiality obligation discloses the invention.

## Utility models

### Pros and cons

Utility model and design patent applications do not go through substantive examination, but they must undergo a preliminary examination, which includes not only a formality examination but also an examination on obvious substantive defects. A utility model patent is easier, quicker and thus cheaper, to obtain. On the other hand, as it has a lower threshold for inventive steps, it is sometimes more difficult to be invalidated. The downside of the utility model includes shorter terms of protection, unstable validity and limited subject matter that can be protected. There may also be an additional obligation when a utility model or design patent is enforced; for example, some relevant authorities might require a patent right evaluation report produced by CNIPA as preliminary evidence about patent validity. This patent right evaluation report is essential for filing complaints with e-commerce platforms for taking-down actions or for the registration of IP rights at Chinese customs.

### Protecting the same invention with an invention application and a utility model application

If an applicant files a utility model application and on the same day files an invention application relating to an identical invention-creation, the applicant can get a utility model patent first and, if and when the invention application is ready to be granted with the same scope of protection, is allowed to abandon the granted utility model and choose to have a patent for invention granted. If the invention patent and the utility model have different scope of protection, the applicant can keep both rights.

According to Rule 78.4 of the Implementing Regulations of the Chinese Patent Law, if an applicant adopts the strategy of filing an invention patent application and a utility model patent application on the same day, the invention application, if granted, is not eligible for patent term adjustment.

## Patentability of pharmaceutical and biotech inventions

There are several provisions in China's Patent Law that prescribe the patentability of pharmaceutical and biotech inventions (as follows).[6]

### Article 25.1(3)

Article 25.1(3) provides that the following methods for the diagnosis or treatment of diseases are non-patentable subject matter:

a. methods for the diagnosis of diseases, including a method for evaluating a subject's risk of having a certain condition; and
b. methods for the treatment of diseases, including, inter alia, a method for treatment via a surgical procedure or medicines or psychotherapeutics, and methods for preventing diseases and methods of immunisation.

Normally, claims of this kind can be rewritten into 'Swiss-type' claims such as 'use of a substance for manufacture of a medicament for diagnosis or treatment of a disease', or into product claims such as 'a system for diagnosis or treatment of a disease, comprising a unit/module configured to . . . ', with the units or modules corresponding to respective steps, if the methods are implemented on a computer.

### Article 25.1(4)

Article 25.1(4) provides that animal and plant varieties are non-patentable subject matter.

Embryonic stem cells of an animal at various stages of formation and development, such as a germ cell, an oosperm, an embryo or a transgenic animal, fall into the definition of 'animal variety' and hence are not patentable. In contrast, somatic cells, tissues and organs of an animal (except an embryo) do not fall within the definition of 'animal variety' and hence are patentable.

Plants, including transgenic plants, and plant seeds fall within the definition of 'plant variety' and hence are not patentable. Cells, tissues and organs of a plant normally are not patentable unless they cannot grow by synthesising carbohydrates and proteins from inorganic substances such as water, carbon dioxide and inorganic salts via photosynthesis.

Methods for producing an animal or a plant variety can be patentable as long as the methods are not an essentially biological method, depending on the extent of technology intervention.

Genes, including plant or animal (including human) genes, if they are isolated from nature for the first time and have an established industrial utility, are patentable. Methods of isolation thereof are also patentable.

Microorganisms, except those that occur in nature, do not fall within the definition of animal or plant variety and hence are patentable.

### Article 5.1

Article 5.1 provides that no patent right shall be granted for any invention that is contrary to the law or social morality or that is detrimental to the public interest. Accordingly, the following are not patentable:

a. a process for modifying the germline genetic identity of human beings or a human being thus modified;
b. a process for cloning human beings or a cloned human being;
c. use of human embryos for industrial or commercial purposes; and
d. a process for modifying the genetic identity of animals that is likely to cause them suffering without substantial medical benefit for human beings or animals.

The human body at various stages of formation and development, such as a germ cell, an oosperm, an embryo or an entire human body, is not patentable.

As an exception, an invention that relates to stem cells from a human embryo that is within 14 days of fertilisation and has not gone through *in vivo* development, including such stem cells per se and the preparation method thereof, is patentable.

### Article 5.2

Article 5.2 provides that no patent right shall be granted for any invention where the acquisition or use of the genetic resources on which the development of the invention relies is not consistent with the provisions of the law or administrative regulations. Accordingly, if an invention is made relying on genetic resources that have been obtained or exploited in ways that violate Chinese laws, no patent shall be granted.

### Article 22.4

Article 22.4 provides that any granted patent should have industrial applicability. Surgical procedures for non-treatment purposes (e.g., cosmetic surgery) that do not have any therapeutic effect are not methods of treatment but lack industrial applicability and hence cannot be granted a patent right.

Methods for producing microorganisms that cannot be repeated do not have industrial applicability and are not patentable, such as methods for screening particular microorganisms from the natural environment and methods for producing new microorganisms through artificial mutagenesis by physical or chemical processes, unless repeatability can be proved.

## Late filing of experimental data

Under current practice, applicants are allowed to supplement experimental data after the filing date of a patent application to prove inventive steps of an invention, to meet sufficiency requirements or even to support a claim's scope. Any technical effects that the late-filed data intend to prove must be obtainable from the original disclosure.

## Business methods and computer program-related inventions

Chinese practice has become relatively friendly in this regard.

### Article 25.1(2) of China's Patent Law

Rules and methods for mental activities are non-patentable subject matter. If a claim contains only abstract algorithms or pure business methods and has no technical features, it cannot be granted. If a claim includes not only algorithmic features or business method features but also technical features, then the claim as a whole is not included within the rules and methods for mental activities, and shall not be excluded from patentability in accordance with Article 25.1(2) of China's Patent Law.

### Article 2 of China's Patent Law

Having technical features is not enough to pass an examination in accordance with Article 2, which provides for a definition of 'invention'. Chinese examiners examine whether the claimed solution falls under the definition of invention: that is, whether it is a technical solution and, more specifically, whether it adopts technical means in accordance with the laws of nature to solve a technical problem and achieves technical effects in accordance with the laws of nature. The term technical is not explicitly defined anywhere in patent law, regulations or examination guidelines. A solution that is not based on the laws of nature, even if a claim includes technical features, is still not regarded to be a technical solution.

### Novelty and inventive steps

All features, including technical features and algorithmic features or business method features, are considered for the evaluation of the novelty of a claim. However, in the evaluation of the inventive step of a claim, algorithmic features or business method features will be considered only if these features and the technical features in the claim 'support each other functionally and have an interactive relationship'.

### Foreign filing licence

It is not required to file first in China for any invention or utility model developed in China. However, if anyone intends to file a patent application abroad for these inventions or utility models, a foreign filing licence must be obtained from CNIPA. The penalty for violating this provision is that no patent shall be granted in China. No foreign filing licence is required for designs.

In determining whether this provision applies to a particular application, the inventor's or the applicant's nationality or residence is not relevant. Where the invention or utility model is developed is the only relevant factor. For example, this provision is applicable if a US citizen makes an invention during a visit to China. This provision is not applicable if a Chinese citizen makes an invention during a visit to the United States. The foreign filing licence requirement does not apply to inventions or utility models made outside mainland China (e.g., in Hong Kong).

If there is joint development across different countries – for example, China and the United States – it is possible to meet both countries' requirements because, in both China and the United States, a foreign filing licence can be obtained without filing a patent application. A foreign filing licence in China could also be obtained on or after filing a Chinese patent application. Alternatively, a patent cooperation treaty international application filed with CNIPA is deemed to be a request for a foreign filing licence.

## Enforcement of rights

### Possible venues for enforcement or revocation

In China, enforcement of patent rights can be done via the judicial route or the administrative route. Enforcement via one route does not preclude enforcement via the other, even though enforcement cannot be carried out in parallel through both routes for the same dispute. With the conclusion of administrative enforcement, judicial enforcement can be conducted, such as for further compensation.

#### Judicial route: courts

In China, a patent lawsuit could be a civil case, an administrative case or a criminal case. Patent civil cases include infringement and, inter alia, disputes over ownership, inventorship, inventor remuneration and licence fees. Patent administrative cases include appeals against CNIPA decisions on the rejection of patent applications or patent validity, or the administrative authority's decisions on IP-related matters. Patent criminal cases are applicable only to patent passing off, which refers to false patent marking and tampering with patent certificates.

There are four levels of courts: the basic people's court, the intermediate people's court, the high people's court and the Supreme People's Court (SPC). In addition, there are four intellectual property courts: the Beijing IP Court, the Shanghai IP Court, the Guangzhou IP Court and the Hainan Free Trade Port IP Court. The first instance of patent cases usually starts at an intermediate people's court or an IP court where the defendant has its domicile or where the infringing acts have taken place.

For patent cases there are usually two instances. The IP Tribunal of the SPC acts as the national level appeal court for patent application rejection or patent validity cases. It also hears appeal cases regarding infringement or ownership disputes for invention patents or major and complex utility model cases. After two instances are concluded, the Retrial Tribunal of the SPC sometimes accepts requests for retrial.

### Administrative route: local IP offices and administrations of market regulation

Local IP offices are the administrative authorities that handle patent infringement disputes and decide on whether infringement can be established. They mediate between the parties regarding the amount of compensation and they also mediate in other patent disputes.

Patent passing-off cases are handled by the administrations of market regulation (AMRs).[7] AMRs have the power to raid offenders. Local IP offices do not have this power.

The procedure at the local administrative authorities is similar to but simpler, faster and less costly than the procedure in court. A patent infringement case at a local IP office should be concluded within three months and may be extended by one month.[8] Although the judicial procedures are more expensive and time-consuming, more remedies are available.

### Invalidation procedure

Starting from the date of the announcement of a patent grant by CNIPA, any party may request the Patent Re-examination and Invalidation Department (PRD) of CNIPA to declare a patent invalid. Invalidation requests should be filed with PRD only and cannot be filed with a court.

Rule 69 of the Implementing Regulations of the Chinese Patent Law prescribes specific grounds on which a request for invalidation can be made. The invalidation procedure is an *inter partes* proceeding, and an oral hearing is usually held.

The PRD's decision can be appealed to the Beijing IP Court. The Beijing IP Court's decision is further appealable to the IP Tribunal of the SPC. If any of these courts overturns the PRD's decision, the case is remanded to the PRD to make further examination and a new decision on the validity, which, again, is appealable based on new evidence or grounds. Courts do not directly rule on patent validity. The PRD has the ultimate authority on patent validity.

## Litigation process

### Requirements for jurisdiction and venue

#### Bifurcated system

China adopts a bifurcated system in which infringement lawsuits and validity lawsuits are handled separately by different authorities. A patent infringement lawsuit may start at any intermediate people's court or a specialised IP court that has the proper territorial jurisdiction.

As a common defence, the alleged infringer files an invalidation request with the PRD. Depending on various factors, such as the type of patents concerned, the availability and nature of the PRD decisions on validity and timing, the court handling the infringement lawsuit may or may not stay the infringement case. Therefore, the infringement lawsuit and the validity lawsuit could proceed in parallel. For invention patents or major and complex utility model cases, as both infringement and validity cases can be appealed to the IP Tribunal of the SPC, contradictory decisions may be avoided by combining the two lawsuits. The second instance court could maintain or change the first instance court's decision or remand the case to the first instance court to be retried. A design patent infringement lawsuit is the exception, as the second instance is usually a high people's court instead of the IP Tribunal of the SPC.

#### Declaratory judgment

Where a rights holder sends a warning to others for infringing a patent right and the warned party urges the rights holder in writing to take action, if the rights holder neither withdraws the warning nor files a lawsuit within one month of receipt of the written urging, or within two months of the sending of the written urging, the warned party could request from a court a declaratory judgment of non-infringement.[9] The alleged infringer has an opportunity to choose a court that has territorial jurisdiction.

#### Early resolution of drug patent disputes

The Beijing IP Court has jurisdiction over first instance lawsuits in which the applicant for marketing approval for a generic drug or the patentee of the drug patent requests the court to make a judgment on whether the technical solution of the generic drug falls within the scope of protection of the drug patent.[10]

The patentee of the drug patent may file the lawsuit with the Beijing IP Court within 45 days of the date on which the National Medical Products Administration publishes the application for drug marketing approval.[11] The same time limit applies when the patentee chooses to request an administrative ruling from CNIPA. CNIPA's administrative ruling can be appealed to court and the Beijing IP Court has jurisdiction. Only when the patentee does not file a lawsuit or request an administrative ruling within 45 days can the applicant for drug marketing approval file a lawsuit or request an administrative ruling.

The fact that an administrative ruling has been requested cannot be used to request the Beijing IP Court to reject or stay the lawsuit for the same dispute.[12] However, if a lawsuit has been accepted by the Beijing IP Court, CNIPA will not accept a request for an administrative ruling for the same dispute.[13]

### Obtaining relevant evidence of infringement and discovery

There is no discovery such as that found in the United States. Therefore, plaintiffs need to collect evidence through their own channels and in most lawsuits bear the burden of proof. However, the burden of proof is reversed under certain circumstances.

#### Process of making a new product

In any infringement dispute relating to a process of making a new product, the burden of proof is reversed. The party that makes an identical product must prove that its process is different from the patented process. A new product must not be known to the public in China or abroad before the filing date of the patent concerned.[14]

#### Process of making a product that is not new

In an infringement dispute relating to a process of making a product that is not new, the plaintiff should first prove that:

a. the product made by the defendant is identical to that made by the patented process;
b. the product made by the defendant is very likely to have been made by the patented process; and
c. the plaintiff has made reasonable efforts to prove the defendant's use of the patented process.

The court can then require the defendant to prove that its process differs from the patented process.[15]

#### Reversed burden for calculating damages

Where the rights holder has tried its best to provide evidence but the account book and materials relating to the infringement are mainly in the possession of the infringer, to determine the amount of damages, the court may order the infringer to provide the evidence. If the infringer fails to provide this evidence or provides fake evidence, the court may determine the amount of damages based on the claim made and the evidence provided by the rights holder.

### Preliminary injunctions

Article 72 of China's Patent Law provides that where any patentee or interested party has evidence to prove that another person is committing or will soon commit an act that infringes their patent right or hinders the realisation of the right, and this act may cause irreparable harm to their lawful rights and interests unless stopped in a timely manner, they may, before filing a lawsuit, request the people's court to adopt measures to preserve property, order certain actions or prohibit certain actions in accordance with law.

China's Civil Procedure Law provides that a request for preliminary injunction should be filed in a court where the property to be preserved is located, the place where the respondent is domiciled or another court that has jurisdiction. The applicant for preliminary injunction shall provide a guarantee, and if no guarantee is provided, the application shall be rejected. The court must make a ruling within 48 hours of accepting the request. If a preliminary injunction is granted, it shall be enforced immediately. If the applicant fails to file a lawsuit or apply for arbitration within 30 days of the court granting the preliminary injunction, it shall be lifted. Where a request for a preliminary injunction was made in error, the patentee or the interested party must compensate the respondent for the losses caused by the preliminary injunction.[16] For intellectual property cases, the preliminary injunction usually will not be lifted based on the counter-guarantee provided by the respondent, unless the applicant agrees.[17]

### Trial decision-maker

At trial, a case is usually heard by a collegial panel that consists of an odd number of members and has at least three members.

#### People's assessors

There is no jury in trial but there are people's assessors in the first instance. People's assessors and judges form a collegial panel with a judge acting as the presiding judge. A three-member collegial panel may be formed, or a seven-member collegial panel may be formed by three judges and four people's assessors. People's assessors on a three-member collegial panel have a right to vote on the finding of facts and the application of law. People's assessors on a seven-member collegial panel have a right to vote on the finding of facts but not on the application of law.[18]

#### Technical investigators

Technical investigators may appear in trials of technical IP cases (e.g., patent cases).[19] They may also participate in administrative adjudication of an infringement dispute of patent and integrated circuit layout-designs.[20] Technical investigators independently issue and sign technical investigation opinions, which are not publicly disclosed. The technical investigation opinions serve as references for the collegial panel but not as evidence. Moreover, technical investigators cannot vote on judgments or administrative rulings. If technical investigators participate in a case, they must be named in the judgment or administrative ruling.

#### Judicial appraisal

Expert opinions play an important role in litigations in China. Usually, a judicial appraisal institution is appointed by court or agreed on by the relevant parties to issue judicial appraisal opinions in which judicial appraisers use science and technology or expertise to identify and judge the specialised issues involved in a litigation.[21] In contrast to technical investigation opinions, judicial appraisal opinions are evidence that is crucial to fact-finding in trial.

### Structure of the trial

Before trial, a pretrial conference may be summoned by the court at which relevant parties exchange and even cross-examine evidence and address key issues in dispute. A trial consists of two sequential sessions: a court investigation followed by a court debate. The court investigation consists of questioning led by judges and includes the statement of the relevant parties, the testimony of witnesses and the presentation of evidence, judicial appraisal opinions and transcripts of inquisition. Court debates consist of free speeches by the relevant parties in a prescribed order. This format is a hybrid of the inquisitorial system and the adversarial system.

A judgment can be made in trial after the court debate or after the trial is concluded. Although there is no separate proceeding like the *Markman* hearing for patent infringement cases, interpretation of the scope of claims is conducted in trial or even at pretrial conference. The above procedures apply to both civil lawsuits and administrative lawsuits.

### Infringement

The following feature in Chinese patent litigation: the all-element rule; the doctrine of equivalents; file history estoppel; the donation principle; and the means-plus-function feature, etc. Some draw on US practice.

Simply put, the all-element rule means all the technical features of the claim concerned should be examined, and if the allegedly infringing technical solution lacks at least one technical feature of the claim or at least one technical feature is not the same or equivalent, it does not fall into the scope of protection.[22]

The doctrine of equivalents requires examination of each technical feature and adopts the test of using substantially the same means, performing substantially the same function and producing substantially the same effect, to determine equivalents. The time point of determination is the time that the alleged infringing act took place.[23]

File history estoppel is applicable to the abandonment of any technical solutions for any reason during prosecution or invalidation.[24] The file history includes the file history and the history of administrative lawsuits of any divisional applications. However, if such abandonment has been explicitly denied by the relevant authority, it is not subject to estoppel.[25]

The donation principle means that any technical solution that is described but not claimed is considered donated and cannot be incorporated into the scope of protection.[26]

An interpretation of functional limitation in a claim makes reference to, but is not necessarily limited to, specific embodiments.[27]

### Defences

An alleged infringer may defend itself in one or more of the following ways:

a. arguing in the infringement lawsuit that the alleged infringing technology or design does not falls within the scope of protection of the relevant patent right;
b. requesting the PRD to declare the patent concerned as invalid;
c. arguing that the alleged infringing technical solution is prior art;
d. arguing that the act does not belong to the infringing act as defined in Article 11 of China's Patent Law;
e. arguing that the act is an exception to infringement pursuant to Article 75 of China's Patent Law – namely exhaustion of right (including parallel import), prior user right, research exemption, *Bolar* exemption or use in a means of transport temporarily passing through China;
f. arguing that it got infringing products from a legitimate source and hence is not liable for compensation pursuant to Article 77 of China's Patent Law; and
g. seeking a declaratory judgment of non-infringement.

### Time to first-level decision

For a patent civil case, the first instance court has six months to conclude a case, and this time limit can be extended for another six months. The second instance court has three months to conclude a case, and an extension is available. However, the above time limits do not apply to civil cases that involve foreign parties.[28]

For a patent administrative case, the invalidation procedure at the PRD takes 5.7 months on average.[29] The first instance at the Beijing IP Court should be concluded in six months, which is extendible. The second instance should be concluded in three months, which is also extendible. As Article 101 of the Administrative Procedure Law stipulates that where there is no provision in the Administrative Procedural Law, the relevant provisions in the Civil Procedure Law shall apply, the above time limits do not apply to administrative cases that involve foreign parties.[30] In practice, civil cases and administrative cases that involve foreign parties take longer to conclude.

## Remedies

### Mediation

Mediation is available under the administrative route and also under the judicial route with some exceptions, such as patent rejection or invalidation cases.

### Permanent injunction

Under the judicial route, a permanent injunction is almost always available, except where the injunction damages the national or public interest, in which case the court may decide that reasonable royalties be paid by the infringer.[31] Under the administrative route, local IP offices could order the infringers to stop their infringing activities.

### Behaviour preservation

Behaviour preservation, such as a preliminary injunction, property preservation or evidence preservation, is available from courts but not available from the administrative authorities. It can be granted before litigation or during litigation.

### Damages

Courts can award damages based on a calculation using the loss of the rights holder or the illegal gain of the infringer and reasonable multiples of royalties. In cases of wilful infringement, punitive damages can be as high as five times the calculated amount. If none of the above methods can be used, courts may grant statutory damage between 30,000 yuan and 5 million yuan. Local IP offices have no power to award damages but can mediate between the relevant parties regarding the amount.

### Expenses

In addition to calculated damages or statutory damages, courts may order the defendant to pay the plaintiff reasonable expenses incurred by the plaintiff for stopping infringing activities. Local IP offices have no power of this kind.

### Fine

Both courts and AMRs can impose a fine on the defendant. However, fines are available only in patent passing-off cases and are paid to the relevant authorities rather than to plaintiffs.

### Criminal punishment

Criminal punishment is available from the courts but only in patent passing-off cases. Administrative authorities do not have this power.

#### Provisional protection

After a patent is granted, the patentee is entitled to compensation from any party who exploits its invention after publication of the invention patent application and before patent grant. This is generally called provisional protection. Courts have power to grant such compensation, whereas local IP offices can only mediate.

#### Appellate review

See above under the headers 'Judicial route: courts', 'Invalidation procedure' and 'Time to first-level decision'.

### Alternatives to litigation

China's Patent Law does not provide that patent disputes, particularly patent infringement disputes, can be resolved through arbitration. However, it does not explicitly exclude arbitration. According to Articles 2 and 3 of the Chinese Arbitration Law, contract disputes and other property rights disputes can be arbitrated, but administrative disputes cannot be arbitrated.[32] It follows that if relevant parties specify in a contract that patent disputes should be handled through arbitration, these disputes can be resolved through arbitration. However, questions remain whether patent infringement disputes can be taken to court under such circumstances.

## Outlook and conclusions

It is reasonable to expect that the Anti-Unfair Competition Law of the People's Republic of China will be finalised in 2025. It is not clear whether there will be any significant development in the amendment of trademark law or copyright law.

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# Intellectual Property: Czech Republic



19 March 2025

**Čermák a spol**
By Petr Kusy

## Introduction

*This chapter was first published in April 2024. Be advised that some of the below content may no longer apply.*

Numerous forms of intellectual property (IP) protection are available under Czech law. The Czech Republic has historically taken a pro-innovative approach to IP and is a party to most international treaties concerning this field, both directly and through its membership of the European Union. It is thus a party to or a member of the World Intellectual Property Organization (WIPO), the European Patent Convention (the multilateral treaty instituting the European Patent Organisation), the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (known as TRIPS), the Paris Convention, the Patent Cooperation Treaty (PCT), the European Union Intellectual Property Office (EUIPO), the Madrid Convention and Protocol, the Lisbon Convention, the Berne Convention and many other treaties and organisations.

The interaction of the various formal and registered rights with Czech law on unfair competition is of particular interest, as unfair competition law can provide protection that is broader in scope or may extend the duration of protection of a formal right and generally fulfils the role of a catch-all rule against commercially undesirable conduct.

Czech law is a civil law system and thus the basis for legal rules must be grounded in statute (i.e., written law), and it is thus not possible for the courts to create law. Past court decisions interpreting legal provisions and applying these to new factual scenarios are, however, important, as later departures from them should be justified. Court decisions are particularly important in the field of unfair competition law, where the courts have great freedom to decide what conduct is acceptable in trade and what is not. EU case law applies. Court decisions are often not reported, providing an advantage to practitioners who handle large volumes of cases.

# Year in review

There have been no significant developments in the IP field specific to the Czech Republic.

# Obtaining protection

Protection of IP rights varies between the various rights (i.e., technical, aesthetic, identification of source or origin, etc.). Below, we focus on some particular fields of industry or rights regimes.

## Patents (utility patents)

Any technical innovation that is novel, the result of inventive activity and industrially applicable can obtain protection via a grant of a patent, provided that it is not excluded from protection. A patent with effect for the territory of the Czech Republic can be obtained via either the Czech Industrial Property Office (IPO) or the European Patent Office (EPO) (directly or through designation under the PCT regime), allowing the owner or a person the owner authorises (i.e., a licensee) to use the invention exclusively in the jurisdiction and thus to exclude unauthorised users from the market. Further details are provided below.

European patents must be validated within a specified time limit or they are deemed *ab initio* ineffective.

The duration of patent protection is 20 years from the date of the patent application being filed.

Patents can be enforced upon the publication of their grant through IP specialist senates of the courts. Preliminary injunctions (PIs) are readily available.

## Supplementary protection certificates

In the case of pharmaceutical or plant protection products, the 20-year maximum term of protection of a patent can be extended by up to five years. The goal of the supplementary protection certificate (SPC) regime is to compensate patent owners for delays caused to the marketing of their product through the need to undergo often lengthy efficacy and safety examination, to provide at least 15 years of effective protection in practice.

## Utility models

Technical solutions that are novel, extend beyond the scope of mere expert skill and are industrially applicable can be registered as utility models with the IPO, provided that they are not excluded from protection. Utility models notably cannot protect methods of manufacture or processes; product-by-process claims remain available.

Utility models are sometimes called 'small patents' and provide the benefit of rapid grant and thus enable rapid enforcement of the technology.

The downside of the utility model right is the limited term of protection, which is set at a maximum of 10 years.

## Trademarks

Any sign capable of distinguishing the products of one person from those of another is entitled to protection under Czech law, unless it is excluded from protection because of its nature.

Registered trademarks can be obtained as:

a. national trademarks from the IPO;
b. European trademarks from EUIPO; or
c. international trademarks from WIPO.

Registered trademarks must be capable of recordal in the relevant register. They are subject to registration fees and procedures, and they lapse if their duration is not formally extended. They entitle the owner or licensee to prohibit others from using them in a manner capable of causing confusion in the market. Their initial duration of 10 years can be repeatedly extended, potentially indefinitely.

## Trade names

Czech law strictly protects the names of commercial entities, with the use of a similar trade name being forbidden to all. This protection is not limited to particular goods or services.

## Design

National industrial designs and Community designs (i.e., aesthetic forms present in or on products) are granted protection by Czech law.

The IPO registers industrial designs if they are novel and have individual character. Their maximum term of protection is 25 years. The same applies for registered Community designs, which are registered with EUIPO.

Unregistered Community designs come into existence immediately upon their publication without any formal steps being necessary, and last for three years.

## Trade secrets

Trade secret protection applies to any information that has commercial value, is identifiable, is not readily known and is being kept secret through sufficient means. Trade secret protection can be relied on to protect technology or know-how that is not susceptible to reverse engineering.

## Unfair competition

The Civil Code prohibits unfair competition, which is defined as 'conduct in commerce that is capable of harming competitors and is at odds with good morals in competition'. Any person acting in trade falling foul of this provision can be ordered to stop the infringing conduct and remedy the disruption caused on the market by its conduct. The law thus provides the courts with enormous discretion in determining whether conduct is within or outside the limits of good morals in

competition matters. Over the years, the courts have created a number of classes of conduct that amount to unfair competition, and some of these have now been codified in the Civil Code. These specific instances of undesirable conduct include 'misleading marking of goods or services', 'causing a likelihood of confusion' and 'freeriding'. The list is not exhaustive and the courts remain free to judge each case on its merits. The categories are not closed and the judges are free to create new ones.

Breaches of trade secrets are handled under the provisions relating to unfair competition.

Unfair competition law potentially grants protection to technical innovations even after their term of protection has expired; for example, slavish imitation is arguably never permitted, although the court always aims to balance the interest of the innovator and the public need to prevent the creation of undesirable monopolies.

### Copyright and related rights

Czech law provides protection to an author's rights. A literary, artistic or scientific work that is a unique result of its author's creative activity is protected once it is objectively expressed. The definition of a work is very broad. The scope, purpose or value of the work is not relevant. Computer programs and photographs can be protected even if they are merely original. Database protection is created as a *sui generis* right.

The author, who must always be a natural person, obtains moral and economic rights to the work and dealing with it. The economic rights expire 70 years after the death of the author, while some moral rights can survive indefinitely. Numerous statutory exemptions and licences exist.

Related rights include the rights of actors, singers and recording studios, publishers, and film production companies, among others.

### Other IP rights

Czech law also allows for the protection of geographical indications or appellations of origin, topographies of semiconductor products and plant varieties. These will not be addressed in this chapter. Below we focus on patent law and other areas of interest.

## Enforcement of rights

### Possible venues for enforcement or revocation

Industrial property rights infringement disputes are exclusively decided by the City Court in Prague, as the only court with jurisdiction at first instance. Industrial property excludes copyright and unfair competition.

Copyright, trade name and unfair competition disputes are at first instance decided by one of the eight regional courts.

It is possible to apply to the IPO for a determination of whether a description of a product or process falls within the scope of protection of a patent or utility model. The decision can be appealed and subjected to two instances of judicial review. Such a decision is deemed very persuasive by the courts. The proceedings are, however, generally heard *inter partes* and thus cannot be undertaken without alerting the other side.

The IPO has jurisdiction over challenges to the validity of the registered rights: patents, SPCs, utility models, trademarks, etc. The first instance decision of the IPO can be appealed as of right to the President of the IPO. The President decides based on advice from a panel of officers. The President's decision can be subjected to an as-of-right judicial review, which is heard by the administrative division of the City Court in Prague.

The validity of European rights, such as the European patent, the European trademark or the Community designs, can (also) be challenged with the European offices administering those rights: the EPO or EUIPO.

A challenge to the validity of an industrial right in the form of a declaration of non-infringement or invalidity could be directed to the City Court in Prague; however, so far the courts have refused to hear cases of this kind substantively, rejecting them for lack of urgent legal interest.

## Litigation process

### Requirements for jurisdiction and venue

The owner of the registered right can bring an action seeking protection from infringement of the right. A licensee can bring an infringement action if it is authorised to do so under the licence or if it notifies the owner and the owner does not take action within 30 days. The court of jurisdiction is determined by the nature of the right and the location of the defendant or infringing act. Industrial property rights are strictly territorial, and the right must have effect in the Czech Republic and the infringement must take place in the Czech Republic. In the case of regional rights, such as the EU trademark or Community design, the location of the defendant in the Czech Republic may suffice to grant jurisdiction.

The validity of patents, utility models and any other right should be challenged before the IPO, EPO or EUIPO.

While it is possible to apply to the IPO for a determination whether a description of a product or process falls within the scope of protection of a patent or utility model, the applicant has to prove a legal interest in the application and as a result has to identify the potential infringer, thus causing the proceeding to proceed *inter partes*. Where the infringer applies, the right owner becomes a party. Where there are disputes about the nature of the product or process, any decision may be unusable in later litigation.

### Obtaining relevant evidence of infringement and discovery

Strictly speaking, the court obtains, admits and examines evidence based on the proposals of the parties. In practice, the parties must obtain most evidence themselves and the court provides assistance only where the party cannot obtain the evidence without its aid (e.g., the court orders third parties to produce documents or product samples).

Common law style discovery and inspection are not available under Czech law. The IP Enforcement Directive right to information does not assist, as the information only has to be provided after infringement has been established.

The rights holder can request that a piece of evidence is secured in a preliminary manner if there is a threat of it not being obtainable later or obtainable only with great difficulty.

Customs can be used to seize a product suspected of IP infringement, whether it is entering the market or already on the market. If the defendant does not agree to the product's voluntary destruction, the rights holder has to litigate.

### PIs

PIs are available both before and after proceedings on the merits have begun. The PI applicant has to establish (which is a lower standard than proving) that:

a. it has a valid right;
b. this right is likely infringed by the defendant's conduct;
c. the preliminary order sought is necessary given the general circumstances of the case; and
d. the benefit of the PI order to the applicant is not exceeded by the detriment caused to the defendant.

The court will also consider whether the application is urgent and proportionate, that is, that there is not a less invasive way of protecting the right from being infringed. Validity is considered from a formal viewpoint only (i.e., claims that a registered patent or trademark is liable to cancellation or revocation are not considered a valid issue): validity is thus presumed, and the courts readily grant PIs even where a patent was revoked at first instance by the IPO or EPO, but the decision is not yet final.

The court cannot by law order a hearing and it must decide immediately or, failing than, not later than within seven days of the application being filed. The City Court in Prague often decides within one to two days. The defendant is not informed of the PI application, or a decision rejecting or refusing the PI application or terminating the proceedings. In practice, almost all cases are decided on an *ex parte* basis; as a result, in rare cases the defendant may succeed in having a written defence or preliminary defence considered.

The courts are rights holder-friendly, and well-prepared PI applications thus have a high chance of succeeding.

Conversely, there is little the defendant can do to defend against a PI being ordered, as it is usually not heard at first instance, and even on appeal no new evidence can be presented as the state of the court file at the time of the first instance decision is decisive. Defendants thus aim to submit a defence accompanied by as much evidence as possible, to have it on the court's file for the appeal. As previously noted, this in practice only rarely succeeds. Validity is not formally a live issue.

Under the Civil Procedure Code, the PI applicant has strict and unlimited liability for damage caused by the PI, if the PI fails otherwise than through the applicant's success in the action on merits, or its right being satisfied. The effect of EU law, from the the Court of Justice of the European Union (CJEU) decision in *Bayer* and *Mylan*, is so far unclear.

A bond of circa €2,000 has to be paid into court when filing the application. This can be increased by the court *ex officio* or at the defendant's request.

### Trial decision-maker

Industrial property infringement disputes are decided by legally trained judges, sitting in panels or senates of three. The same applies for appeals.

The courts rely on court experts to resolve technical issues of fact. The Ministry of Justice maintains a list of experts appointed in various technical fields. One such field is the field of industrial property. The experts can be approached privately or the court appoints them itself.

It is also possible to apply to the IPO for a determination of whether a description of a product or process falls within the scope of protection of a patent or utility model. While a decision of this kind can be appealed and subject to two instances of judicial review, the final decision (or even the interim decision) is deemed to be very persuasive by the courts.

### Structure of the trial

Infringement and validity issues are usually bifurcated, with the infringement courts being very reluctant to address validity, especially in patent and utility model matters, generally relying on the EPO, IPO or EUIPO to resolve the issue.

The first instance infringement proceedings are begun by the filing of a mainly front-loaded claim in court. This can be preceded by a PI application – which is very useful as the court has to decide on the application within seven days and the PI, if confirmed on appeal, can last for the whole duration of the merit proceedings (i.e., two to five years in patent cases and one to three years in trademark cases).

The court checks the formalities of the claim and serves it on the defendant, including if the defendant is situated abroad, and usually orders the defendant to respond within 30 days. The response is sent to the plaintiff for a potential replication. The court then schedules an oral hearing in the matter. The first hearing is usually scheduled within three to nine months of the claim being filed. In simple matters, a decision can be made at the first hearing, and that is the goal in trademark matters, for example. In patent matters, more than one hearing can be expected, as the court is likely to examine available evidence and adjourn to commission an expert report. At the subsequent hearing, the expert will be heard and cross-examined and, in all likelihood, the decision made. The court can, however, schedule multiple further hearings if necessary. Each hearing is likely to last about two to three hours. The judgment can thus be expected within one to three years. The judgment is not enforceable if appealed. Appeals take one to two years.

Experts are relied on to address technical facts. The parties can approach experts directly and present their expert reports in court, including to challenge the court-appointed expert's report.

Witnesses are rarely called as the court prefers documentary evidence. However, affidavits and similar documents carry very little weight.

All evidence must be presented before the court decides to end evidence-gathering, usually at the end of the first oral hearing, although it generally allows the parties 30 additional days to identify further evidence if this is requested; this evidence can be presented even later.

The burden of proof is on the plaintiff to prove infringement and, as a result, the defendant can be relatively passive. Where the defendant claims something in defence, it has to prove its claim is true. For products obtained through a patented process, the burden may shift to the defendant to prove that the process used to obtain a product that appears the same as a product obtained by a process differs from the patented process.

### Infringement

Czech patent claim interpretation practice relies primarily on a literal interpretation of the claims. The drawings and description are used to interpret the claims. If a feature of the patent claim is missing, the patent owner can aim to prove that the feature is not necessary or that a technically equivalent feature is present. There is limited case law on claim interpretation, but the IPO's practice has largely been adopted.

There is limited case law on the theory of equivalents.

There is no clear position on whether the prosecution file can be used to interpret the claims.

### Defences

A defendant can attempt to pre-empt an infringement action; for example, by challenging the right before the EPO, IPO or EUIPO, or by seeking a declaration of non-infringement from the IPO in the case of patents or utility models. Seeking a non-infringement declaratory judgment is not likely to succeed, as the courts refuse to entertain them for lack of urgent legal need.

Defending against a PI can involve submitting defensive briefs and monitoring the courts aiming to submit a substantive defence once a PI application is filed.

Once infringement proceedings on the merits are begun, arguing lack of validity of a patent (because of a lack of novelty or inventive step, or obviousness) is not a strong defence as the courts aim to avoid technical validity issues. However, the court may stay infringement proceedings where the IPO or EPO is examining the validity of a patent. The court could theoretically also decide to disapply a patent as far as it is deemed not valid by the court.

Having a licence provides a defence against an infringement claim; however, as all patent licences should be in writing, this rarely occurs.

Compulsory licences are available under Czech law; however, these are very rare.

A defendant can claim that the right has been exhausted; this occurs where the owner authorises the first sale in the Czech Republic or the European Economic Area. Under normal circumstances, subsequent sales cannot be opposed by the owner.

Delaying bringing an action for infringement has no negative effect on the chances of success of the infringement claim, provided that the limitation periods are not exceeded. Injunctions are available as of right and are not discretionary, although the court has discretion on whether to order destruction of infringing goods or not.

### Time to first-level decision

The plaintiff can expect the first instance judgment in patent matters to be rendered within 15 to 36 months. The appeal then takes 12 to 24 months. In simpler matters, such as trademarks, the judgment can be obtained within nine to 24 months and the appeal resolved in 12 to 24 months.

As a result, seeking a PI has to be carefully considered, given that the court has to rule on a PI within seven days, the appeal is decided within three to six months and the PI can last for the duration of the full proceedings.

### Remedies

PIs are readily available under Czech law. The PI applicant has to prove that it has a valid right, that this is likely to have been infringed and that there is an urgent need to adjust the parties' position. The formal validity of a right is decisive. Infringement of the right has to be shown to be likely, with the benefit of the doubt generally going to the patent owner. The urgent need requires the PI applicant to move relatively quickly (i.e., within months of the infringing conduct beginning), and the harm being caused to the applicant must be sufficiently significant – although in IP cases this is generally presumed. The requested PI order must be proportionate to the harm being caused, and the order reversible (e.g., destruction of goods cannot be obtained). Because a PI is enforceable once served on the defendant by the court, this allows the rights holder to protect its market pending full litigation.

In the action on merit the rights holder can seek that:

a. the infringing conduct stops (e.g., in patent matters, the product is not made, offered, used, disposed of, stored, imported or otherwise dealt with);
b. the infringing state of affairs is remedied (e.g., the product is withdrawn from the market and is destroyed, and an apology is made at the expense of the defendant);
c. the damage caused is compensated (including lost profit);
d. unjustified enrichment of the infringer is surrendered;
e. reasonable compensation for immaterial harm is paid by the defendant;
f. the court judgment is published at the expense of the defendant;
g. information about the infringement is provided by the defendant; and
h. it is paid costs.

Damages can either be claimed at the level at which damage or losses were in fact suffered (and precisely proven and calculated) or a lump sum can be sought amounting to at least double the value of the hypothetical licence fee that would have authorised the otherwise infringing conduct.

Injunctions are awarded as of right.

Judgments cannot have extraterritorial effect, unless expressly provided for (e.g., Community designs, EU trademarks).

### Appellate review

First instance decisions can be subject to appeal at the High Court in Prague in industrial property matters. The appeal suspends the effect of the decision (this does not apply to PI orders). While the appeal court reviews issues of both law and fact, new evidence can only be presented on appeal in very limited circumstances. In PI proceedings, no new evidence is admissible and the appeal does not have suspensive effect.

The appeal proceedings usually involve the appeal itself, which has to be filed within 15 days of receipt of the written decision of the first instance court, a response to the appeal, and an unlimited amount of further written submissions, although usually only one or two rounds of exchanges take place. The High Court can then be expected to decide the matter at the end of the first hearing in the matter; in rare cases, the court adjourns for one week for the sole purpose of issuing its decision at the next hearing. The oral appeal hearing usually lasts two to three hours.

### Alternatives to litigation

As an alternative to litigation, the parties may negotiate or resort to mediation or arbitration, although mediation and arbitration are rare in IP cases. The Arbitration Court attached to the Economic Chamber of the Czech Republic and the Agricultural Chamber of the Czech Republic is a long-standing arbitration body with several IP specialist arbitrators on its list and a solid reputation. It has acted as a uniform domain name dispute resolution policy venue for the .cz, .eu, .com and many other country code top-level domains and generic top-level domains.

A party may apply to the IPO for a determination of whether a described product or process falls within the scope of infringement of a patent or utility model. As this issue resolves the issue of infringement, the parties may decide to refrain from litigation before the courts, and litigate the issue before the IPO.

A patent cancellation application or a utility model striking-off action can also be begun before the IPO, opposition proceedings can be begun before the EPO, or trademark revocation before the IPO or EUIPO whereby the validity of the right is put in dispute – and the parties may decide to resort to court litigation while the validity challenges are pending.

## Outlook and conclusions

Czech IP law is expected to continue its gradual development, for the most part mirroring the IP law developments of its European neighbours.

The main area to watch is the Unified Patent Court, with respect to which the Czech Republic may opt to ratify the Unified Patent Court Agreement.

# Intellectual Property: France



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## Introduction

Intellectual property protection and enforcement in France are heavily affected by international treaties and multilateral agreements.

French law on intellectual property rights is the result of national statutory and regulatory provisions, statutory provisions implementing international and multilateral agreements and European regulations having direct effect in France as a Member State of the European Union.

In this respect, France is a party to the Paris Convention for the Protection of Industrial Property of 20 March 1883, which introduces key mechanisms, such as the priority right. France is also a party to the Berne Convention for the Protection of Literary and Artistic Works of 9 September 1886.

Under these two main international conventions, France is a party to a number of special agreements. Some of these allow for an international filing of applications for registered intellectual property rights: for patents, the Patent Cooperation Treaty (PCT) of 19 June 1970; and for trademarks, the Madrid Agreement Concerning the International Registration of Marks of 14 April 1891 and the Madrid Protocol of 27 June 1989.[1]

France is also a party to regional agreements. The substance of the Strasbourg Convention on the Unification of Certain Points of Substantive Law on Patents for Invention of 27 November 1963, drafted under the authority of the Council of Europe, is found in the Munich Convention on the Grant of European Patents of 5 October 1973, also known as the European Patent Convention and revised in 2000, which entered into force on 13 December 2007. Under these conventions, European

patents administered at the European Patent Office (EPO) may designate France and be enforceable in France. Since 1 May 2008, because of the entry into force of the London Protocol,[2] a French translation of the description of the patent is no longer required, provided that it is available in one of the three official EPO languages (German, English and French).[3]

As a Member State of the European Union, France implements and enforces EU legislation – for example Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trademark – which sets a unitary trademark protection for all the Member States. Directives also aim at harmonising national laws and, in this respect, Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights has notably helped improve means of enforcement of intellectual property rights in France. France is also a party to the enhanced cooperation that led to establishing a European unitary patent system including a unitary patent and the Unified Patent Court (UPC). This new European court opened its doors on 1 June 2023. The UPC is a specific supranational jurisdiction for existing European patents and for unitary patent litigation, and this jurisdiction has its own set of procedural rules.

Under the World Trade Organization, France has also implemented the Agreement on Trade-Related Aspects of Intellectual Property Rights, signed on 15 April 1994.

The implementation of these international rules, and the articulation of French law and notably French intellectual property law with these international rules, is codified with French national substantive law in the French Intellectual Property Code (CPI).

French law as codified in the CPI provides for specific provisions regarding several intellectual property rights, among which are utility patents, supplementary protection certificates (SPCs) for some utility patents, utility certificates, trademarks, designs, semiconductors, plant varieties, geographical indications, manufacturing secrets, authors' rights, neighbouring rights and database producer rights. Trade secrets law is codified in the French Commerce Code.

The intellectual property rights most commonly relied upon are utility patents, designs, trademarks and authors' rights.[4]

## Patent protection

Subject to registration, utility patents allow for obtaining exclusive rights over a new invention showing the inventive activity of the inventor and allowing for industrial application. Utility patents are aimed at protecting technical features. National French patents and European patents designating France have effect in France from their date of application and for a period of 20 years.[5] The main counterpoise for granting exclusive patent rights to a patent holder is the disclosure of the content of the patent application and the granted patent to the public. After the 20-year term, the patent rights expire and the patent content falls into the public domain.

## Design protection

Subject to registration, designs allow for protecting new forms showing new and individual character. Designs aim at protecting the appearance of the whole or a part of a product. Registered national, international and Community designs are protected for a period of five years as from the date of the filing of the application. The term of protection may be renewed for one or more periods of five years each, up to a total term of 25 years from the date of filing. Unregistered Community designs are protected for a period of three years from the date of first disclosure of the design. Registered and unregistered designs may also enjoy protection under authors' rights, if they meet the specific requirements under authors' rights in France.

## Trademark protection

Subject to registration, trademark law allows for reserving a sign with distinctive character for identifying a good or a service. National, international and Community trademarks have effect in France and allow for reserving a right over a sign on their date of application and for a term of 10 years, renewable without limits. Trademarks may consequently remain valid and enforceable for an unlimited period. Trademarks may, however, become generic or be revoked for non-use.

## Authors' rights protection

There is no copyright per se in France, only authors' rights. There are no formalities of registration required with any French office to enable an author to protect his or her work and benefit from the exclusive rights over such a work. Authors' rights result solely from the creation of the work itself. The work must be an original work of authorship. Authors' rights combine both proprietary economic rights[6] and moral rights.[7] The proprietary economic rights last for the entire life of the author and end 70 years after the year of his or her death.[8] The moral right is imprescriptible. Authors' rights might be difficult to evidence owing to the lack of formal requirements for their protection.

## Trade secret protection and other exclusive data

Trade secrets are defined and protected under specific statutory provisions in France. There are no registration formalities required with any French office to enable a party to enjoy protection for its trade secrets. To be eligible for trade secret protection, one needs to be able to show that a piece of information:

a. is not, in itself or in the correct configuration and assembly of its elements, generally known or easily accessible to persons familiar with this type of information because of their sector of activity;
b. has commercial value, actual or potential, because of its secrecy; and
c. is subjected by its legitimate holder to reasonable protective measures to maintain secrecy.

Trade secrets may enjoy protection as long as information meets the above-listed three criteria. Trade secrets may consequently remain valid and enforceable for an unlimited period.

Other specific regulations allow for protecting specific valuable data such as data found in marketing authorisations.[9]

## Year in review

In the pharmaceutical sector, a trend towards a softer position of French Courts regarding the validity of SPCs was confirmed by the French Supreme Court.[10] It confirmed a decision recognising the validity of an SPC covering a monoclonal antibody that was not specifically characterised in the basic patent (and was covered by a subsequent patent), holding that the discovery of the antibody did not involve an independent inventive step in addition to the teachings of the basic patent.

With respect to evidence gathering, the Paris Court of appeal[11] ruled that in the context of French evidentiary seizures, it is possible to seize any digital file that is accessible from the computers located on the French premises where the seizure takes place, including the source code of software, irrespective of the location of the servers on which the files are stored. In the same decision, it also clarified that evidentiaryseizures cannot be denied on the sole ground that the applicant may seek to use the seized evidence for parallel proceedings abroad, as long as such use abroad is not the sole purpose of the seizure.

## Obtaining protection

Except for authors' rights and trade secrets, applications should be made to the relevant national or regional office to obtain protection of intellectual property rights.

As regards patents, since 2020 a full examination of the patent, including an assessment of the inventive step, is conducted by the National Institute of Industrial Property (INPI).

Article L611-10 CPI provides that inventions that are new, that show inventive activity and that are susceptible to industrial application are patentable. There is, however, no general positive definition of 'invention' under French law.

In practice, products and processes that provide technical means for solving a technical problem are, as a general rule, patentable. Nevertheless, some subject matter is excluded from patentability.

Article L611-10, Section 2 CPI provides a list of what are not inventions:

a. discoveries, scientific theories and mathematical methods;
b. aesthetic creations;
c. plans, principles and methods applied to intellectual activities, games or business as well as computer programs; and
d. presentations of information.

Article L611-10, Section 3 specifies that exclusion should apply only when the subject matter of the patent is one of the above per se.

In this respect, pure business methods are not patentable in France. However, a larger process including a business method may be patented if the means other than the business method are claimed and patentable.

Similarly, computer software per se is excluded from patentability and is protected under authors' rights in an amended version as compared with literary and artistic works.[12] However, nothing precludes obtaining a patent for a process including the use of software or a programmed computer to enable its implementation.[13]

Article L611-19 CPI excludes from patentability plant varieties that may be protected by a special title under Regulation (EC) No. 2100/94. Animal breeds are also excluded. Inventions involving plants and animals but not limited to a particular variety or breed are patentable except products obtained from biological processes for obtaining plants and animals, as well as their parts and genetic components. Furthermore, it is stated that processes involving microorganisms and products obtained through such processes are patentable.

In the field of genetics, Article L611-18 CPI[14] states, as a principle, that the human body itself or the mere discovery of a part of it cannot be patented. This nevertheless allows for patenting the vast majority of biotechnology-related inventions (both processes and products). As an example, a patent over 'cloned DNA sequences, hybridisable with genomic RNA of the LAV' has been held valid.[15]

As to methods for treating patients, Article L611-16 CPI states that they are not patentable. The same Article makes it clear that products for implementing methods for treating patients are patentable.

Where a patent application is for military or mixed civil–military subject matter, the applicant must notify the Ministry of Defence within eight days of filing.[16]

As to the nature of the rights vested in the patent holder, it is a right to exclude others from doing a certain number of actions, including manufacturing, importing and selling products or processes listed on the claims of the patent.[17]

Patent rights are granted for 20 years from their date of filing. However, in some limited cases the protection conferred by the patent may be extended.

In this respect, under Regulation (EC) No. 469/2009 of 6 May 2009, patents over drugs are subject to a possible extension of protection in the form of an SPC.[18]

Administrative challenges are available at the INPI regarding trademark registrations and grant of patent. Trademark revocation actions are available to any third party on limited grounds through administrative proceedings at the trademark office.[19] Patent opposition proceedings at the INPI allow third parties to request the revocation or amendment of a patent through administrative proceedings.

Judicial courts also have jurisdiction on revocation for parties showing standing to sue.

# Enforcement of rights

## Possible venues for enforcement or revocation

Intellectual property rights enforcement in France is for courts to ascertain. The Paris Judicial Court has exclusive jurisdiction over patent infringement and nullity cases,[20] as well as Community trademarks and designs. This allows for some harmonisation of case law at first instance level.[21]

In theory, upon a showing of intent, infringement amounts to an offence,[22] allowing a case to be brought before the criminal courts.[23] The same is true with registered trademarks, registered designs and authors' rights.

The administrative route before the INPI is open for cancellation actions against French designs or French trademarks regarding statutorily listed grounds. Other grounds of nullity are still the exclusive jurisdiction of judicial courts.

The INPI is also in charge of opposition proceedings by third parties against French patents examined and granted by the INPI.

Patent holders may voluntarily amend the scope of the claims of their title, notably post-grant.[24] The amended patent retroactively becomes the only patent that ever existed. The application for amendment has to be filed with the INPI. The INPI decides on the grant of the amendment within a few months.[25]

When civil proceedings on the merits regarding the validity and possible infringement of a patent as granted are pending, the initiation of an amendment procedure at the INPI does not automatically trigger a stay of the civil proceedings. The Court of Appeal of Paris[26] has made clear that amendment applications before the INPI are available both for national French patents and for European patents designating France.[27]

Actions for nullification of a decision of the INPI remain the exclusive jurisdiction of the Court of Appeal of Paris.

## Requirements for jurisdiction and venue

For patent matters, exclusive jurisdiction is vested in the Judicial Court of Paris. Civil actions over patents include infringement actions, nullification actions and declaratory suits for non-infringement.

To sue for infringement, a patent holder must notably evidence that it has title and ownership and that the patent is enforceable by payment of maintenance fees. An exclusive licensee may also, upon authorisation by the patent holder, initiate a patent infringement case. A non-exclusive licensee may join the procedure initiated by the patent holder to recover damages for its own loss.[28] To sue for patent nullification, a third party must show that it has a personal interest in seeking patent nullification (e.g., being a competitor on the French market needing freedom to operate).[29] To initiate a declaratory suit for non-infringement, a party must show that it is using its invention industrially in the European Union or that it is effectively and seriously preparing to do so.[30]

## Obtaining relevant evidence of infringement and discovery

Under French civil procedure, the burden of proof regarding the facts on which a claim is based lies on the claimant.

Infringement may be proved by any evidentiary means. This includes bailiff reports, bailiff purchases (i.e., purchases made by an independent party under the scrutiny of a bailiff reporting under oath on the actual sale on the market) and documentary evidence.

There is no equivalent to US discovery in France, but as regards intellectual property rights and trade secrets, French law provides for a specific means of obtaining evidence: the infringement seizure. The infringement seizure is a highly effective evidence-gathering mechanism whereby a patent holder, suspecting an infringement of its rights, applies *ex parte* for an order of the presiding judge of the Paris Judicial Court authorising a bailiff, and possibly an independent person knowledgeable in the art, to enter any premises where the evidence of the infringement could be found (notably the premises of a competitor) to seize the allegedly infringing product, or to describe, take pictures or videos of, and copy any information as listed in the presiding judge's order.

This evidence-gathering procedure is performed under the liability of the patent holder. Consequently, any abuse resulting in gaining access to information not directly related to the seizure of sample products or the description of the allegedly infringing product or process will be penalised: evidence gathered beyond the scope of the presiding judge's order will be inadmissible, and the patent holder might have to compensate the seized party for any loss resulting from the abuse.[31]

Where the infringement seizure takes place on the premises of a competitor, the latter will often have any information seized put in sealed envelopes, to protect confidentiality. The confidentiality regime of evidence may then be agreed upon between the parties or governed by a protective order from the court.

In addition, or as an alternative to the infringement seizure, it is possible[32] to have the court order that an alleged infringer provide some information on the extent and origin of the infringement. The Court of Cassation has had the opportunity to decide that such right of information may be applied for and ordered before trial, while a case on the merits is pending and before trial regarding infringement.[33]

## Preliminary injunctions

Intellectual property rights holders may choose to seek a preliminary injunction in an expedited prima facie case before seeking a finding of infringement on the merits.

In patent cases, the requirements for a grant of a preliminary injunction are that the patent holder shows that the patent is granted, that it is enforceable at the time the preliminary injunction[34] is sought, and that there is a prima facie case of infringement or of clear threat of infringement.[35] The defendant to the injunction may challenge the prima facie nature of the infringement notably by evidencing a prima facie case of nullity of the patent.[36] Preliminary injunctions are usually requested in summary proceedings (*inter partes*) but may also be sought on an *ex parte* petition. The Court of Appeal of

Paris, however, decided that an injunction requested *ex parte* cannot be ordered unless specific factual circumstances make it reasonable not to hear the defendant in *inter partes* proceedings.[37] Preliminary injunctions are decided within a few months and even within a few weeks where urgency commands it.

## Trial decision-maker

In France, the third chamber of the Paris Judicial Court specialises in intellectual property and has exclusive jurisdiction for patent cases. The third chamber is divided into three sections of three judges. These judges do not have a technical background. There is no jury system in French courts, and fact-finding is for the judges to carry out.

At trial, patent cases will usually be heard by the three judges belonging to the section to which the case was assigned. If necessary, the court may, during the proceedings on the merits, appoint an expert from the court list of experts to clarify specific issues in a report filed before trial. This is, however, not often the case.

## Structure of the trial

Since the procedure in civil cases in France is mainly conducted in writing, judges will read the briefs filed by the parties to understand and decide a case. The trial is an opportunity for lawyers to emphasise and synthesise the key issues of the case. Judges will usually listen to the oral arguments of each party one at a time and ask few or no questions. Judges rely heavily on documentary evidence and information gathered during the infringement seizure. Witnesses are, in practice, never heard by French courts. Party-appointed experts' affidavits are given relative weight, and experts are never examined or cross-examined.

French civil procedure does not set specific standards of proof in patent cases. Patents are presumed valid. In patent nullification cases, the Court of Appeal of Paris[38] has indicated, as regards evidencing insufficient disclosure leading to nullity, that it 'must be established beyond a reasonable doubt and that the doubt should benefit the patent holder'. This should also be applicable to other grounds for judicial nullification of a patent.

## Infringement

To correctly assess infringement, claims will first be construed. Claim construction is made in light of the description and drawings.[39] In addition, the Court of Cassation has the opportunity to decide that even if there exists no 'file-wrapper estoppel' as such in France, limitations made during prosecution of the disputed patent should nevertheless be taken into account to assess the scope of the granted patent.[40]

French law lists acts that performance without the consent of the patent holder amounts to infringement, including manufacturing, importing and selling the patented products or processes.[41] An offer for sale, defined as any presentation of a product or its prototype, that might result in potential or actual clients disregarding the patented invention, is also an act of infringement.[42]

Infringement may be found by literally reading the claims of the patent or by applying the doctrine of equivalents. Indirect infringement also triggers the liability of the person offering essential means for implementing the invention, even where the essential means are consumable supplies.[43]

Claim construction and infringement (and nullity counterclaims) are all dealt with and decided at the same time.

## Defences

The most common defence to infringement is the invalidity of the intellectual property right at stake, often resulting in a counterclaim for nullification.

In patent cases, nullity is most often sought for lack of an inventive step and lack of novelty of the patented subject matter. Lack of novelty requires a single piece of prior art determining form and function of the invention and achieving the same result.[44] A demonstration for lack of an inventive step allows for the combination of several relevant pieces of prior art and the general knowledge of the person skilled in the art.[45] However, it should also be demonstrated that the person skilled in the art charged with assessing the inventive step over the prior art had good reason to combine the selected pieces of prior art.[46] In assessing the inventive step, the Court of Appeal has followed the exact approach of the EPO, from the selection of the most relevant prior art to the 'could or would' approach.[47] Other grounds for nullity can serve as defences against infringement, notably undue extension of the granted patent as compared with the application as filed or insufficient disclosure of the invention even if French courts have traditionally been flexible in assessing the latter.[48]

Under French law, ownership is not a defence to infringement.[49]

Other common defences are the personal prior use right developed independently earlier than the priority date of the disputed patent and patent rights exhaustion. As regards the latter, it occurs where the patented product has been put on the market with the, possibly implicit, consent of the patent holder.[50]

A defence specific to the pharma industry is the *Bolar* provision, construed broadly in France, following which acts even outside France to gain regulatory approval for any medicinal products are exempt from patent infringement.[51]

## Time to first-level decision

It usually takes roughly 24 months to decide a patent infringement and validity case on the merits at first instance. Trademark and design cases might proceed more swiftly.

## Remedies

On the merits, intellectual property rights holders will mainly seek a permanent injunction[52] and compensatory damages.[53] There are no exemplary or punitive damages in France.

Courts focus on the right holder's economic loss to assess damages. Damages mainly amount to lost profits,[54] corresponding to lost royalty,[55] or the gross margin of the patent holder on the infringing turnover. Alternatively, account of profits is available and has been awarded by a French court where it allows greater compensation than lost margin or lost royalty.[56]

When given sufficient supporting evidence regarding costs, courts order that attorneys' fees be fully borne by the defeated party.[57]

Other available measures include a recall from the channels of commerce or the destruction of the infringing products as well as the publishing of the decision in full or in part.

### Appellate review

The Fifth Chamber of the Court of Appeal of Paris has two sections that specialise in patent cases. Each section has three judges. These judges do not have a technical background.

Appellate review in France is *de novo* on both facts and law. New evidence may consequently be added at the appellate level but not new legal claims. Appeal decisions are usually rendered within 24 months.

### Alternatives to litigation

Alternative dispute resolution is available to reach an outcome in patent litigation. Ad hoc mediation allows for reaching a settlement. In addition, French patent law now clearly states that the exclusive jurisdiction of the Paris Judicial Court 'does not preclude the use of arbitration'.[58] This was in practice already the case as regards patents, but the statutory change clarifies the situation.

## Outlook and conclusions

Regarding trademarks, in 2025, the Court of Justice of the European Union (CJEU) is expected to rule on questions regarding bad faith registration of trademarks.[59] In so far as bad faith constitutes an autonomous concept of Union law subject to a uniform interpretation, the CJEU is notably asked to clarify whether the filing of a purely functional trademark contrary to Article 7(1)(e)(ii) of Regulation 207/2009 may per se amount to bad faith registration under Article 52(1) of the same Regulation.

Regarding patents, on 11 February 2025, the European Union decided to withdraw its draft regulation on standard essential patents (SEPs), which was due to amend Regulation (EU)2017/1001, notably articulating competition law and intellectual property law by promoting FRAND (fair, reasonable and non-discriminatory) licences to encourage both SEP holders and implementers to innovate in the EU.

The draft EU regulation for creating a unitary supplementary certificate for medicinal products is pushed forward by the EU Commission. The Commission’s proposals notably foresee the creation of a unitary SPC where a unitary patent is used as basic patent. Interestingly, the invalidity actions against a unitary SPC would currently have to be brought before the EUIPO

and subsequently before the General Court of the EU but not before the UPC.

## Footnotes

1. ^ Other ratified conventions are, regarding designs, the Hague Convention of 6 November 1925; and regarding the filing of microorganisms, the Budapest Treaty of 28 April 1977.
2. ^ Agreement dated 17 October 2000 on the application of Article 65 of the Convention on the Grant of European Patents.
3. ^ The claims are still available in the three official languages of the EPO.
4. ^ Geographical indications, such as appellations of origin, are also widely used almost exclusively for foodstuffs, given that the specificities of the land of their region of origin provide some of their characteristics.
5. ^ According to the statistics made available by the French patent and trademark office (National Institute of Industrial Property (INPI)), the EPO and the World Intellectual Property Organization (WIPO), 15,566 national French patents were applied for in 2022. During the same period, French entities applied for 10,814 European patents (directly at the EPO or through the PCT route). Further, of all international applications filed under the PCT, 7,916 were filed by French entities.
6. ^ Notably the rights to perform, copy, display and adapt.
7. ^ Mainly the right to disclose the work or right of withdrawal, the right to be named as the author, and the right to have the work and its destination unaltered.
8. ^ Since Law No. 97-283 of 27 March 1997.
9. ^ The current regime on data exclusivity and market exclusivity in marketing authorisations is governed by Directive 2001/83/EC of the European Parliament and of the Council of 6 November 2001 as amended by Directive 2004/27/EC of the European Parliament and of the Council of 31 March 2004. For medicinal products authorised by the French health authorities with application for authorisation submitted after 30 October 2005, Article 10.1 of Directive 2001/83/EC as amended by Directive 2004/27/EC and as implemented into French law grants the holder of the marketing authorisation of the reference medicinal product at least eight years of data exclusivity, protection over the results of the holder's preclinical tests and clinical trials from the initial authorisation of the reference medicinal product, which means that the applicant for a marketing authorisation of a generic product cannot rely on them until that period has elapsed. The same article provides for a 10-year period of market exclusivity protection during which the generic product cannot be launched onto the market. The market exclusivity period can be extended to a maximum of 11 years under specific requirements.
10. ^ Court of Cassation, 31 January 2024, case No. 22-18.374, *Dana-Farber Cancer Institute Inc. v. INPI*.
11. ^ Court of appeal of Paris, 25 October 2024, case No. 23/17701, *Cisco Systems, Inc. v. Centripetal Ltd.*
12. ^ Law No. 85-660 of 3 July 1985 codified in the CPI allows the application of authors' rights protection to computer programs.
13. ^ As decided by the Court of Cassation: 'A process cannot be denied patentability on the sole basis that one or more of its steps are performed by a computer controlled by software.' Moreover, the Court held that 'excluding the patent field processes involving the execution of a computer program would “exclude from the field of patentability most important recent inventions”'. Court of Appeal of Paris 15 June 1981, PIBD 1981. 285, III, 175.
14. ^ Article L611-18 CPI mainly implements into French law Directive 98/44/EC of 6 July 1998 on the legal protection of biotechnological inventions.
15. ^ Court of Cassation, 23 November 2010, Case No. 1194, *Institut Pasteur v. Chiron Healthcare & Novartis Vaccines & Diagnostics*.

16. ^ Decree No. 2017-553 of 14 April 2017.
17. ^ Article L613-3 CPI.
18. ^ SPCs allow for compensating the time lost between the filing of a patent and the grant of a marketing authorisation needed to put a drug on the market (up to five years).
19. ^ Ordinance No. 2019-1169 of 13 November 2019.
20. ^ Decree No. 2009-1205 of 9 October 2009, which entered into force on 1 November 2009, states that disputes regarding patents are now the exclusive jurisdiction of the Paris Judicial Court and on appeal of the Court of Appeal of Paris. (See Articles L615-17 and D631-2 CPI.)
21. ^ Such exclusive jurisdiction of the Paris courts does not extend to trade secret cases (see Court of Cassation, 16 February 2016, Case No. 14-24.295).
22. ^ See Article L615-14 CPI for patents; however, this route is almost never used, mainly because (1) a criminal case is controlled not only by the parties but also by the French state, which is a party to the proceedings, independently deciding its own behaviour in the case; and (2) criminal courts generally do not award high levels of damages in patent cases.
23. ^ A criminal and a civil case over the same facts may be brought in parallel but the procedural interaction of the two might bring much complexity to a case; see Court of Appeal of Paris, Division 5-1, 12 February 2014, No. 11/01882, *Donerre v. BOS*.
24. ^ Voluntary limitation post-grant was introduced into French law by Act No. 2008-776 of 4 August 2008, which entered into force on 1 January 2009, and Decree 2008-1471 of 30 December 2008.
25. ^ Cumulating several voluntary limitations is allowed; see Court of Appeal of Paris, Division 5-1, 12 February 2014, No. 12/16589, *Anne Duquesnoy v. Hermès Sellier*.
26. ^ Court of Appeal of Paris, Division 5-2, 21 October 2011, *Ateliers LR Etanco SAS v. SFS Intec Holding AG*.
27. ^ Stanislas Roux-Vaillard and Loïc Lemercier, 'Amendment of patents in France: three years on', *Propriété Industrielle* 2012, étude 2, p. 22; Emmanuel Py: 'Details on the voluntary limitation procedure of the patent: the case of the European patent designating France', *Propriété Industrielle* 2011, comm 70; Pierre Véron and Isabelle Romet: 'Patents: strengthening by amendment – voluntary amendment of granted French national patents is now possible', IIC, 31 December 2009.
28. ^ See Article L615-2 CPI.
29. ^ Court of Appeal of Paris, Division 5-2, 17 February 2012, Case No. 11/09940, *Omnipharm Limited v. SAS Merial*.
30. ^ See Article L615-9 CPI.
31. ^ Court of Cassation, 26 June 2012, Case No. 11-18.971, *Tordo Belgrano & FTI v. Inglese, Metimexco and Morey Production*.
32. ^ See Article L615-5-2 CPI.
33. ^ Court of Cassation, 13 December 2011, Case No. 10-28.088, .
34. ^ Article L615-3 CPI.
35. ^ The presiding judge may order that the claimant place a bond to compensate the defendant for any undue negative consequence originating from the preliminary injunction, if the court ultimately finds in favour of the defendant.
36. ^ In an SEP case where the parties were discussing the FRAND terms of a licence, the presiding judge of the Paris Judicial Court rejected a preliminary injunction request because it would have had disproportionate consequences on the business of the defendant; see: order from the presiding judge of the Paris Judicial Court, 29 November

2013, Case No. 12/14922, *Ericsson v. TCT Mobiles*; see also: order from the presiding judge of the Paris Judicial Court, 8 December 2011, Case No. 11/58301, *Samsung v. Apple*.

37. ^ Court of Cassation, 16 September 2014, Case No. 13-10189, *Sanofi v. Novartis*.
38. ^ Court of Appeal of Paris, 13 January 2012, Case No. 10/17727, *SAS Sandoz v. Eli Lilly & Company*.
39. ^ Court of Cassation, 23 June 2015, Case No. 13-25082, *Core Distribution Inc v. Castorama*.
40. ^ Court of Cassation, 23 November 2010, *Institut Pasteur v. Chiron Healthcare*; see also Paris Judicial Court, 20 September 2011, Case No. 10/02548, *SEPPIC v. IMCD*.
41. ^ Article L613-3 CPI.
42. ^ Court of Cassation, 5 July 2017, Case No. 15-20554, *Bell Helicopter v. Airbus Helicopters*.
43. ^ Court of Cassation, 8 June 2017, Case No. 15-29378, *SCA Tissue France v. Sipinco & Global Hygiène*.
44. ^ Court of Cassation, 14 May 2013, Case No. 11-27.686, *Heidelberg Postpress v. Bobst*.
45. ^ Court of Cassation, 11 January 2017, Case No. 15-17.134, *Reckitt Benckiser Plc v. Arrow génériques*.
46. ^ Court of Appeal of Paris, Division 5-2, 13 January 2012, Case No. 10/17727, *SAS Sandoz v. Eli Lilly & Company*.
47. ^ ibid.
48. ^ Court of Cassation, 13 November 2013, Case No. 12-14.803, *Paul Robert Industrie SAS v. Hutchinson France, Paulstra*.
49. ^ A dispute over ownership of a French patent gives rise to a specific action for claiming back ownership (Article L611-8 CPI); lack of ownership of a European patent when filed is ruled by Article 138, Paragraph 1(e) of the European Patent Convention, which is applied by the Court of Cassation as being actionable only by 'the true owner of the patent or his successor' and not any alleged infringer.
50. ^ In a preliminary ruling (order from the presiding judge of the Paris Judicial Court, 8 December 2011, *Samsung v. Apple*), the presiding judge of the Paris Judicial Court found that owing to the circumstances of the case, an agreement in the mobile technology sector, where parties to the agreement had specified that the document should not be interpreted as a licence, was in fact a licence and had exhausted the rights of the patent holder.
51. ^ Order from the presiding judge of the Paris Judicial Court, 15 December 2014, Case No. 14/58023, *Sanofi-Aventis Deutschland v. Lilly France*.
52. ^ Court of Cassation, 12 May 2015, Case No. 14-13024, *Mr Pelletier v. Accordiola France*.
53. ^ For example, for a €28 million award, Paris Judicial Court, 11 September 2020, Case No. 17/10421, *Eli Lilly & Company, Lilly France v. Fresenius Kabi France, Fresenius Kabi Groupe France*.
54. ^ Courts have awarded damages for the 'springboard effect', which are included in the calculation of right holders' loss of profits. The springboard effect allows the court to take into account part of the turnover made by the infringer after the infringing situation stopped, on account of the market share unduly gained during the infringement.
55. ^ Owing to the judicial context of the royalty determination, leaving the infringer with no room for negotiation, French courts increase the contractual rate by a few points.
56. ^ Court of Appeal of Paris, 7 November 2012, Case No. 11/14297, *Quest Technologies Inc v. Sarl AHT Sud*; Colmar Judicial Court, 20 September 2011, Case No. 10/02039, *Sté MBI v. Sté Gyra et Sté Prodi*s.
57. ^ See Article 700 of the French Code of Civil Procedure in light of Article 14 of Directive 2004/48/EC. For example, Court of Appeal of Paris, Division 5-2, 13 January 2012, Case No. 10/17727, *SAS Sandoz v. Eli Lilly & Company*.
58. ^ Law No. 2011-525 of 17 May 2011, which includes Article 196, notably amending the provisions of Article L615-17 CPI.

59. ^ ECJ, C-17/24, Request dated 11 January 2024.

# Intellectual Property: Germany



15 May 2025

FPS
By Christoph Matras and Christoph Holzbach

## Introduction

Germany has established itself as a key jurisdiction for the enforcement of intellectual property (IP) rights in Europe. This reputation stems from a well-developed legal framework and a highly specialised court system that offers efficient and reliable mechanisms for rights holders. One of the notable features of the German IP enforcement landscape is its cost-effectiveness in proceedings. This increases its attractiveness to both local and international parties.

Germany's IP regime aligns international and especially European standards, making it an attractive and strategic venue for asserting and defending IP rights. With very effectively enforceable protections available across all major IP categories – patents, trademarks, copyrights, designs and trade secrets – Germany plays a central role in global IP enforcement efforts. As a result, it remains a preferred forum for rights holders seeking a practical and effective environment to safeguard their intellectual assets.

## Year in review

The legal framework for intellectual property is subject to constant change, reflecting both technological innovations and social developments. Recent decisions and regulations at national and European level highlight the dynamism and complexity of today's protection of inventions, trademarks, designs, and copyright-protected works. Artificial intelligence in particular is a major topic of current legal debate. In Europe, Germany made the first decision on AI and copyright in 2024, focusing on the issue of AI training with copyright-protected materials. In September 2024, the Hamburg Regional Court confirmed that the use of image material for AI training purposes is lawful and does not constitute copyright infringement.[1]

Previously, the Federal Court of Justice had already ruled from a patent law perspective that artificial intelligence cannot be recognised as an inventor within the meaning of Section 37(1) of the Patent Act.[2]

On the legislative level, the EU AI Act[3] will enter into force in February 2025, in particular regulating prohibited AI practices and thus making an important contribution to the responsible use of AI technologies. In the same year, significant changes will take effect in EU design law: the new Design Regulation No. 2024/2822[4] will apply from 1 May 2025, while the new Design Directive No. 2024/2823 must be transposed into national law by December 2027 at the latest. Both legal acts broaden the definitions of 'design' and 'product' and introduce the terminological shift from the formerly used term 'Community design' to the modern 'Union design'.

These recent developments reflect the ongoing adaptation of intellectual property law to technological and societal challenges and provide important impulses for the protection and utilisation of innovations in the digital age.

# Obtaining protection

In recent years, Germany’s intellectual property laws have continued to evolve. Today, IP rights in Germany are primarily granted in the form of trademarks, patents, designs and copyrights. IP Rights are constitutionally protected against government intervention in the Basic Law of the Federal Republic of Germany.[5]

Germany is signatory to various international conventions in the field of IP rights. The regulatory framework is strongly influenced by European Union legislation, which harmonises IP standards across European Member States and ensures, inter alia, the availability of Union-wide protection for some IP rights such as trademarks and patents. In this context, the Court of Justice of the European Union (CJEU) has assumed a central role in interpreting and applying IP law, shifting much of the responsibility once held by Germany’s Federal Court of Justice and the German Federal Constitutional Court. This is due to the requirement that German laws transposing EU directives must align with the interpretations provided by the CJEU. As a result, the ongoing process of internationalisation and European integration in IP law has reached a point where only a few areas of German IP law remain autonomous, and these often have limited economic significance. Today, the vast majority of Germany’s IP regulations stem from EU directives or international treaties, underscoring the global and European nature of the current legal framework.

The executive power for the granting intellectual property rights by way of registration vests in the German Patent and Trademark Office ('Deutsches Patent- undMarkenamt, DPMA or in English GPTO).

## Trademarks

In Germany, trademark protection is primarily governed by the Trademark Act,[6] which transposes almost all trademark law provisions the European Union Trademark Directive into national law. This Act protects trademarks as symbols of intellectual and commercial creation, allowing businesses to distinguish their goods or services from those of others.[7]

Protection is granted to various types of trademarks, including conventional marks such as words, logos and names, as well as non-traditional marks. These non-traditional marks include three-dimensional shapes, colours, sounds, smells, textures and animations, provided they can distinguish the goods or services of one business from those of others.

Trademark protection in Germany is mainly obtained primary through registration with the GPTO. The registration procedure, outlined in Sections 33–44 of the Trademark Act, involves the GPTO examining whether the application meets formal filing requirements and assessing whether the sign is distinctive enough to distinguish the goods or services. If the sign lacks distinctiveness, the application will be rejected under Section 8 of Trademark Act. Once the trademark satisfies all necessary criteria, it is entered into the trademark register,[8] at which point the applicant is granted exclusive rights to the mark under Section 14(1) of the Trademark Act. A registered trademark provides protection throughout Germany, regardless of where it is actually used. once a trademark application has been accepted by the GPTO, it will be published. The publication initiates a three-month period within which an opposition can be filed on the basis of earlier trademark registrations, applications as well as firm names and work titles.[9]

However, trademark protection is not limited to registered trademarks. It can also be acquired through the use of a sign within relevant trade circles.[10] In such cases, if a significant portion of the public identifies the sign as an indicator of the origin of goods or services, even if the name of the company is not known, the mark may still be protected. This type of protection is often limited to the region where the mark is recognised. The requisite degree of notoriety depends on the mark and the market segment in question. Moreover, the lower the level of distinctiveness of the mark, the higher the degree of awareness acquired by the use must be.[11]

Additionally, the Trademark Actextends protection to marks that are well-known within Germany, even if they are not registered or used in the country. Section 3(3) of the Trademark Actaligns with Article 6 of the Paris Convention, which ensures that marks with international recognition receive protection, even without registration in Germany.

Germany also provides protection for European Union Trademarks (EUTMs), which cover all EU Member States, including Germany. EUTMs are treated as equivalent to national trademarks[12] for the purposes of refusal and enforcement. In addition, Germany’s trademark law aligns with international treaties such as the Paris Convention and the Madrid Protocol, providing protection for trademarks registered under these agreements.

A national trademark application retains the priority date from when the application is received by the GPTO, unless the priority of another registration or application in one of the Paris Convention member states is claimed within two month from the filing date. The protection granted by a registered trademark lasts for 10 years from the date of registration. It can be renewed indefinitely, provided the trademark remains in use. If a trademark is not used for five consecutive years, it can be cancelled.[13] Furthermore, the trademark must be renewed on time to maintain protection.[14]

## Trade names and other commercial designations

Under German trade mark law, commercial designations encompass both trade names and titles of works.[15] These designations enjoy legal protection, and their proprietors are granted exclusive rights pursuant to Section 15 of the Trademark Act. Unlike trade marks, these rights are not harmonised by European Union law and therefore largely constitute autonomous German intellectual property law. Nevertheless, there is a discernible tendency to interpret provisions on commercial designations in line with the case law of the Court of Justice of the European Union.

Trade names are defined in Section 5(2) sentence 1 Trademark Act as signs used in the course of trade to identify a business, either by its name, corporate designation or other specific identifier. Titles of works, as provided in Section 5(3) Trademark Act, refer to the names or particular designations of printed publications, cinematographic works, musical compositions, theatrical productions and comparable creative works. These signs do not serve to indicate the commercial origin of goods or services, as trade marks do, nor do they designate companies themselves; rather, they denote the intellectual content of the respective work, such as a book or film.

The protection of trade names is independent from the company's formal registration to the Companies' Registry at the local court, although the latter is an indication for determining the priority and the existence of the company name rights. Rights in commercial designations arise through their lawful use in the course of trade, assuming that the designation in question possesses distinctiveness. The threshold for distinctiveness is interpreted with relative leniency, acknowledging that work titles and company signs frequently contain descriptive elements concerning content or geographic location, and that such usage is familiar to the relevant public. Even signs lacking inherent distinctiveness can acquire protection if they attain public recognition as company signs or titles of works within the relevant German trade circles. The priority of a work title may be secured even prior to the publication of the work, provided that the title is publicly announced and thereby claimed.

As a rule, the territorial scope of rights in commercial designations extends to the entire territory of Germany, unless the business activities or the distribution of the work are confined to a specific locality. In such cases, the specific product, its usual form of distribution, its sales territory and the business structure must be taken into account when assessing whether there is a reputation, at least in geographically limited circles of trade.[16]

These rights entitle the proprietor to prevent unauthorised third parties from using the protected designation or a similar sign in trade, if such use is likely to lead to confusion.[17]

## Patents

The legal framework for patent protection in Germany is established by the Patent Act[18] In accordance with both German and European legal traditions, a patentable invention must always constitute a creation in the field of technology. A patent is granted in Germany by way of an administrative act issued by the GPTO or, in certain circumstances, by the German branch of the European Patent Office (EPO), provided that the substantive and procedural requirements are met. Furthermore, a European patent granted by the EPO may also take effect in the Federal Republic of Germany, provided that the applicant pays the necessary national fee and completes the post-grant formalities required for national validation. Germany is a

contracting state to the EPC, the PCT and the UPC, and actively participates in the unitary patent system. As such, patent protection in Germany may be obtained through several routes: by filing a national application with the GPTO (either directly or following national phase entry of a PCT application), by validating a European patent in Germany, or by opting for a European patent with unitary effect under the Unitary Patent Regulation. In all cases, the right to the patent belongs to the inventor or their legal successor and is governed by the principles of first-to-file and territorial registration.

In conformity with internationally recognised patentability standards, Section 1 of the Patent Act stipulates that patents shall be granted for inventions in all fields of technology, provided they are novel, involve an inventive step and are capable of industrial application. Section 3 defines the novelty requirement, stating that an invention shall be considered new if it does not form part of the prior art. Prior art comprises all knowledge made publicly available before the relevant priority date, irrespective of the form or place of disclosure, including all prior national, EPC and PCT applications that designate Germany.

An invention shall be regarded as involving an inventive step if it is not obvious to a person skilled in the art in view of the state of the art.[19] This qualitative assessment serves to exclude subject matter from patent protection that contributes only marginal or trivial advances over existing knowledge, as affirmed by the Federal Supreme Court.[20] The right to a patent belongs to the inventor or his or her legal successor, with priority accorded to the first person to file the application.[21]

A distinctive feature of the German patent system is the bifurcated structure of judicial proceedings. Questions regarding the validity of a patent are addressed either by opposition proceedings, which must be initiated within nine months of the patent's publication before the German Patent and Trade Mark Office, or by a revocation action brought before the Federal Patent Court, which holds exclusive jurisdiction. In contrast, patent infringement actions are brought before the competent regional courts. These infringement courts are bound by the presumption of validity of the granted patent and are not authorised to independently re-evaluate its legal validity. Consequently, defendants in infringement proceedings may only argue that their actions do not constitute an infringement. If, however, they have initiated opposition or revocation proceedings, they may apply for a stay of the infringement proceedings pending the outcome of the validity challenge.

Patent protection in Germany endures for a maximum term of twenty years, beginning on the day after the patent application is filed.[22]

## Utility models

In addition to the patent, German law provides for the protection of technical inventions through the utility model, regulated by the Utility Model Act.[23] While the patent remains the more comprehensive and central protective instrument, the utility model offers a supplementary route to protection, particularly for smaller innovations and technical solutions that may not meet the more stringent inventive step requirement for patentability, or for which the costs and duration of patent prosecution are disproportionate.

The utility model system is specifically designed to provide small and medium-sized enterprises with a simplified and cost-effective means of protecting their inventions. Although utility models share certain characteristics with patents, they are subject to notable distinctions. Most significantly, utility models cannot be obtained for all types of technical inventions that are eligible for patent protection. Moreover, utility models are not examined for novelty, inventive step or industrial applicability by the German Patent and Trade Mark Office prior to registration. This unexamined registration system accelerates the process but also implies a higher risk of invalidity.

The maximum term of protection for a utility model is ten years, calculated from the date of filing. The prior art for assessing novelty and inventive step differs from that applicable to patents and is generally more limited in scope.[24] Because of this, utility models may protect technical subject matter that would not withstand scrutiny under the higher standards of patent law.

## Designs

Design protection serves to safeguard the intellectual and creative activities of designers by granting exclusive rights in the appearance of products. The statutory basis for the protection of designs in Germany is the Design Act.[25] The rights emanating from an aesthetic design arise with registration with the GPTO. Collectively, design rights protect the novel aesthetic appearance of the whole or a part of a product, including features such as lines, contours, colours, shapes, texture, or ornamentation, provided that the design is new and possesses individual character. These rights may be asserted against unauthorised third-party designs that do not produce a different overall impression on the informed user or that otherwise constitute a substantial imitation. A registered design enjoys legal protection only if the design is new and has individual character.[26] 'New' mean that no identical design other than that of the owner has been made available to the relevant public before the date of the application.[27] The individual character requirement is moreover fulfilled, if the overall impression perceived by an informed user differs from the overall impression of any previously know design, which has been made available to the public.[28] The issue hereby is the differentiation from previously known designs.[29]

The assessment of novelty and individual character is made with reference to the overall impression created by the design, taking into account the degree of freedom of the designer in developing the design. Design protection complements other forms of intellectual property and can be combined strategically, particularly by brand owners, with trade marks, copyright, or unfair competition law in order to enhance the protection of a product’s identity or market appearance. Such multi-layered protection can be especially valuable in sectors where the visual appeal of a product is central to its market success, such as fashion, consumer goods, or product packaging.

In Germany, registered design protection is obtained via application to the GPTO, which carries out only a formal examination. As a result, registration is typically rapid and cost-effective. The maximum term of protection is 25 years, subject to the timely payment of renewal fees in five-year increments. As a Member State of the European Union, Germany also affords protection under the Community Design Regulation, allowing for the enforcement of EU-wide design rights granted by the European Union Intellectual Property Office (EUIPO).

## Copyrights

The legal foundation for Copyright law is in the Copyright Act.[30] Section 2 Paragraphs 1–7 Copyright Act provides for a detailed, but non-exclusive, list of those works that are eligible for copyright protection. In order to facilitate the protection of computer programs, they are explicitly subject to copyright protection pursuant to Section 69a et seq. Copyright Act.

Under German law, copyright arises automatically upon the creation of a qualifying work; it does not protect abstract ideas but only their specific expression. There is no registration requirement or formal procedure – protection is conferred by operation of law. It is therefore beyond the control of the parties.[31]

German Copyright law grants that authors of literary, scientific and artistic works shall enjoy copyright protection for their creations.[32] The object of protection is not the physical embodiment of the work but rather the intangible intellectual creation itself, which may be exploited through any form of reproduction or communication. According to the statutory definition, protected works must constitute 'personal intellectual creations',[33] which reflects a qualitative threshold that excludes mere routine output or functional expressions. The work must feature at least a minimum level of individuality and creativity beyond that of the average well-skilled and trained person in the area.[34] German copyright law is fundamentally personalistic in nature: the author is always the natural person who created the work,[35] and the law generally does not recognise the Anglo-American concept of works made for hire. Accordingly, the rights initially vest in the individual creator, even if the work was produced within the scope of an employment relationship.

German copyright law distinguishes between the author's non-alienable right of personality, which is related to their work product and economic interest in the exploitation of his work.[36] The German legal system operates with a non-exhaustive list of protected work categories, encompassing the literary, scientific and artistic domains. This includes, among others, written texts, speeches, musical compositions, stage works, films, works of fine art, architecture and software, provided the requisite threshold of originality is met. German copyright law is increasingly confronted with emerging challenges, particularly in relation to the protection of works generated or assisted by artificial intelligence. The prevailing legal view maintains that copyright protection continues to require human authorship, thereby excluding works generated independently by AI from protection under current law.

The term of protection for most works is 70 years from the death of the author.[37] After expiration of this term, the work is subject to the public domain.

## Trade secrets

Germany affords comprehensive legal protection to undisclosed know-how and business information against their unlawful acquisition, use and disclosure. This protection is governed by the Act on the Protection of Trade Secrets (GeschGehG), which transposed Directive (EU) 2016/943 into German law and came into force on 26 April 2019. The Act closely mirrors the structure and wording of the Directive and ensures near-complete harmonisation of substantive trade secret protection across EU Member States.

According to Section 2(1) GeschGehG, a trade secret is defined as information that: (1) is not generally known or readily accessible to persons within the circles that normally deal with such information; (2) is of commercial value because it is secret; and (3) has been subject to reasonable steps, under the circumstances, by its lawful holder to keep it secret. This aligns with Article 2(1) of Directive 2016/943. The definition represents a departure from earlier German legal practice, which relied on the general principles of unfair competition law and contractual obligations.

Unlawful acquisition of trade secrets is prohibited under Section 4 GeschGehG, which mirrors Article 4 of the Directive. It includes unauthorised access, copying, appropriation and any other conduct contrary to honest commercial practices. Equally, the unlawful use or disclosure of a trade secret – where the person knew or should have known that the information was obtained unlawfully – is prohibited under Sections 4(2) and 4(3) GeschGehG.

The Act also provides a detailed system of legal remedies. Under Sections 6–10 GeschGehG, right holders may seek injunctive relief, removal and destruction of infringing products or documents, damages and recall or withdrawal of infringing goods from the market. In addition, Section 16 GeschGehG contains specific provisions on the preservation of confidentiality in court proceedings, reflecting Article 9 of the Directive, in order to prevent further dissemination of trade secrets during litigation.

Importantly, the German law also contains balanced exceptions that reflect fundamental rights and public interest considerations. Pursuant to Section 5 GeschGehG, the acquisition, use or disclosure of a trade secret is not unlawful if it occurs for the purpose of exercising freedom of expression and information, revealing misconduct or illegal activity (whistleblower protection), or in the context of employee participation rights. However, the balance between trade secrets and freedom of opinion and freedom of the press must always be weighed up on a case-by-case basis.[38] Article 11 of the EU Charter of Fundamental Rights must always be taken into account. These carve-outs implement Article 5 of the Directive.

The protection of trade secrets in Germany is now characterised by increased legal certainty, particularly for companies engaged in cross-border operations within the EU. The Act underscores that only information that is actively protected through appropriate confidentiality measures is eligible for protection; passive or informal secrecy is insufficient.

## Enforcement of rights

The EU Enforcement Directive (2004/48/EC) establishes mandatory standards for civil law measures, procedures, and remedies in cases of infringements of EU and national intellectual property (IP) rights. These standards have been transposed into German law and are integrated into all German IP statutes. For matters not specifically addressed in the specialised provisions, the general rules of the German Civil Code (BGB) and the Code of Civil Procedure apply.

Most civil claims for IP infringements are set out directly in the respective IP statutes. These claims either seek to prevent further infringements or to compensate for damage resulting from infringements that have already occurred. Among the available claims, the most significant in practical terms is the claim for cessation of the infringing act. This allows the injured party to demand that the infringer stop the unlawful conduct.

In practice, the enforcement of IP infringement claims often depends on the availability of information that is not accessible to the injured party. To address this, German IP statutes provide several accessory information claims that allow a claimant to obtain relevant information from the infringer or third parties in order to substantiate the claim or to calculate damages. These provisions are especially important in cases where the claimant may not have complete knowledge of the extent of the infringement or the identity of all parties involved.

IP infringement remedies in Germany are treated as special tort claims. Where IP statutes do not contain specific provisions, the general rules of tort law apply. Claims for damages in IP cases are subject to a time limitation of three years, which begins at the end of the year in which the claimant becomes aware of the circumstances giving rise to the claim, as well as the identity of the infringer, or would have become aware had they not acted with gross negligence.[39] This statute of limitations ensures that claimants must act within a reasonable time frame once they become aware of the infringement.

However, even if the damage claim is statute-barred under these general rules, an infringer must still surrender the monetary benefit obtained through the infringement. This includes, for instance, the equitable licence fee saved and any profits derived from the infringing act. This claim for surrender of the profit is subject to a longer limitation period, as it only expires 10 years after it arises, but in any case 30 years after the act of infringement, as clarified by the Federal Court of Justice (BGH) in its ruling of 26 March 2019.[40]

# Special considerations

Customs enforcement regarding goods entering or leaving the customs territory of the EU is primarily governed by EU Regulation 603/2013. This regulation provides the framework for the customs authorities to seize goods that are suspected of infringing IP rights. The regulation allows customs authorities to act on their own initiative or following a request from a right holder to detain goods at the border. Right holders can file an application for customs intervention, which enables them to request the suspension of the release of goods into the EU market if they believe that the goods infringe their IP rights. Customs enforcement serves as a crucial tool in preventing the importation or exportation of counterfeit goods, thereby enhancing the protection of intellectual property.

In addition to customs enforcement, German law criminalises all intentional infringements of German and EU IP rights. Section 143 of the Trademark Act and other relevant provisions within the Copyright Act, Patent Act and the Design Act establish penalties for the illegal use of protected IP. The basic penalty for intentional infringement is imprisonment for up to three years or a fine. If the infringement is committed on a commercial scale, the penalty increases to a maximum of five years' imprisonment or a higher fine. Attempts to infringe IP rights are also punishable, reflecting the intent of the law to deter not only completed infringements but also the initiation of such activities.

These provisions aim to safeguard the integrity of the intellectual property system by imposing significant legal consequences for those who intentionally infringe the rights of others. The application of criminal penalties serves as an additional deterrent against IP violations, particularly where commercial gain is involved.

Court actions for IP infringements are usually preceded by a warning or cease-and-desist letter. The owner of the IP Right sends a registered mail, facsimile or email to the infringer requesting them to immediately stop the infringing use and to return a corresponding written undertaking, which must include an commitment to pay a contractual penalty in the event of future violations. If the infringer complies with the request, there is no need for legal proceedings. If not, the infringed party may seek relief by way of preliminary injunction proceedings or a regular civil court action, or both. This method allows the rights holder to demand the cessation of the infringing act and may include claims for damages or contractual penalties. While not as formal as judicial proceedings, cease-and-desist letters are a commonly used tool in the enforcement of IP rights, providing an expedited and often less costly means to resolve disputes and prevent further infringement.

## Outlook and conclusions

Germany acknowledges its importance as a key jurisdiction for international businesses, recognising the value of IP rights and generally adopting a rights-holder-friendly approach in its judicial practice. Recent developments, particularly in the field of artificial intelligence, have already led to some initial decisions in Germany. However, the legal evaluation of AI in the context of IP rights remains fluid, especially with regard to emerging technologies such as generative AI, large language models (LLMs) and other forms of AI-driven innovation. As such, it will be fascinating to observe how German courts continue to evolve in their treatment of these issues and whether Germany will maintain its leading role in IP enforcement on the global stage.

The EU AI Act, the upcoming design legislative reforms and the development of case law from the Unified Patent Court are just a few of the areas that will influence the landscape of German IP law in the coming years. The interaction between AI and IP law will continue to evolve, requiring careful navigation, and potentially leading to new legal precedents. This process is likely to span several years as German courts assess and refine the application of IP principles to AI innovations.

In the meantime, the increasing ubiquity of generative AI in various sectors, including industry, legal practice and everyday life, will undoubtedly present new challenges and opportunities for IP law. How Germany addresses these evolving issues will have significant implications for both domestic and international IP practices.

### Footnotes

1. ^ Hamburg Regional Court 27 September 2024 – 310 O 227/23.
2. ^ Federal Supreme Court 11 June 2024 – X ZB 5/22.
3. ^ Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No. 300/2008, (EU) No. 167/2013, (EU) No. 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (the Artificial Intelligence Act).
4. ^ Regulation (EU) 2024/2822 of the European Parliament and of the Council of 23 October 2024 amending Council Regulation (EC) No 6/2002 on Community designs and repealing Commission Regulation (EC) No. 2246/2002.

5. ^ Article 14 Basic Law; Federal Constitutional Court, GRUR 1984, 350, for a trademark; Federal Constitutional Court, GRUR 1988, 610, for a trade dress.
6. ^ Trademark Act of 25 October 1994.
7. ^ Section 2 Trademark Act.
8. ^ Section 41(1) Trademark Act.
9. ^ Section 42 Trademark Act.
10. ^ Section 3(2) Trademark Act.
11. ^ Feredal Supreme Court, GRUR 1982, 51; id. GRUR 2007, 1071; GRUR 2009, 783.
12. ^ Sections 119–125 Trademark Act.
13. ^ Section 49 Trademark Act.
14. ^ Sections 47–48 Trademark Act.
15. ^ Section 5 Trademark Act.
16. ^ Federal Supreme Court, GRUR 1979, 470 - I ZR 45/77.
17. ^ Section 15 Trade Mark Act.
18. ^ Patent Act of 16 December 1980.
19. ^ Section 4 Patent Act.
20. ^ Federal Supreme Court, 2006 – X ZB 27/05.
21. ^ Section 6 Patent Act.
22. ^ Section 16 Patent Act.
23. ^ Utility Model Act of 28 August 1986.
24. ^ BT-Drs. 10/3903, 20 (21); Gesetz zur Änderung des GebrMG, BGBl. 1986 I 1446 ff. (www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&jumpTo=bgbl186s1446.pdf) = BlPMZ 1986, 310 ff.
25. ^ Design Act of 12 March 2004.
26. ^ Section 2 Paragraph 1 Design Act.
27. ^ Federal Supreme Court, GRUR 1969, 90; GRUR 2004, 427; GRUR 2009, 79.
28. ^ Section 2 Paragraph 3 Design Act.
29. ^ Federal Supreme Court, GRUR 2014, 175, 178.
30. ^ Copyright Act of 9 September 1965.
31. ^ Federal Supreme Court, GRUR 1991, 533 - I ZR 72/89 'Brown Girl II'.
32. ^ Section 1 Copyright Act.
33. ^ Section 2 Paragraph 2 Copyright Act.
34. ^ Federal Supreme Court, GRUR 1982, 305; GRUR 1983, 377.
35. ^ Section 7 Copyright Act.
36. ^ Section 11 Copyright Act.
37. ^ Section 64 Copyright Act.
38. ^ GRUR/Ansgar Ohly, 2019 441.
39. ^ Sections 195, 199 BGB.
40. ^ BGH, 26.03.2019 - X ZR 109/16.

# Intellectual Property: Greece



19 March 2025

**Bernitsas Law**
By Lambros Belessis and Yolanda Kalogirou

## Introduction

In Greece, intellectual property legislation comprises copyright and related rights, and industrial property.

Copyright and related rights are protected under Law No. 2121/1993 on copyright, related rights and cultural matters (Copyright Law). The Copyright Law is, to a large extent, influenced by the French legal doctrine of *droit d'auteur* and protects the author's both moral and economic rights as two independent bundles of rights.

Moral rights apply to the personal connection of authors with their work and are the rights of divulgation, paternity, integrity, access and withdrawal.

Economic rights are generally associated with the commercial exploitation of a certain work of authorship and are the rights of recordal, reproduction, translation, adaptation, distribution, rental, public performance, broadcasting and presentation of the work to the public, and the import of copies. Public lending of works of authorship is allowed to all kinds of libraries, in principle at a reasonable fee, which is payable by these libraries to the collective management organisations of the beneficiaries.[1]

Under the Copyright Law, moral rights cannot, in principle, be waived or transferred, but they can be inherited. However, authors are generally entitled to assign (in effect transfer) or license their economic rights in respect of a certain work of authorship. Authors reserve the right to revoke such licence or transfer if their works remain exploited within a reasonable amount of time, and are entitled to receive comprehensive information on the exploitation of their works (transparency obligation) at least once a year.[2]

Basic examples of protected works are musical compositions, theatrical plays, artworks, architectural works, photographs, works of applied arts, illustrations and audiovisual works, as well as computer programs and databases.

Related rights are those deriving from or associated with performers, producers of phonograms and audiovisual works, broadcasting organisations and publishers of printed matter. The protection regime of the related rights is based on the concept of authorisation, which is the exclusive and absolute right of rights holders to allow or prohibit certain acts specified in the law in a restrictive manner. However, in certain circumstances, related rights may constitute only a legal obligation for payment of an equitable remuneration to the rights holder, in the sense that no authorisation needs to be sought. Law No. 4481/2017 sets out the principles of collective management of copyright and related rights in Greece.

Industrial property matters in Greece are primarily governed by Law No. 4679/2020, Law No. 1733/1987, Law No. 259/1997 and Law No. 146/1914, which set out the legal prerequisites and protection eligibility criteria for the following registrable and non-registrable items:

a. trademarks;
b. patents and utility models;
c. industrial designs; and
d. distinguishing elements such as company name, distinctive title, trade name, and the external appearance or look and feel of a product, including its marks or other indicia (the 'product get-up'), which are mainly protected under unfair competition law.

Greece has ratified the major international intellectual property conventions, including the Berne Convention, the Rome Convention, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the World Intellectual Property Organization (WIPO) Copyright Treaty, the WIPO Performances and Phonograms Treaty, and the World IP Geneva Convention.

# Year in review

## Copyright and related rights

In Greece, a work of authorship is protected by copyright upon its creation, without the need for a filing or other registration formality. Despite the lack of registration or filing requirements, the Hellenic Copyright Organisation (HCO) introduced a timestamp digital service (available at www.timestamp.gr) in 2019, which enables authors to certify the date of creation of their work. The copyrighted work is recorded on an online platform operated by the HCO against payment of a symbolic monetary amount, which depends on the size of the file uploaded.

Law No. 4761/2020 amended Law No. 4481/2017 on collective management of copyright and related rights and multi-territorial licensing in musical works for online use in the internal market and introduced provisions for the enhanced protection of copyright and related rights over the internet. With this amendment, the scope of Law No. 4481/2017 has been extended and provisions have been introduced concerning copyright collection societies and independent copyright

management entities established abroad and interested in operating in Greece. Article 66E of the Copyright Law was also amended to expand the right to initiate an administrative notice and takedown procedure for unlicensed online transmission of events that are covered by national or international TV broadcasting if the online transmission takes place simultaneously with the event. In addition, a collective management organisation is entitled to enter into a licensing agreement, extendable to authors who have not authorised it to represent them, under certain conditions.[3]

Law 4996/2022, which transposed in the Greek legal order the European Parliament and the Council-issued Directives (EU) 2019/790 on copyright in the digital single market and 2019/789 on copyright in online television and radio programmes, introduced several new provisions, mainly concerning:

a. the application of the country of origin principle to ancillary online services of broadcasting organisations to facilitate the clearance of rights;
b. the reasonable remuneration of authors in cases of reproduction for private use when such is carried out with technical means, such as by computers, smartphones and tablets;
c. exceptions to copyright protection principally relating to text and data mining for the purposes of scientific research by research organisations or cultural heritage institutions;
d. the conditions for the use of out-of-commerce works for cross-border uses by cultural heritage institutions as well as the relevant publicity measures;
e. a negotiation mechanism for the purpose of making available audiovisual works on video on demand services;
f. the author's appropriate remuneration in the case of retransmission of television and radio programmes;
g. the right to remuneration equal to a percentage of the press publishers' annual revenues in the case of press publications used online;
h. the use of protected content by online content-sharing service providers, and
i. other matters specifically mentioned in other sections of this chapter.

In 2024, Law 5103/2024 made amendments to Copyright Law and other sectors related to it, such as intangible cultural heritage, while Law 5105/2024 introduced provisions for further support of the cinematographic, audiovisual and creative sector in Greece, as well supportive provisions for modern culture.

The main changes introduced with Law 5103/2024 include provisions concerning, inter alia: (1) the adoption of incentives for increasing the broadcasting of informative and non-informative Greek-language songs on radio stations included in the relevant register of the National Council for Radio and Television (NCRTV); (2) the introduction of an obligatory minimum percentage of 40 per cent Greek-language songs to be performed publicly in certain public areas of hotels and complex tourist accommodation, shopping centres, casinos and public transport, as well as in passenger waiting areas at airports and ports; and (3) the setting up of an electronic database of Greek-language songs, orchestral music performances of Greek-language songs and orchestral music of Greek authors and recordings recorded in the Greek territory, as well as a web application for access to the database.

With regards to Law 5105/2024, the newly introduced amendments to Article 35 extend the applicability of additional payments by broadcasting organisations (additional fee of at least 50 per cent of the initially agreed amount for the first retransmission and an additional 20 per cent for each subsequent transmission) to every transmission made by a different

broadcaster, provided that the organisation has the same shareholders or consolidates under the same parent entity with the broadcasting organisation that first transmitted and retransmitted the work. Additionally, Article 49 of this Law is also amended to provide for the right to equitable remuneration concerning sound carriers, containing a recording, used, either independently or integrated in an audiovisual work, for transmission by any means (e.g., electromagnetic waves, satellites and cables or for the purposes of presentation to the public).

## Trademarks

Law 4679/2020 transposed Directive (EU) 2015/2436[4] into Greek law and introduced various changes compared to the previous regime, including:

a. the limitation of the scope of certain trademark rights for the purpose of safeguarding and enhancing competition;
b. new competences of civil courts, which are now also competent to assess the validity of a trademark (previously awarded to administrative courts);
c. the acquiescence limitation (now possible also in trademark invalidity actions); and
d. amendments in official fees.

The authority and responsibility for handling trademark applications and related processes lies with the Hellenic Industrial Property Organisation (OBI), pursuant to Joint Ministerial Decision No. 48793/2022.

## Hellenic Industrial Property Academy

Law 4512/2018 and Presidential Decree No. 31/2019 introduced the establishment of the Hellenic Industrial Property Academy, which aims to develop a national system of education, training and accreditation for individuals wishing to earn the title of certified patent attorney.

## Trade secrets

Law 4605/2019 transposed in Greek law Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

## Industrial designs

In September 2023, Law 5051/2023 was adopted, by virtue of which Greece ratified the Geneva Act (1999) of the Hague Agreement Concerning the International Registration of Industrial Designs (Geneva Act). The Geneva Act does not affect the protection accorded to industrial designs by national legislation[5] but rather sets out the technicalities of the submission of an international application for protection before WIPO. The competent authority for the application of Law 5051/2023 and subsequently the Geneva Act is the OBI.

# Obtaining protection

## Protection of copyright

The Copyright Law protects works of authorship associated with any original literary and artistic or scientific intellectual creation, expressed in any form. There is no specific definition for originality in the Copyright Law. However, legal literature supports that the originality of each work is understood as deriving from the personal contribution of the author, and as a result possesses a certain degree of individuality that distinguishes it from works of intellect of everyday life.

In the case of multiple authors, the Copyright Law distinguishes between works of joint authorship and collective and composite works. The term 'work of joint authorship' designates any work that is the result of the direct collaboration of two or more authors; the term 'collective work' designates any work created through the independent contribution of several authors acting under the intellectual direction and coordination of one person; and the term 'composite work' refers to a work that is composed of parts created separately.

On the duration of copyright, the general rule is that protection lasts for the life of the author and continues thereafter for 70 more years. Specific duration rules might apply for certain types of works, such as works of joint authorship, music compositions, anonymous or pseudonymous works and audiovisual works. Specifically for visual artwork, when its term of protection has expired, anything resulting from its reproduction is exempted from copyright or related rights protection, unless it satisfies by itself the originality criterion.[6]

As regards copyright exploitation arrangements, the Copyright Law requires an agreement in writing and generally prohibits an assignment or licensing for the totality of the author's future works or undertakings (to the benefit of the assignee or licensee) that intend to capture exploitation means that did not exist, or were unknown, at the time the agreement was made.[7] To this end, a contract adjustment mechanism was recently also introduced, according to which authors are entitled to additional remuneration when the initially agreed one turns out to be disproportionately low compared to all the subsequent relevant revenues derived from the exploitation of the works.[8]

The Copyright Law recognises a resale right (also known as *droit de suite*) by which authors may claim royalties on their works resold by art market professionals.

The general rule for works of authorship created by employees is that the initial copyright holder is the employee. Unless an agreement to the contrary exists, the author's economic rights, which are necessary for fulfilling the purpose of the employment contract, are automatically transferred to the employer.

### Special types of copyright works (software and databases)

The Copyright Law provides ad hoc protection to software, as this is considered a literary work. The ideas and principles on which the elements of a certain piece of software are based are not protected. Software is considered an original work of authorship if it constitutes a personal creation of its author. In cases where the software is created by an employee in the

course of execution of an employment contract or following the instructions of his or her employer, the economic rights in the software are automatically transferred to the employer unless otherwise agreed in writing. Recently, the Copyright Law was amended to provide for explicit copyright protection of computer aid design files, provided that they contain source code.[9]

Databases, which, owing to the selection and arrangement of their contents, constitute an author's intellectual creation, are also protected under the Copyright Law and are considered *sui generis* rights.

## Protection of industrial property

### Trademarks

In Greece, trademarks are protected by Law 4679/2020 (the Trademark Law). The Trademark Law recognises national, European and international trademarks as valid in the Greek territory.

A national trademark registered with the Greek Trademark Registry is a sign, which might be words, a person's name, design, letters, numbers, colours, shape or packaging of the product, or sounds, provided that the sign can distinguish the products or services of an undertaking from the products or services of another undertaking and can be represented in the Trademark Registry in a manner that enables competent authorities and the public to clearly and precisely identify the type of protection afforded to its proprietor.

The right to a trademark is acquired by registration following an application filed with the Trademark Registry, which is part of the Ministry of Development and Investments, and the payment of filing fees of €100 for one class applied for in the electronic application[10] and €20 for each additional class.

The examination and approval of a trademark application normally takes between two and four months, following which a period of three months is allowed by law for the filing of opposition by third parties.

Provided that no oppositions are filed, the trademark is registered with the Trademark Registry, following which its proprietor has the right to use it; to affix it to the respective goods, their packaging and other material relevant to their sale and promotion; to characterise the provided services; and to use it in electronic, audiovisual and social media. Greece follows the Nice Agreement (as amended and in force) on classification for goods and services, which groups products into 45 classes (Classes 1–34 include goods and Classes 35–45 include services).[11] Collective and certification marks are explicitly protected under the Trademark Law.

An important change implemented by the recently enacted Trademark Law, which aims at simplifying and expediting the trademark filing process, is that the Trademark Registry is no longer entitled to reject trademark applications in cases of the prior existence of resembling trademarks. Instead, the trademark examiner notifies the owners of prior, potentially affected trademarks about the application under examination so that they may file an opposition. The trademark examiner may, however, reject a trademark application on absolute grounds, such as for lack of distinctive character, descriptiveness, public order and other grounds relating to fundamental rules set out in the Trademark Law.

## Patents

Inventions are protected by Greek Law 1733/1987 on technology transfer, inventions and technological innovation (Patent Law). A patent is granted by means of an administrative procedure that is carried out before the OBI. The OBI grants an absolute and exclusive right for holding and exploiting a certain patent to the inventor.

The legal prerequisites for granting patent protection are novelty, an inventive step and susceptibility to industrial application.

An invention can relate to a product or a production method in the sense that it must provide a solution to a technical problem. This solution must concern either the production or the improvement of a product or to the procedure for its production. An invention may also relate to an industrial application.

Surgical and therapeutic methods for the human or animal body, plant varieties, animal species and their biological production methods (except for microbiological methods and products derived by use of these methods) are not patentable in Greece.

The process for filing a patent starts with the filing of an application with the OBI including:

a. the name (or trade name if a legal entity), nationality, residence or seat, and address of the applicant;
b. a description of the invention and identification of one or more matters for which patent protection is sought (claims); and
c. a request for the granting of a patent.

Following the filing of a patent application, the OBI conducts an assessment of the fulfilment of formalities and examines only if any substantial omissions exist, without conducting a prior art search, meaning a search of the existing body of knowledge in the respective technical field.

The applicant must submit any missing drawings or other supporting documentation and must correct any errors in the documents within four months of the filing date. Normally, unless the application is rejected, the OBI grants a patent certificate within 12 to 15 months of a filing.

The duration of a patent is 20 years following the date of the filing of the respective application. Third parties with a legal interest are entitled to challenge the validity of a patent before the court.

Patent applications consist of a filing fee of €50, a patent granting fee of €150 and an annual fee of €20 payable after the third year onwards. The annual fee increases to €600 per year for the 15th year of protection onwards and to €1,100 for the 20th year, which is the year of expiry of the patent.

Applicants eligible for a patent can be the inventor or the legal beneficiary of the invention, such as the employer in cases of inventions devised by employees.

The Patent Law distinguishes between service inventions and dependent inventions created by employees. A service invention normally derives from the execution and in the context of a contract for development of inventive activity entered into between the employer and employee. A dependent invention is a non-service invention that is created by an employee during their employment by using the employer's equipment, technical or other means, or information.

As a general rule, an employee's invention becomes the property of the employee, unless it qualifies as a service invention and becomes the property of the employer, or a dependent invention, in which case it becomes the joint property of the employee by 60 per cent and of the employer by 40 per cent. In the case of service inventions, an employee is entitled to claim equitable remuneration (in addition to the salary earned) if the invention is significantly beneficial for the employer.

### Utility model certificates

A utility certificate is granted by the OBI with a view to protecting a utility model. This particular certificate awards an intermediate stage of protection between a patent and a design. A utility certificate is issued for any three-dimensional object with a defined shape and form, such as a tool, an instrument, a device, a utensil or an accessory, that qualifies as new, industrially applicable and capable of providing a solution to a technical problem.

According to settled case law, utility models should be new creations (i.e., beyond state of the art) of the human mind, included in a tangible movable object, capable of giving a solution to a technical problem, and proposed as novel and industrially applicable, in the same manner as inventions. In a utility model, the inventive step is not required to be of the same level as in the case of an invention, for which a patent is granted. In this respect, inventions with a minimum or no inventive step that do not qualify as patents may qualify for a utility certificate.

The validity period of a utility certificate is seven years from filing. If the application for a utility model meets minimum requirements, the OBI issues a utility certificate within six months of the date of the application. The OBI does not examine the fulfilment of the legal requirements of novelty and industrial implementation, which are the responsibility of the applicant. The application fee is €50, and a fee of €100 is payable for the award of the certificate.

### Industrial designs

Presidential Decree No. 259/1997[12] applies to design applications, whether national or international, claiming protection in Greece (Industrial Design Law).

The legal prerequisites for national protection of industrial designs are that a design should be new and must have an individual character. In this respect, a design qualifies as new if, by the time of the filing, no identical design has been made available to the public. Identical designs are considered those that, if compared, have only insignificant diverse characteristics. A design qualifies as having an individual character if the global impression it gives to an informed user differs from the impression given to the user by another design made available to the public before the date of the filing.

Protection of industrial designs relates to the outer appearance of a product. Features of the appearance of a product that relate solely to its technical function are not design-protected.

The filing for an industrial design is made before the OBI. The application must contain full contact details of the applicant (as in a patent), a description of the object or objects to which the design is intended to be incorporated, a graphic or photographic representation of the design, and an appointment of a service process agent accompanied by a declaration of submission to the jurisdiction of the Greek courts if the applicant does not reside in Greece. This is also necessary for patents and utility models.

A registered design is valid for five years from filing, renewable for consecutive five-year terms, up to a maximum of 25 years. According to the Greek Design Law, a registered design can additionally qualify for protection under the Copyright Law if the legal prerequisites of this Law are also fulfilled.

Within four to six months of the application, the OBI issues a design registration certificate without examining the substantial elements of the application. The applicant is entitled to file for the registration of up to 50 designs of the same category. The application fee is €130 for the first design, increasing by €20 for each additional design applied for.

EU designs qualify for protection in Greece as either unregistered or registered designs, provided that they are made available to the public under the respective conditions set out in Regulation (EC) No. 6/2002.

All industrial property applications can be submitted to the OBI by electronic means.

#### Other registered rights

Under Greek law, plant varieties[13] and semiconductor topographies[14] can also be registered, although protection of these items is rarely sought in the Greek market.

## Enforcement of rights

The holder of an intellectual property right is entitled to launch civil, criminal or administrative measures against an infringer. This section focuses on protection sought in the context of civil proceedings, which are more widely used in practice. Directive 2004/48/EC[15] on the enforcement of intellectual property rights has been implemented in Greece through various legislative acts.

### Copyright

The Copyright Law sets out various provisional and ordinary enforcement measures and sanctions available in cases of copyright and related rights infringement. Any disputes concerning the transparency obligation as well as any claims for additional remuneration may be submitted to mediation, if the parties agree, while any contractual provision that excludes mediation is invalid, the invalidity of which can only be invoked by the author.[16]

#### Injunctive relief

Injunctive measures are available in cases of urgency or to prevent an imminent risk.[17] Where there is a probable infringement, a rights holder is entitled to file a petition for injunctive measures before the competent single member first instance court, requesting a cease-and-desist order against the infringing actions.

Part of this process would normally be a provisional court order for cessation of the infringement and abstention in the future, a seizure of the allegedly infringing goods and, under certain circumstances, a seizure of the assets of the infringer. An important aspect of these proceedings is that injunctive measures can be taken in the absence of the infringing party (*ex parte* proceedings) if the plaintiff can invoke and substantiate irreparable harm.

Interim measures proceedings do not result in a ruling on the merits of the dispute, and a deadline not exceeding 60 days[18] is set for the plaintiff to file a lawsuit in the context of ordinary proceedings. If this is not filed, any provisional measures granted will cease to apply.

### Ordinary proceedings: process

A beneficiary may seek judicial protection by means of ordinary civil proceedings. Following the filing of a lawsuit, the parties must submit their pleadings and counterarguments (rebuttals) within approximately three to four months (specific deadlines apply) and a hearing is scheduled after 45 days, which can be extended owing to court workload. Normally, litigants or their attorneys are not obliged to physically attend the hearing because all arguments are submitted to the court in writing. A first instance judgment is normally expected to be issued within eight to 12 months of the hearing.

### Ordinary proceedings: claims

By a lawsuit filed in the context of ordinary proceedings, the plaintiff normally requests the recognition of his other rights, the cessation of the infringement and abstention in the future. A claim would normally include the removal of the infringing goods from the market or their destruction. The plaintiff is entitled to indemnification for monetary and moral damages, the award of which generally requires the occurrence of an unlawful act, culpable behaviour by the infringer, damage, and a causal link between the damage and the infringing act.

For an act to qualify as unlawful it must have interfered with the inherent moral or economic powers of the author or rights holder and must have taken place without the author's permission. A violation of the Copyright Law qualifies as an unlawful act. Culpability is required only if the aggrieved party intends to file and support a claim for damages.[19]

In view of the difficulty in quantifying the damages associated with these disputes, the Copyright Law provides that the indemnification amount cannot be less than twice the remuneration normally or lawfully payable in the context of the commercial exploitation of the infringed right.

Alternatively to the above indemnification, the plaintiff may claim the amount by which the defendant became richer, or the profit made by the defendant, as a result of their infringing behaviour.

Infringements of copyright and related rights might also entail criminal charges or the imposition of administrative sanctions and fines.

## Trademarks

The enforcement of rights in cases of trademark infringement are similar to copyright enforcement as both are governed by the respective provisions of Directive 2004/48/EC (transposed in Greek law by the Trademark Law).

### Injunctive relief

A trademark owner is entitled to request the cease and desist of the infringing action by means of a provisional court order. The court may order the provisional (precautionary) seizure of the infringing goods and, where appropriate, of the materials used for the production or distribution of the goods.

Injunctive measures can be taken in the absence of the infringing party if the plaintiff can invoke and substantiate irreparable harm. In this case, however, the defendant must be notified of the injunctive order within three working days of its execution; otherwise, any enforcement of the respective court order will be null and void.

### Ordinary proceedings

A trademark owner may also request a court order for cease and desist of the infringing behaviour without having to demonstrate damage or the culpability of the defendant. If the infringing behaviour is culpable (negligence or wilful misconduct), the plaintiff may also claim compensation for pecuniary and moral damage.

Disputes for trademark infringement are heard before the single member court of first instance regardless of the amount subject to dispute, unless concurrent with other claims, such as unfair competition practice, in which case a multi-member court is competent to hear the dispute.

Proceedings may be suspended if an application for revocation or invalidity of the allegedly infringed trademark has been filed with the National Trademark Office, provided that the application precedes the service of the lawsuit.

The recently enacted Law No. 4679/2020 has introduced innovative defences that can be raised by a defendant in the case of a trademark infringement, such as an objection on non-usage of the trademark by the plaintiff if the infringed trademark remained unused for five years before the filing of the lawsuit and a counterclaim by the defendant seeking the revocation or invalidity of the allegedly infringed trademark.

## Patents and designs

A patent holder enjoys similar protection to the owner of intellectual property rights (i.e., the entitlement to injunctive measures and ordinary proceedings requesting a cease-and-desist order, restitution of the damage suffered by the plaintiff or restitution of the benefits unlawfully obtained by the patent infringer). The same rights are awarded to any exclusive licensee

of the patent, as well as a patent applicant where the patent is still pending. In the latter case, the court may suspend the hearing until the patent is granted.

Instead of the destruction of the infringing goods, a court may, following a request by the plaintiff, order that the goods are handed over to the plaintiff for compensatory purposes.

The same rights and defences are awarded for the enforcement of design rights.[20] A defendant in a design infringement dispute may counterclaim invalidity of the design owing to lack of novelty or lack of individual character if an existing design that is identical or does not cause a different overall impression to the one allegedly infringed has been previously disclosed to the public.

### Competent courts' specialisation and appeals

Intellectual property disputes (ordinary proceedings) are heard before specialised sections of the first instance courts of Athens, Piraeus and Thessaloniki.

Judgments on intellectual property disputes are subject to an appeal, which must be filed within 30 days of the date of service to the litigants of the first instance court judgment. This does not apply for litigants residing outside Greece, for which the deadline is extended to 60 days.

## Outlook and conclusions

In the field of copyright protection, new provisions have been introduced recently (in November 2022) with the enactment of Law 4996/2022, but these changes have not yet been tested in legal practice and, more importantly, before courts. The effectiveness of these provisions and whether they will improve protection of the related rights and their holders, as well as their impact on the stakeholders of the concerned industries, remains to be seen.

On trademark protection, Greek courts now implement the provisions of the recently enacted Law No. 4679/2020. It remains to be seen how trademark protection will evolve in the local market and whether trademark disputes will be resolved in a more efficient and expedient manner.

### Footnotes

1. ^ As per Article 5A of Law 2121/1993, introduced by virtue of Article 34 of Law 4996/2022.
2. ^ As per Article 15A and 15B of Law 2121/1993, introduced by virtue of Article 22 and 25 of Law 4996/2022.
3. ^ As per Article 35(7) of Law 2121/1993, amended by virtue of Article 3 of Law 4996/2022.
4. ^ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks.
5. ^ As per Article 2 of the Geneva Act.
6. ^ As per Article 31A of Law 2121/1993, introduced by virtue of Article 17 of Law 4996/2022.

7. ^ Copyright Law, Articles 13(5) and 14.
8. ^ As per Article 34A of Law 2121/1993, introduced by virtue of Article 16 of Law 4996/2022.
9. ^ As per Article 2 of Law 2121/1993, modified by virtue of Article 53 of Law 4961/2022.
10. ^ Hard-copy applications are also acceptable and subject to a slightly higher fee, currently €120.
11. ^ www.mindev.gov.gr/24890-2.
12. ^ Presidential Decree No. 259/1997, Implementing Provisions of the Hague Agreement Concerning the International Deposit of Industrial Designs as ratified with Law No. 2417/1996 and Provisions Concerning the National Title of Protection.
13. ^ Law No. 1564/85 on plant propagating material, as amended by Law No. 2325/95.
14. ^ Presidential Decree No. 45/1991 on legal protection of topographies of semiconductor products in compliance with Council Directive 87/54/EEC of 16 December 1986 as supplemented by Decisions 87/532/EEC and 88/311/EEC.
15. ^ Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.
16. ^ As per Article 39A of Law 2121/1993, introduced by virtue of Article 24 Law 4996/2022.
17. ^ Greek Civil Procedure Code, Article 682ff.
18. ^ Pursuant to the recent changes (enacted on 1 January 2022) of the Civil Procedure Code.
19. ^ Pursuant to Judgment 484/2020 of the Supreme Court (*Areios Pagos*).
20. ^ Article 28 of Presidential Decree No. 259/1997.

# Intellectual Property: India



19 March 2025

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## Introduction

India has substantive legislation covering all major forms of intellectual property (IP), including patents, copyright, designs, trademarks, plant varieties, geographical indications and semiconductors. As a World Trade Organization member since 1995,[1] this legislation, by and large, complies with the commitments under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), with India being a contracting party to TRIPS.

An overview of the legal framework for protection of some major forms of intellectual properties in India is as follows.

### Patents

Registration and protection of patents is governed by the Patents Act, 1970,[2] and the accompanying rules.[3] The law conforms to the universally applicable triple test for grant of patents. That is, that (1) a new product or process, (2) that involves an inventive step, and (3) is capable of industrial application, or has economic significance, is entitled to be protected as a patent.[4] In addition to the patentability criteria, the Indian patent law statutorily imposes certain subjectmatter bars[5] whereby inventions falling under any one of the listed ineligible subject-matter categories cannot be patent protected even if the patentability criteria are satisfied. Rights in India are granted on a first-to-file basis. Upon publication of the application, the applicant shall have like rights and privileges as if the patent has been granted, except for the right to institute any proceedings for acts of infringement, which is only available upon grant.[6] The patent term is 20 years from the date of filing or priority, whichever is earlier, and cannot be further renewed.[7]

## Trademarks

Registration and protection of trademarks in India is governed by the Trade Marks Act 1999 (TMA), which defines a trademark as a mark that can be represented graphically and is 'capable of distinguishing the goods and services of one person from those of others'.[8] A mark, under the TMA, is defined as including a device, brand, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging, combination of colours or any combination thereof.[9] As per the TMA, a registered owner or proprietor is entitled to the exclusive right to use the mark in connection with goods and services in respect of which it is registered.[10] The TMA also recognises trademarks that owe their existence not to statutory recognition but to common law, by virtue of use, and provides protection to unregistered trademarks against the common law tort of passing off.[11] Registration of a trademark is valid for 10 years and may be indefinitely renewed upon payment of the requisite fee.[12]

## Copyright

Registration and protection of copyright in India is governed under the Copyright Act, 1957. Under the Copyright Act, a copyright subsists in original literary, dramatic, musical and artistic works, cinematograph films and sound recordings.[13] It confers an exclusive right upon the owner of the copyright to, inter alia, reproduce a work in any material form and communicate the work to the public.[14] The author of the work shall be the first owner of the copyright, subject to certain conditions. The Copyright Act also recognises and protects performers' rights,[15] authors' special rights[16] and broadcast reproduction rights.[17]

Copyright registration is not mandatory in India and a copyright holder can even bring an infringement action without securing a registration. However, a registration serves as primafacie evidence of validity of the title of the copyright owner.[18]

Apart from civil remedies, the Copyright Act also provides for criminal remedies.[19]

## Industrial designs

Registration and protection of industrial designs in India is governed by the Designs Act, 2000 and the accompanying rules. The Designs Act only protects the features of shape, configuration, pattern, ornament, composition of lines or colours, which are applied to any article, whether in 2D or 3D or both forms, by any industrial process, and which are capable of being judged solely by eye.[20] A design, however, cannot include any mode or principle of construction or anything that is, in substance, a mere mechanical device or has functionality attributing to the design. Further, registrability of any trademark or property mark or any artistic work under copyright law is also barred from protection as a design. Additionally, an article that is sought to be protected under the Designs Act must be new or original and should also not be disclosed to the public prior to the date of filing the application.[21]

The duration of a design registration is 10 years, extendible by a further five years if a request is made prior to the expiry of the first 10-year term.[22]

## Geographical indications

The Geographical Indication of Goods (Registration and Protection) Act, 1999 (the GI Act) governs the registration and protection of geographical indications in India. Geographical indication (GI) for goods is granted to an indication that identifies place of origin, or manufacture, or a region or locality or territory of a country where a given quality, reputation or other characteristic of the goods is essentially attributable to its geographical origin. Where the goods are manufactured goods, one of the activities of either the production or of processing or preparation of the goods concerned takes place in the territory, region or locality, as the case may be.[23]

A GI registration is valid for a period of 10 years and may be renewed from time to time.[24] The registration of an authorised user of a GI (a person registered to use the GI, pursuant to qualification of strict criteria) may also be renewed from time to time.[25]

## Plant varieties and farmers' rights

Among the various substantive enactments promulgated in the wake of India's commitments to TRIPS is the Protection of Plant Varieties and Farmers' Rights Act, 2001 (the PV Act).

By virtue of the PV Act, India adopted a *sui generis* system for protection of plant varieties. The PV Act seeks to protect rights of farmers and plant breeders over any new variety of a plant that has been cultivated by such farmer or breeder[26] and grants protection to novel varieties of plants that are distinctive, uniform and stable.[27] Different types of varieties are registrable in India, inter alia,new varieties, extant varieties, farmer’s varieties and essentially derived varieties.

The total term of protection available for a plant variety is 18 years in the case of a variety of trees and vines and 15 years in the case of crops, extant and other varieties.[28]

## Semiconductor integrated circuit layouts

The registration and protection of the layout designs of semiconductor integrated circuits in India is governed by the Semiconductor Integrated Circuits Layout-Design Act, 2000 (the IC Act). The IC Act provides for registration of layout-designs, and defines a layout-design as a layout of transistors and other circuitry elements, including lead wires connecting such elements and expressed in any manner in a semiconductor integrated circuit.[29] The IC Act prohibits registration of layout-designs that are not original, inherently distinctive and inherently capable of being distinguished from any other registered layout-design, and that have been commercially exploited in India or in any other convention country.[30]

The registration of a layout-design is valid only for a period of 10 years from the date of filing of the application or the date of first commercial exploitation anywhere in the country, whichever is earlier.[31] Registrations of layout designs cannot be renewed.

### Trade secrets

India does not have a codified law for protection of trade secrets. That said, trade secrets can be sought to be protected in India through contract law, copyright law, criminal law, principles of equity and – at times – through common law remedies such as breach of confidence or trust. India's Information Technology Act, 2000 also provides certain protection in this regard, albeit limited only to electronic records.[32] Although a person can be contractually bound to not disclose information that is revealed to them in confidence, there are a few possible recourses available to trade secret owners in cases where such information is revealed, such as:

a. an injunction preventing a licensee, employee, vendor or other party from disclosing a trade secret;
b. the return of all confidential and proprietary information; and
c. compensation for any losses suffered due to the disclosure of trade secrets.

## Year in review

### Law and policy developments

#### Patent (Amendment) Rules, 2024

On 15 March 2024, the Indian Ministry of Commerce and Industry notified and published the Patent (Amendment) Rules, 2024 (the Rules), which came into effect on the date of its publication. Several key procedural changes have been brought about in the Rules. One, the statement of undertaking under Form 3 (previously required to be updated within six months from every corresponding foreign filing or development until grant) is to be filed within three months of the issuance of first examination report (FER), extendible up to six months.[33] The amendment also clarifies the scope of divisional application filing by including reliance upon disclosure in provisional or complete specification for divisional filing.[34] The third key change has been shortening of the time frame for filing the request for examination from 48 to 31 months to speed up the prosecution process.[35] In a further effort to speed the prosecution up, a fee has been imposed for filing the pre-grant opposition; it shall be evaluated on maintainability by the Controller before notice is issued, and the matter shall be expeditiously responded to in two months and decided upon in an expedited manner.[36] Further, the extension of time up to three months to file the response to FER can now be sought within nine months of the FER issuance instead of the earlier time frame of nine months.[37] The amendment has introduced a new form (i.e., Form 31) to make available a grace period with prescribed fee.[38] Further, in an important reform, the requirement of filing the statement of working of a patent (i.e., Form 27) every year after grant has now been amended to once in three years, reducing the burden on the patentee.[39] In a significant development, all due dates prescribed under the rules, even those that were previously non-extendible, can be extended up to six months by filing a formal request (via Form 4), albeit at a much higher prescribed fee.[40]

#### The Protection of Trade Secrets Bill, 2024

As noted in the previous Section, India currently lacks a codified *sui generis* law for protection of trade secrets. Realising the need for bridging this statutory gap so as to ensure robust legal protection for closely guarded proprietary knowledge and intellectual assets, the Law Commission of India (a special executive body commissioned by the government periodically for carrying out research on issues/gaps in the existing laws and advising on ways to tackle them), in March 2024, proposed the Protection of Trade Secrets Bill, 2024 (the Bill) for the union government's consideration. The bill defines 'trade secret' as any information that: (1) is not generally known or readily accessible; (2) derives value from being secret; (3) is subject to reasonable steps by its owner to be kept secret; and (4) is likely to cause damage to its holder/owner if disclosed. The holder of the trade secret is empowered under the Bill to use, disclose, and license the trade secret, and to institute legal proceedings for its misappropriation. Remedies for misappropriation of trade secrets under the Bill include injunctive relief, seizure of documents/materials purportedly containing the trade secrets (such as by way of *Anton Pillar* orders), destruction of material containing the trade secret and imposition of costs and damages. The Bill also takes into account the possibility of court proceedings impairing the secrecy of the information protected under its framework and provides for specialised procedures to preserve the confidential nature of trade secrets. This includes formation of confidentiality clubs (where access to, e.g., sensitive information, documents, filings is restricted to only select individuals, which are nominated by both parties), allowing filing of documents/information under a sealed cover. The Bill also incorporates exceptions and limitations, including compulsory licensing provisions in exigent situations.

### Registration of Screenwriters Rights Association of India as Copyright Society

Right on the cusp of the new year, the government came up with its own version of a new year's gift for the numerous writers working in the Indian film and TV industry by officially registering the Screenwriters Rights Association of India (SRAI) as a copyright society under the Indian Copyright Act. Pursuant to this, writers who work on literary and dramatic works associated with the showbiz industry, such as stories, screenplays, scripts of movies/dramas, dialogues and other literary works, can now look forward to being fairly compensated for utilisation of their works as SRAI is now empowered to license, use and collect royalties on behalf of author-members. Once fully operational with a published tariff rate in place, third party users of derivative works, including cinematograph films and TV shows, can expect to be liable for purchasing licences from SRAI for utilisation of the literary and dramatic works underlying the films and TV shows.

## Case law developments

### Phonographic Performance Limited v. State of Goa & Ors

In *Phonographic Performance Limited v. State of Goa & Ors*,[41] a two-judge bench of the Bombay High Court in this matter quashed a circular passed by the State Government of Goa that stated that there was no need for persons who wanted to play or perform music at religious events, weddings, social festivities, etc. of taking copyright permission/licences forthe performances from rights owners, as these performances did not amount to copyright infringement under the Indian Copyright Act. The court ruled that the circular, which expanded on the statutory exception available to 'religious ceremonies' from copyright infringement under the Copyright Act, amounted to indulging in an interpretative exercise of the statutory provision, which is the sole prerogative of courts. The court even noted that, the circular in question was practically adding

words to the provision that were not a part of the statute, which could not be done by way of such delegated legislation and could be done only through proper amendments. Thus, notwithstanding the state government's stance that insistence upon permissions/NOCs from purported copyright societies or rights owners was adversely affecting citizens and impacting economic/tourism activities in the state, the court set aside the circular.

### F-Hoffman La Roche AG & Anr v. Zydus Lifesciences Limited – The Pertuzumab Saga

*F-Hoffman La Roche AG & Anr v. Zydus Lifesciences Limited*[42] – The Pertuzumab Saga – is an interesting patent dispute brewing at the Delhi High Court that kept IP lawyers intrigued for almost the entirety of 2024. The matter involves the Swiss pharma giant Roche's Indian patents for its blockbuster breast cancer drug Pertuzumab, sold under the brand name 'Perjeta'. Roche filed a patent infringement suit at the Delhi High Court in February 2024, apprehending the launch of a biosimilar drug of Pertuzumab by Zydus Life Sciences (Zydus). Roche rushed to the court when it came across Zydus' applications filed at Indian regulatory authorities seeking approvals for manufacturing and conducting clinical trials of a breast cancer drug, that mentioned Roche's Pertuzumab as a reference biologic. Initially, the court refrained from granting any *quia timet* injunctive relief in favour of Roche, proceeding on the understanding that Zydus had not yet launched its product. Later on, however, upon finding that Zydus had launched its drug in the market under the brand name 'Sigrima' during the pendency of the court proceedings, Sanjeev Narula J. of the Delhi High Court took exception to such acts of non-disclosure by Zydus and granted an *ad interim* injunction in favour of Roche in July 2024. Subsequently, when the matter came before Saurabh Banerjee J. following a change in the roster of judges at the Delhi High Court in October, Banerjee J. vacated the previous injunction order and refused to grant an injunction to Roche due to, inter alia, lack of claim mapping by Roche in its injunction motion. Curiously however, Banerjee J. passed a separate order later that very day extending the injunction by a further period of two weeks, so as to allow Roche to file an appeal against the order vacating the injunction. The appeals court, comprising of two judges of the Delhi High Court, stayed Banerjee J.'s order and reinstated the injunction order, while also directing the court seized of the infringement suit to decide the injunction motion afresh. In November of 2024, following another shuffle of the judges presiding over the benches of the Delhi High Court, the matter came to be listed this time around before Amit Bansal J. Since Zydus had, by this time, approached the Supreme Court of India against the order of the two-judge bench reinstating the injunction, Bansal J. directed that the earlier injunction would continue in the meantime. The Supreme Court refused to interfere in the matter and, instead, directed the court hearing the infringement suit to expedite the hearings. Thereafter, Zydus approached the two-judge bench in appeal again, this time against Bansal J.'s order of November 2024 where the court had directed the injunction to continue. The two-judge bench clarified that no injunction order was operating on Zydus after Banerjee J.'s order of July 2024. The matter is still being heard by Bansal J. on the aspect of interim injunction at the time of writing.

### The Hershey Company v. Atul Jalan, trading as Akshat Online Traders

In *The Hershey Company v. Atul Jalan, trading as Akshat Online Traders*,[43] a case touching upon the first sale doctrine, the Delhi High Court emphatically rejected a defence raised by the defendant in a lawsuit filed by Hershey's, the well-known chocolate company, based upon the first sale doctrine. The court noted that the defendant's alleged acts of reprinting expiry

dates and repackaging expired products was not saved by the first sale doctrine in any manner. The court observed that such a material alteration of the product, which is not only bound to cause deception among consumers but is also significantly hazardous to public health, would take the defendant well beyond the purview of the exception to trade mark infringement available by virtue of the first sale doctrine. The Court also found that the defendant's attempts at justifying the sale of the products by relying on invoices from third-party suppliers were insufficient, given the compelling evidence of tampering. The suit filed by Hershey's even prompted the court to initiate *suo motu* proceedings involving the police department, the State Food Safety Department and the Food Safety and Standards Authority of India, to delve deeper into and curb the menace of rebranding and reselling of expired perishables.

### Seagate Technology LLC v. Daichi International

In Seagate Technology LLC v. Daichi International,[44] the Delhi High Court handed down an important judgment in this case, which involves questions that threatened the very existence of the refurbishment industry in India in light of concerns of trade mark infringement. The Court was dealing with lawsuits filed by Seagate and Daichi against companies engaged in refurbishing their hard disk drives that had been imported from international markets and had expired and reached their 'end of life' and were reselling them under a different brand name. Seagate and Daichi contended that this refurbishment, involving rebranding of the products in question, was not saved by the doctrine of international exhaustion as the effacement of their trademarks by the refurbishing companies amounted to 'impairment' of the goods, which is not allowed under the principles of international exhaustion as recognised in the Indian trade marks law. The Court ruled that, though the effacement of trademarks on the HDDs by refurbishment companies led to a material change in the condition of the goods that prevented them from claiming the benefit of international exhaustion principles, it could not simply injunct the companies as any such order would have exceedingly wide ramifications for the entire Indian refurbishment industry and the various stakeholders. Accordingly, the court laid down guidelines for refurbishing companies, including full disclosure regarding changes in the goods, clear labelling on the packaging that the products are 'used and refurbished', that no original manufacturer warranty applied on the products and that the refurbishing company's warranty was extended. Pertinently, the court also directed the refurbishing companies to identify the original manufacturer of the HDDs, and to ensure no misleading claims about the products' condition or performance were made.

### Telefoneaktiebolaget LM Ericsson v. Lava International Ltd

Amit Bansal J.'s extensive over 450 page-long judgment in *Telefoneaktiebolaget LM Ericsson v. Lava International Ltd*,[45] pertaining to infringement of Ericsson's SEPs by the Indian smartphone manufacturer Lava International, grabbed significant headlines across the world. The judgment holds significance, not only because it is one of the very few SEP infringement cases that saw culmination of a trial, or because of the detailed manner in which it deals with questions of patentability of SEPs or FRAND obligations cast on patent holders, but mainly because the judgment holds Ericsson entitled to a mammoth 2.44 billion rupees in damages. The court arrived at this figure by calculating the royalties that would have been payable by Lava had it obtained a licence from Ericsson for its SEPs, based on the selling price of the end device that incorporated the suit patents, and not just the price of the chipset in which the patent invention involved in the suit was incorporated. The

court gathered credence for adopting this approach from the agreements placed on record by Ericsson that it had entered with third party implementers who had negotiated licences based on the net selling price of the end device. The approach was also found desirable since the court found that the patented technology asserted by Ericsson through the suit patents was central to the functioning of the end devices. The decision offers a significant boost for SEP owners who will gather reassurance that unauthorised utilisation of their technologies in the Indian market will not go unpunished. However, at the same time, it puts the interests of domestic technology implementers on the back foot as this will significantly impair their bargaining power while negotiating licences with SEP holders in the future.

### ANI Media Pvt Ltd v. Open AI Inc & Anr

2024 witnessed a flurry of AI-centric litigation around the world, with authors, artists and rights holders raising their voices ever louder against the training of generative AI models by unauthorised utilisation of their copyright-protected works. One such litigation found its way to India as well, with the Indian news agency ANI instituting a lawsuit against Open AI,[46] alleging unauthorised use of its copyrighted news content by Open AI for training its LLM ChatGPT, and seeking an injunction against Open AI from utilising its content, at the Delhi High Court. In the suit, ANI contends that the storage of ANI's various news materials on Open AI's servers for training ChatGPT, apparently admitted by Open AI in its reply to the legal notice sent by ANI prior to filing the subject suit, would constitute copyright infringement. ANI also contended that it was the subject of false attribution by ChatGPT as the source of certain false and inaccurate news items in response to certain prompts, thereby damaging its reputation. In response, during the oral arguments advanced on the date of first hearing, Open AI challenged the maintainability of the suit on the ground of lack of territorial jurisdiction, arguing that none of its chatbot servers that were allegedly trained using ANI's material are located in India. Second, Open AI also challenged ANI's case on the ground that no case of copyright infringement was made out from the ANI complaint as none of the instances claimed as amounting to infringement by ANI were reproductions of ANI's works. Interestingly, without prejudice to its rights and contentions, Open AI stated before the court that it has, in the meantime, blocked ANI's website to ensure that its content is not used by ChatGPT. ANI, however, rebutted this argument by submitting that such an opt-out mechanism was of no use since, in any case, ChatGPT was utilising its material available on other websites, which were legally using ANI's content. Subsequently, an industry body of Indian publishers, whose members include Bloomsbury India, Penguin Random House, Pan Macmillan India and various other Indian publishers as well, has also filed a motion in ANI's suit seeking impleadment as a party, on the ground that Open AI has trained its large language model on copyrighted literary works published by the member-publishers. At the time of writing, the court has allowed Open AI time to file its response to the impleadment motion, and the matter is still in its nascent stages. It remains to be seen how this dispute pans out in the coming weeks.

# Obtaining protection

## Patents

The Patents Act follows the globally accepted triple test[47] of patentability: novelty,[48] inventive step[49] and industrial application.[50] It also enumerates certain types of inventions that shall not be considered patentable, including inventions that are, inter alia, frivolous, contrary to public order or morality; that can cause serious prejudice to human, animal or plant life; and that are, inter alia,mere discovery of a scientific principle, or mere discovery of new form of known substance, process of treatment, algorithm, mathematical equation, business method or computer program per se, as not patentable.[51]

Novelty is said to subsist in an invention if it has not been anticipated by publication in any document or used in the country or elsewhere in the world before the date of filing of a patent application. Any prior publication, use or disclosure of the invention, even if by the applicant themselves, shall be treated as being anticipated by publication and destroys the novelty thereof, except where grace period has been duly requested. The inventive step requirement is fulfilled when either the invention involves technical advances from the existing body of knowledge in the field, or has economic significance, such that the invention is not obvious to a person skilled in the art. Further, the invention must also be capable of being made or used in an industry.

The grant of a patent after examinations and investigations by the Controller is not deemed in any way to warrant validity of any patent,[52] and that registration does not entitle any presumption of validity in favour of patent.[53] Therefore, in a suit for patent infringement, the patentee must prima facie establish the validity of the patent along with establishing infringement of the subject patent.

## Trademarks

As described in under the header 'Introduction', as per the TMA, a mark shall be capable of being represented graphically, and capable of distinguishing the goods or services of one person from those of others, to be eligible to claim protection as a trademark.

India follows the 'first-to-use' principle for trademark registration rather than the 'first-to-file' principle. Registration of a trademark is not necessary before use commences. However, registration is essential to bring a claim for infringement. Use trumps registration, and a user of a mark can acquire trade rights by its substantial and continuous use in the country.

The term 'use' for the purpose of instituting infringement claims does not mean that the goods must actually be sold in the Indian market. Rather, use of a mark in business papers or in advertising material,[54] use by way of print and electronic media, and widespread visibility of the mark through social media proliferation have been recognised as use by courts.[55]

An unregistered trademark can be protected through the common law remedy of passing off.[56]

In addition to trademarks *simpliciter*, the TMA also has special provisions governing the registration process and possible actions for infringement of collective marks and certification marks.[57]

## Designs

As discussed under the header 'Introduction', only the aesthetic features of an article are protectable under the Designs Act, provided that the features are original and have not been previously disclosed to the public anywhere in India or any other country by publication.[58] 'Article' has been defined under the Designs Act to mean any article of manufacture and any substance, artificial or partly artificial or partly natural, and includes any part of an article capable of being made and sold separately.[59] A mere mechanical device or a functional design are not protectable. However, any design that also has functionality is not barred from registration own to the functionality alone. Where the design has no aesthetics and only functionality, or where the functionality would not have been possible to attain through any other design, only then is a functional design denied design registration in India.

The Designs Act also categorically excludes trademarks and artistic works that qualify for protection under the TMA from being protected as industrial designs.[60] Despite that, Indian law recognises that, as for trademarks, the common law remedy for passing off is also available for designs, separate and in addition to the statutory remedies for design piracy.

## Copyright

Copyright subsists in all original literary, dramatic, musical, artistic works, cinematograph films and sound recordings, upon their creation or publication, and extends only to manner of expression of the work and not to the underlying idea. As described under the header 'Introduction', obtaining copyright registration is not a prerequisite for an infringement action as copyright is, inherently, an incorporeal property. The Copyright Act also provides that no copyright shall subsist in a work or article that is otherwise a subject matter of the Designs Act beyond 50 copies of the said work being reproduced.[61]

## Plant varieties

The PV Act provides for registration of new and extant varieties that conform to distinctiveness, uniformity and stability criteria, as specified under the regulations under the PV Act.

The PV Act provides specific criteria that must be met by a new plant variety, such as novelty,[62] distinctiveness,[63] uniformity[64] and stability.[65] Broadly speaking, a new variety shall be considered novel if, at the date of filing of the application, the variety has not been in the public domain in India for more than one year, or outside India, in the case of trees or vines, earlier than six years, or in any other case, earlier than four years. The definition of variety under the PV Act specifically excludes microorganisms.[66]

## Geographical indications

The GI Act marked the first legislation in India that extended statutory protection to GIs by providing a mechanism for registration and protection of GIs.

Any association of persons or producers or any organisation or authority established by, or under any law in force at that time, representing the interest of the producers of the goods concerned who wish to register a GI for those goods can apply for such a registration.

The GI Act classifies agricultural goods, natural goods and manufactured goods as protectable. Further, only indications that identify the goods as originating from, or being manufactured in, the territory of the country or a region or locality in that territory, where a given quality, reputation or other characteristic of these goods is essentially attributable to its geographical origin, are protectable.[67] The GI Act also mandates that in the case of manufactured goods, one of the activities of the production or processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.[68]

# Enforcement of rights

## Possible venues for enforcement or revocation

The two venues for enforcement of IP rights in India are the registries and courts of law. Filing and prosecuting applications, opposition actions and cancellation and revocation petitions are typically handled at the registries. Courts, on the other hand, deal with civil suits seeking equitable reliefs against infringement by a known or unknown third party, or suits concerning passing off of trademarks, along with appeals from decisions of the registries. Cancellation actions under the relevant IP laws are also, pursuant to the abolition of the Intellectual Property Appellate Board (IPAB), listed before the relevant high courts.

After the IPAB was abolished, existing matters filed at the IPAB have been transferred to the country's high courts, which now function as the appellate authority for orders passed by various examiners and hearing officers at the registries. High Courts also have the jurisdiction to decide revocation and cancellation actions under, inter alia, the TMA, the Patents Act and the GI Act.

The Delhi High Court led the way, in the wake of IPAB's abolition, to swiftly fill the void left by IPAB by establishing a dedicated Intellectual Property Division (IPD), which has its own set of rules for administration of original as well as appellate IP matters. The Madras High Court was the second to follow suit as it established its own IPD in 2023. 2024 saw two more high courts, namely the Calcutta and Himachal Pradesh High Courts, notifying their own IPD rules and establishing their IP divisions. The Karnataka High Court has also commenced the process of establishing an IPD as it has put in place a subcommmittee for framing its own set of IPD rules. Notably however, the Bombay High Court, which is one of the largest high courts in the country in terms of sanctioned strength of judges and also as the large number of complex commercial matters it encounters, still lags behind many of its contemporaries and has not yet established an IPD. As such, a large number appeals from orders of the IP offices located in Mumbai, and rectification proceedings as well, are largely lying in the doldrums.

## Requirements for jurisdiction and venue

India follows a three-tier judiciary system, starting with district courts at the bottom, the high courts at the appellate-intermediate level, and culminating with the Supreme Court at the apex as the final appeals court. The pecuniary jurisdiction of district courts and high courts varies from state to state. The district courts in Delhi are vested with a pecuniary jurisdiction

from 2 million rupees to 20 million rupees. The Delhi High Court, which is one of the five high courts in India that have original jurisdiction (the others being Bombay, Madras, Calcutta and Himachal Pradesh), has jurisdiction to adjudicate matters that are valued at over 20 million rupees.

While the general civil law requires suits to be filed at the place where the defendant resides or carries on their business or personally works for gain, or at the place where the cause of action in a suit has arisen,[69] the TMA and the Copyright Act provide an additional basis that an infringement action can also be filed where the plaintiff actually and voluntarily resides or carries on business or personally works for gain.[70] The aspect of appropriate forum for filing cancellation actions against trademark, design and patent registrations is discussed under the previous header 'Possible venues for enforcement or revocation'.

## Obtaining relevant evidence of infringement and discovery

Appointment of local commissioners for seizure of infringing goods that are anticipated to be in the possession of the defendant can be obtained by filing a motion for an *Anton Pillar* order. These orders are a particularly common feature of trademark and copyright infringement matters where the plaintiff, while filing an application for grant of *ex parte ad interim* injunctions, also files an application for appointment of a court commissioner. The court commissioner so appointed then visits the defendant's premises, seizes the stock of infringing products found at the premises and seals the same, thus forming a conclusive piece of evidence of the defendant's infringing activities.

Parties can also, with the leave of the court, file a motion for discovery by way of interrogatories in writing, calling upon the opposite side to disclose such documents and information as the enquiring party deems fit.[71] Parties can also seek production by the other party or person of documents in the possession of the party concerning any matter in question in the suit, subject to conditions as are prescribed under the law.[72]

## Preliminary injunctions

Temporary and preliminary injunctions are a *sine qua non* of litigations involving IP. Courts are, generally not averse to granting *ad interim* or *ex parte ad interim* injunctions on the date of the first hearing itself, provided the plaintiff is able to satisfy the court that it has a prima facie case, that the balance of convenience lies in its favour and that irreparable harm would be caused to the plaintiff if the injunction is not granted. If the court is not satisfied that these requirements are fulfilled, the court may issue notice to the defendant and decide on granting preliminary injunction until the pendency of the suit after hearing rival submissions from both parties.

## Trial decision-maker

The concept of juries is absent from Indian law, and all decisions, both procedural and judicial, are taken by qualified judges who preside over the courts of law. If a suit is pending before the district court and the matter proceeds to trial, the examination and cross-examination of witnesses is carried out by the concerned judge. High courts, however, have judicial officers, namely joint registrars, who conduct and preside over the cross-examination of witnesses. Parties before Indian courts can also ask the court to appoint a court commissioner before whom the parties can appear and record their statements.

## Infringement

### Trademarks

As per Indian law, a trademark is infringed by a person who, not being a registered proprietor, uses in the course of trade a mark that is identical or deceptively similar to the registered mark in the scenarios as set out below:

a. for the same goods or services covered by the registered mark, where use of the mark is likely to be taken as being used as a registered trademark;[73]
b. for goods or services that are identical or similar to the goods covered by the registered mark, and because of the similarity between the marks and the goods or services, the use of the purportedly infringing mark is likely to cause confusion on the part of the public or is likely to be associated with the registered trademark;[74]
c. in relation to different goods or services, provided the registered mark has a reputation in India;[75] and
d. in cases where the defendant uses an infringing mark as their trade name or part of their trade name.[76]

### Copyright

Copyright in a work is infringed when any person does anything, the exclusive right of which is conferred on the owner of copyright (i.e., reproduction of the work or adaption of a literary work), or permits for profit any place to be used for communication of this work.[77]

### Designs

Design piracy occurs when any person applies, or causes to apply, or imports for the purposes of sale, a design that is fraudulent or an obvious imitation of the registered design.[78]

### Patents

While the Patents Act does not expressly state what constitutes infringement of a patent, it provides for various rights conferred on a patent holder,[79] and violation of those rights constitutes infringement.

## Defences

### Trademarks

The TMA saves, inter alia, the following manners of use of a mark from being construed as infringement of a registered trademark:

a. use of a registered mark by another person for the purposes of identifying goods or services as those of the proprietor provided such use is in accordance with honest practices and does not take unfair advantage or is detrimental to the distinctive character or repute of the trademark;[80]
b. use of a registered mark by another person in a descriptive manner to indicate the kind, quality, quantity, purpose, etc., characteristics of goods or services;[81]
c. sale or dealing in goods bearing a registered trademark that have been lawfully acquired, including parallel imports;[82]

d. use of a mark that is identical or nearly identical to the registered mark by another person who is the prior user of that mark;[83] and
e. bona fide use by a person of their own name or place of business.[84]

### Copyright Act

Certain acts do not constitute infringement, including:

a. fair dealing;
b. the reproduction of work for the purpose of judicial proceedings or for the purpose of educational purposes;
c. reading or recitation in public of reasonable extracts from a published literary or dramatic work;
d. communication to the public of sound recordings in the course of a bona fide religious ceremony; and
e. reproduction for the purpose of research or private study.[85]

### Designs Act

In the case of designs, defences such as invalidity of designs on grounds of prior art or lack of novelty are available.[86]

### Patents

In a patent infringement suit, defences such as lack of novelty, obviousness or the patent not being capable of industrial application are valid defences. India also specifically bars the patentability of a new form of a known substance.

The courts have usually clamped down on a litigator in cases where they have suppressed material facts. Common law defences such as laches and estoppel are also available.

## Time to first-level decision

Specifying the time frame within which a first level decision might be rendered is difficult because it depends on a number of variables, including strength of the rights asserted, the nature of wrongdoing of the defendant, the conduct of the parties and so on. However, assuming the other side wishes to contest the matter and not suffer a decree in the initial stages, and owing to the strict deadlines being imposed under the statute governing commercial matters, the timeline for getting a first-level decision could range from approximately 18 to 24 months.

## Remedies

In India, IP holders may seek relief in the form of *ex parte ad interim* inunctions, interim injunctions, permanent injunctions, damages and costs. In addition, courts are also vested with the power to order preservation of infringing goods by ordering seizing of the infringing goods or material.

## Damages and compensation

IP right holders, in cases of trademark, copyright and patent infringement suits, are entitled to seek damages or an account of profits.[87] Courts are also not averse to granting exemplary damages if it is apparent from the record that the conduct of the defendant has been dishonest or in bad faith. Further, courts in India have increasingly granted full costs of the suit in favour

of the prevailing party, depending on factors such as the conduct of the opposite side both before and during the proceedings, the potential damage caused to the claimant by way of the alleged unauthorised activity, the mischief sought to be remedied by way of the proceedings, and so on.[88] That said, the element of discretion of the judge while awarding costs or damages always remains a crucial factor.

## Delivery up of infringing material

Infringing goods, particularly those that have been seized under an *Anton Piller* order, are usually treated as evidence and, depending upon the decision of the suit, are liable to be forfeited or destroyed. Plaintiffs usually ask for delivery of infringing goods and, in matters in which disputes are settled outside court, it is usual for the plaintiff to seek the destruction of the infringing goods as part of the standard settlement terms.

## Appellate review

### Hierarchy of courts

In India, a suit for infringement cannot be filed in a court lower than a district court. In states having High Courts vested with original jurisdiction, litigants have the option of directly approaching the High Court. Appeals from orders of the district court or High Court are now adjudicated by the Division Bench of the High Court, comprising two judges. The decisions in such appeals can be challenged up to the Supreme Court of India subject to grant of special leave by the apex court.[89]

### Standards for appeal

Appellate courts of first instance can reappraise the evidence. However, an appellate court cannot seek to reach a different conclusion if the conclusion reached by the lower court is found to be reasonable, on the material facts. The appellate court would normally not be justified in interfering with the exercise of discretion under appeal solely on the ground that if it had considered the matter at the trial stage it would have come to a different conclusion.

### Introduction of new evidence

The Code of Civil Procedure, 1908 permits a party to file additional evidence at an appellate stage in certain circumstances and subject to obtaining leave from the appellate court.

## Alternatives to litigation

Section 89 of the Code of Civil Procedure, 1908 stipulates that where there exist elements of settlement between parties, the court shall formulate and even reformulate the terms of settlement (where necessary) after receiving the observations of the parties and refer the matter to arbitration, conciliation or mediation.

Mediation is the most common form of alternative dispute resolution mechanism resorted to by the courts. The law has also now made it mandatory for the plaintiff to first explore mediation before approaching courts by way of a suit, failing which the suit shall not be maintainable.[90] This provision, however, is not applicable to suits that contemplate urgent relief.[91]

# Outlook and conclusions

2024 witnessed various significant IP-related developments in India. The introduction of the proposed Trade Secrets Bill has set the ball rolling for promulgation of a codified trade secrets law, which many commentators have been suggesting for a few years as the need of the hour. Such a law will bring India at par with other leading jurisdictions where *sui generis* trade secrets laws are already operative. The various eventualities thrown open by the advent of artificial intelligence, and its interplay with extant IP laws, which seem to be at the forefront of various AI-centric legal disputes, present exciting opportunities for IP practitioners in India. The suit filed by ANI at the Delhi High Court against Open AI has also piqued interest from IP lawyers around the world, and it will be exciting to see how the court proceedings unfold in the suit.

2024 also saw two notable additions to high courts that have active dedicated IP divisions, namely the High Courts at Calcutta and Himachal Pradesh. These additions have definitely improved the disposal rates of IP rectification petitions and appeals from the orders of the different IP registries. However, the lack of urgency displayed by the Bombay High Court in establishing its IP division does remain a point of concern, which has left IP owners who are involved with the Bombay office of the trade mark/copyright/patent offices in the lurch.

### Footnotes

1. ^ https://www.wto.org/english/thewto_e/countries_e/india_e.htm.
2. ^ The Patents Act, 1970 (39 of 1970).
3. ^ The Patent Rule, 2003.
4. ^ Section 2(1)(j) of the Patents Act, 1970.
5. ^ Sections 3 and 4 of the Patents Act, 1970.
6. ^ Section 11A(7) of the Patents Act, 1970.
7. ^ Section 53 of the Patents Act, 1970.
8. ^ Section 2(1)(zb) of the Trade Marks Act, 1999.
9. ^ Section 2(1)(m) of the Trade Marks Act, 1999.
10. ^ Section 28 of the Trade Marks Act, 1999.
11. ^ Section 27 of the Trade Marks Act, 1999.
12. ^ Section 25(1) and (2) of the Trade Marks Act, 1999.
13. ^ Section 13 of the Copyright Act, 1957.
14. ^ Section 14 of the Copyright Act, 1957.
15. ^ Section 38 of the Copyright Act, 1957.
16. ^ Section 57 of the Copyright Act, 1957.
17. ^ Section 37 of the Copyright Act, 1957.
18. ^ Section 48 of the Copyright Act, 1957.
19. ^ Section 63 of the Copyright Act, 1957.
20. ^ Section 2(d) of the Designs Act, 2000.

21. ^ Section 4 of the Designs Act, 2000.
22. ^ Section 11 of the Designs Act, 2000.
23. ^ Section 2(1)(e) of the GI Act.
24. ^ Section 18(1) of the Geographical Indications of Goods (Registration and Protection) Act, 1999.
25. ^ Section 18(2 of the Geographical Indications of Goods (Registration and Protection) Act, 1999.
26. ^ Preamble of the PV Act.
27. ^ Section 15(1) of the PV Act.
28. ^ Section 24(6) of the PV Act.
29. ^ Section 2(h) of the IC Act.
30. ^ Section 7 of the IC Act.
31. ^ Section 1 of the IC Act.
32. ^ Sections 43A and 72 of the Information Technology Act, 2000.
33. ^ Rule 12(2) of the Patent (Amendment) Rules, 2024.
34. ^ Rule 13(2A) of the Patent (Amendment) Rules, 2024.
35. ^ Rule 24B(1) of the Patent (Amendment) Rules, 2024.
36. ^ Rule 55 of the Patent (Amendment) Rules, 2024.
37. ^ Rules 24B(6) and 24C(11) of the Patent (Amendment) Rules, 2024.
38. ^ Rule 29A of the Patent (Amendment) Rules, 2024.
39. ^ Rule 131(2) of the Patent (Amendment) Rules, 2024.
40. ^ Rule 138 of the Patent (Amendment) Rules, 2024.
41. ^ 2024 SCC OnLine Bom 2713, 2024:BHC-GOA:1357-DB.
42. ^ Orders dated 9 July 2024 and 11 November 2024 in CS(COMM) 159/2024; order dated 16 October 2024 in FAO(OS)(COMM) 236/2024 (Delhi High Court); order dated 18 November 2024 in SLP(C) 48862/2024 (Supreme Court of India); order dated 21 November 2024 in FAO(OS)(COMM) 269/2024 (Delhi High Court).
43. ^ Orders dated 19 December 2023 and 15 April 2024 in CS(COMM) 780/2023, Delhi High Court.
44. ^ 2024:DHC:4193.
45. ^ 2024:DHC:2698.
46. ^ Orders dated 19 November 2024 and 28 January 2025 in CS(COMM) 1028/2024 (Delhi High Court).
47. ^ Section 2(1)(j) of the Patents Act, 1970.
48. ^ Section 2(1)(l) of the Patents Act, 1970.
49. ^ Section 2(1)(ja) of the Patents Act, 1970.
50. ^ Section 2(1)(ac) of the Patents Act, 1970.
51. ^ Section 3 of the Patents Act, 1970.
52. ^ Section 13(4) of the Patents Act, 1970.
53. ^ *Standipack Pvt Ltd v. Oswal Trading Co Ltd*, 1999 (19) PTC 479.
54. ^ Section 29(6)(d) of the Trade Marks Act, 1999.
55. ^ See *NR Dongre v. Whirlpool Corporation* [(1996) 5 SCC 714]; *Milment Oftho Industries v. Allergan Inc* [(2004) 12 SCC 624]; *Cadbury UK Ltd & Anr v. Lotte India Corporation Ltd* [2014 (57) PTC 422 (Delhi)]; *Banyan Tree Holdings v. Mr Jamshyad Sethna & Anr* (judgment dated 20 November 2015 passed by Delhi High Court in CS(OS) 2172/2007).

56. ^ Section 27 of the Trade Marks Act, 1999.
57. ^ Chapter VIII and IX of the Trade Marks Act, 1999.
58. ^ Section 2(d) of the Designs Act, 2000.
59. ^ Section 2(1)(a) of the Designs Act, 2000.
60. ^ Section 2(d) of the Designs Act, 2000.
61. ^ Section 15 of the Copyright Act, 1957.
62. ^ Section 15(3)(a) of the PV Act.
63. ^ Section 15(3)(b) of the PV Act.
64. ^ Section 15(3)(c) of the PV Act.
65. ^ Section 15(3)(d) of the PV Act.
66. ^ Section 2(1)(za) of the PV Act.
67. ^ Section 2(1)(e) of the the Geographical Indications of Goods (Registration and Protection) Act, 1999.
68. ^ ibid.
69. ^ Section 20 of the Code of Civil Procedure, 1908 (CPC).
70. ^ Section 134 of the Trade Marks Act, 1999; Section 62, Copyright Act, 1957.
71. ^ Order XI Rule 2(11) of the CPC.
72. ^ Order XI Rule 5 of the CPC.
73. ^ Section 29(1) of the Trade Marks Act, 1999.
74. ^ Section 29(2) of the Trade Marks Act, 1999.
75. ^ Section 29(4) of the Trade Marks Act, 1999.
76. ^ Section 29(5) of the Trade Marks Act, 1999.
77. ^ Section 51 of the Copyright Act, 1957.
78. ^ Section 22 of the Designs Act, 2000.
79. ^ Section 48 of the Patents Act, 1970.
80. ^ Section 30(1) of the Trade Marks Act, 1999.
81. ^ Section 30(2) of the Trade Marks Act, 1999.
82. ^ Section 30(3) of the Trade Marks Act, 1999.
83. ^ Section 34 of the Trade Marks Act, 1999.
84. ^ Section 35 of the Trade Marks Act, 1999.
85. ^ Section 52 of the Copyright Act, 1957.
86. ^ Section 22(3) of the Designs Act, 2000.
87. ^ Section 135 of the Trade Marks Act, 1999, Section 55 of the Copyright Act, 1957 and Section 108 of the Patents Act, 1970.
88. ^ Section 35A of the Commercial Courts Act, 2015.
89. ^ Section 136 of the Constitution of India.
90. ^ Section 12A of the Commercial Courts Act, 2015.
91. ^ See *Chandra Kishore Chaurasia v. RA Perfumery Works Pvt Ltd* [2022 SCC OnLine Del 3529].

# Intellectual Property: Indonesia



19 March 2025

**Affa Intellectual Property Rights**
By Emirsyah Dinar

## Introduction

Intellectual property protection and enforcement in Indonesia have existed since the era of the Dutch colonial government, which enacted AuteurswetStb No. 600 of 1912 (on copyright), Ooctroi Wet No. 313 of 1910 (Patent), and Reglement Industriele Eigendom No. 545 of 1912 (on trademarks). Even after the independence of Indonesia in 1945, these laws were still relevant and remained in force until 1961, when the government of the Republic of Indonesia enacted Law No. 21 of 1961 on Marks, Law No. 6 of 1982 on Copyrights and Law No. 6 of 1989 on Patents. As time went by, Indonesia further ratified various international agreements concerning intellectual property rights.

Currently, Indonesia is a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Madrid Protocol, the Beijing Treaty on Audiovisual Performances, the Berne Convention, the Paris Convention, the Patent Cooperation Treaty and the WIPO Copyright Treaty. Furthermore, Indonesia is also a party to several bilateral or regional agreements and treaties, such as the ASEAN Patent Examination Cooperation and the Japan–Indonesia Patent Prosecution Highway, as well as the South Korea–Indonesia Patent Prosecution Highway.

Currently, the grouping of intellectual property rights in Indonesia is as follows.

**Intellectual property protection grouping in Indonesia**

| |
|---|
| **Copyrights** |
| **Industrial rights** |

| |
|---|
| Copyrights |
| Trademarks and geographical indications |
| Related rights |
| Industrial designs |
| Patents: conventional patents, and utility models and simple patents |
| Plant varieties |
| Trade secrets |
| Integrated circuit layout-designs |

The legal bases of the above-noted protections are as follows:

a. Law No. 29 of 2000 on Plant Varieties;
b. Law No. 30 of 2000 on Trade Secrets;
c. Law No. 31 of 2000 on Industrial Designs;
d. Law No. 32 of 2000 on Integrated Circuit Layout-Designs;
e. Law No. 28 of 2014 on Copyrights (the Copyright Law);
f. Law No. 65 of 2024 on the Amendment to the Law No. 13 of 2016 on Patents (the Patent Law);
g. Law No. 20 of 2016 on Trademarks and Geographical Indications (the Trademark Law); and
h. Government Regulation No. 2 of 2022 on Job Creation.

## Simple patents and utility models

Simple patents and utility models are governed by the recently amended Patent Law. The amendment changed the definition of invention to the following:

> Invention means an idea of an inventor embodied into a specific problem-solving activity in the field of technology in the form of product and/or process, refinement, and/or development of a product and/or process, as well as systems, methods, and uses.

Subject to registration, simple patents provide for the grant of exclusive rights if the patent can fulfil the following criteria:

a. novelty;
b. development of known products or processes;
c. possession of practical uses; and
d. commercial application.[1]

This covers simple products, simple processes and simple methods. Once registered, simple patents and utility models are valid for 10 years from the filing date.

## Patents

Subject to registration, conventional patents provide for the grant of exclusive rights if the patent can fulfil the following criteria:

a. novelty;
b. inventive steps; and
c. commercial application.

In practice, examiners will also conduct further examinations on the number of claims and review if the official fees paid already cover the excess claims filed at the application stage. The examiners will review the amendments filed before the examination takes place to ensure that the application does not fall under the non-patentable and excluded invention category (Articles 4 and 9 of the Patent Law), as well as ensuring clarity, unity and patentability.

Conventional patents can cover both product and process patents. Once registered, conventional patents are valid for 20 years from the registration filing date.

Notably, there are inventions that cannot be registered, such as aesthetic creations, schemes, methods to conduct mental activities, games, and business, computer programs except for the inventions that are implemented using computers, presentations of information and theories and methods in the field of science and mathematics. There is a notable omission of discoveries from the list of inventions that cannot be registered. It is intended to accommodate developments related to new uses for existing and/or known products that are still considered Inventions and can be granted a patent. The patent for such new use does not prevent the public from producing the product as long as they do not mention or indicate the patented use.[2]

## Trademarks

Trademarks (as well as geographical indications) are regulated under the Trademark Law. Registration is carried out on a first-to-file basis, and registered trademarks are valid for 10 years, with effect from the registration filing date. While no prior use requirement is essential for the purposes of application and registration, it is advisable always to use registered trademarks to avoid non-use cancellation actions filed by any third parties. Furthermore, Indonesia adopts a strict classification system on its e-filing platform. Any goods or services that do not exist in the system may not be filed – hence, prior checking is advised.

## Copyrights

Copyrights are governed by the Copyright Law. The Copyright Law protects various intellectual property assets in the realms of art, science and literature. The protection period starts from the first date of publication and depends on the nature of the protectable work. For instance, software and other computer programs are protected for 50 years from their first publication date, whereas songs and books are protected for up to 70 years after the death of their creator.[3]

# Year in review

There have been several key developments in the Indonesian IP scene in the past few years. The biggest change comes from the enactment of the amendment to the Patent Law.

The amendment is designed to be in line with the current technological practices around the world, while at the same time putting a special emphasis on the national interest. It also aims to make Indonesia’s patent system more adaptable and responsive to contemporary needs.

Note that as the result of this amendment, several official fees have increased as well. The actions that are subject to the increase include the acceleration of publication, substantive examination request for both invention patent and simple patent and appeals before the patent board of appeal/appeal commission. Whereas for recordals (data amendment, assignment and license), certificate correction, filing and annuity fees remain the same.

When it comes to filing IP-related civil actions before the Central Jakarta Court of Commerce, the Court in practice has made additional formality requirements, such as a notarised copy of the individual who signed the notarised and apostilled power of attorney. If one of the parties is located in Hong Kong, Taiwan or China, then the submitted arguments and other corresponding documents shall be served in three languages, namely Indonesian, English and Chinese.

The Trademark Law was also not immune from a slight amendment due to Decision Number 144/PUU-XXI/2023 by the Constitutional Court. This decision stipulates that a third party who wishes to file an action for the cancellation of a trademark may only do so if the trademark has not been used for five consecutive years (previously three years) in the trade of goods or services, calculated from the date of registration or last use.

# Obtaining protection

In Indonesia, IP protection can be obtained through formal registration process before the e-filing system governed by the DGIP. In the case of copyrights, the process is called 'recordation' as opposed to registration. The time it takes for obtaining registration for a trademark may take between 10 and 12 months in the event of no opposition or refusal. In contrast, it would take two to three years for a patent registration and one to two years for an industrial design.

Be mindful that the Ministry of Industry has made it compulsory for a trademark to be registered (and licensed to the importers if the trademark is owned by a foreign party) for certain products.

The Ministry of Industry (MOI) has implemented a new regulation significantly impacting importers of textiles, textile products, bags and footwear. This revision to MOI Regulation No. 5 of 2024 Article 23(3) concerns the procedures for issuing technical considerations for these imports.

Significant changes have occurred, including the addition of the following documents, which are mandatory when an importer submits a general import permit for consumption (API-U):

a. trademark certificates issued by DGIP under the Ministry of Law and Human Rights of the Republic of Indonesia;
b. proof of recordation the licence agreement, sublicense, or letter of appointment from the trademark owner to the authorised representative; and
c. letter of appointment to import from the trademark owner or authorised representative.

**Affected products**

The following are affected:

a. textiles: fibres, threads, and fabrics;
b. textile products: carpets, other textile floor coverings, clothing, ready-made clothing accessories and other finished textile goods;
c. bags: suitcases, wallets, school bags, sports bags, handbags, and other bags; and
d. footwear: shoes, sandals, and moccasins.

The general import permit process remains in place, where the API-U applies to businesses importing for trading purposes. The application process involves a general importer verification (VIU) followed by the MOI's technical consideration. Obtaining the API-U permit requires submitting the VIU report and technical consideration results to the MOT.

**Impact on importers**

This new requirement poses a challenge for importers who have not secured trademark registration in Indonesia. The lengthy trademark registration process, typically taking 10 to 12 months, necessitates immediate discussions with trademark owners to obtain the necessary certificates and avoid delays in obtaining import permits.

# Enforcement of rights

## Possible venues for enforcement

The venue for civil enforcement of all intellectual property rights is the court of commerce of the relevant regional district court. If one of the parties is a non-Indonesian person, the venue for enforcement will be the Court of Commerce of the Central Jakarta District Court.[4] A plaintiff may seek injunctions from the court in respect of an ongoing infringement and resulting damage. In addition, the court of commerce is also responsible for invalidation and cancellation actions, provided that the plaintiff has solid evidence. Should any of the involved parties not be satisfied with the decision issued by the court of commerce, a cassation procedure can be filed with the Supreme Court of the Republic of Indonesia.

For criminal actions, rights holders can file complaints to the Indonesian National Police or to the civil investigator at the Directorate General of Intellectual Property under the Ministry of Law and Human Rights.[5] The latter is given the authority to conduct investigations by the government. The civil investigator is responsible for issuing the notice of commencement of investigation, and the notification of investigation results to the police. Once an investigation has been concluded, the case will be passed on to the state prosecutor to be tried before the district court.

## Requirements for jurisdiction and venue

To claim an infringement, the rights holder must present evidence to prove ownership over a title. This can be shown through an original registration certificate. For patents, the holder may also need to prove that the validity of the patent registration that forms the basis of the claim has been maintained through continuous annuity payments. Furthermore, a registered licensee can also act on behalf of a rights holder to initiate a claim before the court of commerce.[6]

## Obtaining relevant evidence of infringement and discovery

In Indonesian civil procedure, the burden of proof regarding the facts on which a claim is based lies with the plaintiff. Article 1865 of the Indonesian Civil Code states that anyone who claims to have a certain right or who refers to a fact to support such a right, or who objects to another party's right, must prove the existence of that right or that fact. Evidence may comprise written evidence, evidence presented by witnesses, or through inference, confession or oath.[7] In our experience, it is prudent to collect as much diverse evidential material as possible, such as purchases made by mystery shoppers, marketing materials found online and offline, and expert witnesses that may provide substantive statements pertaining to the alleged infringement.[8] Furthermore, written evidence must be presented in the Indonesian language – translated by a sworn translator if necessary.

Note that there is no discovery process in Indonesian legal practice and parties do not have a right to demand the submission of documents.

However, unlike trademark, copyright and industrial design disputes, there is a possibility that the burden of proof in a patent dispute may lie with the defendant if the product that results from the patented process is novel or where the product is suspected to have resulted from a patented process (and despite there being a sufficiently evidential process in place), and the patent holder is still unable to determine the process used to produce the aforementioned product. While the reversed burden of proof is possible under the Patent Law, the court of commerce will, in practice, still require the plaintiff to produce evidential material to establish the rights (i.e., through a patent certificate).

## Trial decision-maker

Unlike in various jurisdictions where there are specialised courts or judges that specialise in intellectual property matters, Indonesia does not have such a system. Bear in mind that the court of commerce discussed above also caters for non-IP matters if the dispute is of a commercial nature. In addition, the judges do not have science backgrounds, hence the importance of involving expert witnesses during the suit. Note also that Indonesia has not adopted the jury system, and judges play an important and active role in court hearings. Furthermore, precedents are considered to be merely advisory in nature, and they do not have binding legal force as in common law systems.

## Structure of the trial

Civil proceedings in Indonesia are conducted in writing and oral arguments. The judges will listen to the oral arguments of each party one at a time, and they rely heavily on the documentary evidence. Witnesses of fact can also provide oral evidence before the court. However, a witness statement or affidavit alone will not be sufficient because it is considered merely supplementary documentary evidence. In general, the procedure of the trial is as follows:

a. attendance at the first hearing after the court summons both plaintiff and defendant;
b. attendance at the second hearing, when the defendant files its response to the plaintiff's cancellation suit;
c. preparation of the plaintiff's reply to the defendant's response to the suit;
d. attendance at the third hearing to file the plaintiff's reply;
e. attendance at the fourth hearing when the defendant files its response to the plaintiff's reply;
f. preparation of the plaintiff's evidence to be submitted to the court;
g. attendance at the fifth hearing to submit the plaintiff's evidence and review the defendant's evidence;
h. preparation and filing of the conclusion of the case based on documents and evidence filed with the court by both plaintiff and defendant;
i. attendance at the sixth hearing on the filing of the conclusion of the case;
j. attendance at the seventh hearing to hear the judges' decision; and
k. issuance of the court's decision.

For patent disputes, pursuant to Article 145(4) of the Patent Law, the trial can be conducted in a private manner if both parties make a request to the court of commerce for the trial to be private. This is to protect the secrecy of processes that would be easily manipulated or improved by a person knowledgeable in the relevant field.

## Infringement

To claim an infringement, a claimant must be able to prove that the infringed product or process is identical to that claimed in the patent registration. The patent holder may pursue both a criminal and a civil suit – the latter to seek damages for the infringement proven during the criminal proceedings. A defendant that has been penalised for an infringement may still be liable to a civil damages claim by the plaintiff.

Under the Patent Law, there are nine types of conduct that constitute patent infringement, namely manufacturing, using, selling, importing, leasing, transferring, providing for sale, providing for lease and providing for transfer. It only takes one of these to be proven for the patent holder to be able to pursue the infringement.

## Defences

There are several strategies for defending against a patent infringement claim. One of the most practical methods of defence is to see if the plaintiff has worked its patent in Indonesia pursuant to Article 20 of the Patent Law, which states that a registered patent must be worked or used in Indonesia to remain in force. Failure to work or use the patent in Indonesia may result in any third party filing for invalidation of the patent at the court of commerce. Alternatively, a defendant may

challenge a patent's novelty by providing prior art as evidence for the patent's invalidation at the court of commerce. Apart from the novelty issue, one can also challenge the inventive step or industrial applicability of a patent. Invalidation or nullification is perhaps one of the most practical methods of defence available in Indonesian practice.

Furthermore, the Patent Law also provides an opportunity for a prior user of a disputed patent to defend itself if that user can prove that the use of the disputed patent does not rely on a specification, claims and figures identical to those of the registered patent. Nevertheless, the prior use must be recorded at the Patent Office to be officially recognised as such.[9]

### Time to first-level decision

Note that by law the court of commerce must issue its decision within 180 days of the date of filing of the suit in patent matters,[10] and within 90 days of the date of filing of the suit for trademark matters.[11] However, for criminal actions the process may take longer – sometimes from three to nine months if the documents are complete.

### Remedies

All laws pertaining to intellectual property assets allow the infringed to seek damages through the court of commerce. However, there is no known formula for determining the damages to be awarded. The compensation shall be given based on a final and binding decision of a civil or criminal court. Note that attorneys' fees shall be borne by the party that receives legal services from the entrusted attorney. Hence, it will not be possible to seek compensation from the other party for the legal fees already incurred by the claimant or plaintiff.

With regard to injunctions, the rights holder may request a provisional injunction to stop the circulation of infringing articles, as well as to secure or collect them, and to avoid greater losses.[12] Provisional injunctions may be useful to perform their intended purpose to the extent that they can limit the ability to record a patent registration with the Indonesian Customs. To achieve this, the provisional injunction has to be served to the Indonesian Customs to stop the influx of suspected infringing articles into the distribution channels.[13]

### Appellate review

The Supreme Court facilitates cassation based on the issuance of the lower court (i.e., the court of commerce).

### Alternatives to litigation

Conflicting parties may settle a dispute via arbitration or other alternative dispute resolutions. The settlement of a dispute by arbitration may be conducted through the Institute for Arbitration and Mediation of Intellectual Property Rights.

## Outlook and conclusions

Indonesia is set to continuously improve its IP protection and environment amidst the challenges. The Global Innovation Index has shown the country's continuous improvement in ranking – 54th as of 2024. It currently ranks 12th among the 17 economies in Southeast Asia, East Asia, and Oceania and 8th among the 34 upper-middle-income group economies.

However, there are still challenges faced by Indonesia as outlined in the USTR 301 report issued by the Office of the United States Trade Representatives, such as online piracy through piracy devices, and enforcement against pirated and counterfeit products.[14]

The DGIP also released the national filing statistics at the end of 2024. The statistics are as follows:

a. copyright: 177,889;
b. trademark: 144,657;
c. patent: 15,815;
d. industrial design: 7,926;
e. communal IP: 942; and
f. geographical indication: 62.

It is expected that the number will continue to rise in 2025.

## Footnotes

1. ^ Previously, a simple patent or utility model only needs to be novel and can be applied commercially. The Omnibus Law changed the criteria in 2020.
2. ^ Article 4 of Law No. 65 Year 2024 on the Amendment of the Law No. 13 Year 2016 on Patents.
3. ^ Law No. 28 of 2014 on Copyrights.
4. ^ See Articles 142 to 143 of the Patent Law.
5. ^ See Article 159 of the Patent Law.
6. ^ See Article 143 of the Patent Law.
7. ^ See Article 1866 of the Indonesian Civil Code.
8. ^ See Article 619 of the Herzien Inlandsch Reglement (HIR).
9. ^ See Article 14 of the Patent Law.
10. ^ See Article 145 of the Patent Law.
11. ^ See Article 85 of the Trademark Law.
12. ^ See Article 155 of the Patent Law.
13. ^ The Customs Recordal System only accommodates the recordal of registered trademarks and copyrights.
14. ^ USTR 301 2024 Report.

# Intellectual Property: Japan



19 March 2025

**Anderson Mori & Tomotsune**
By Nobuto Shirane

## Introduction

*This chapter was first published in April 2024. Be advised that some of the below content may no longer apply.*

In Japan, the most common types of intellectual property rights are patent rights, utility model rights, design rights, trademark rights and copyrights.

Patent is one of the most important forms of protection available. Japan is a signatory to the Patent Cooperation Treaty (PCT) and the Paris Convention for the Protection of Industrial Property.

Utility models are different from patents, most notably in that utility model registrations are granted without any examination by a patent examiner in the substance of the invention, such as the novelty of the claimed invention. Exclusivity for a utility model is 10 years from the date of the application. Utility models are substantially less frequently used.

A design right will attach to a registered design. A design right is valid for 25 years from the date of the application, if it is granted to an application filed on or after 1 April 2020. For those design rights that arose from an application filed between 1 April 2007 and 31 March 2020, the rights expire 20 years from the date of the application.

The owner of a registered trademark will be granted a trademark right pertaining to the registered trademark. Unlike in some other jurisdictions, Japan does not recognise a trademark right that is established solely through use in commerce without registration. An unregistered trademark is protected only if it is famous or well known under laws of unfair competition.

A copyright is conferred to the author of a work, which is defined as 'a creatively produced expression of thoughts or sentiments that falls within the literary, academic, artistic or musical domain'.[1] Under Japanese copyright law, a computer program is a copyrightable work. A database is copyrightable when it 'by reason of the selection or systematic construction of information contained therein, constitutes a creation'.[2] There is no separate intellectual property right protecting databases that do not meet this condition.

Trade secrets are another important form of intellectual property. Misappropriation of a trade secret is a tortious act, and a party that misappropriates a trade secret is civilly and criminally liable under the Unfair Competition Act.

Other forms of intellectual property rights, although used less frequently, include a layout-design exploitation right, which will be granted in respect of a registered layout-design of a semiconductor integrated circuit, and the breeder's right regarding a registered plant variety.

Regulatory exclusivity for pharmaceuticals is implemented through a drug re-examination system. A holder of a marketing approval of a pharmaceutical must undergo a post-market re-examination before the expiry of the re-examination period. The re-examination period depends on the type of exclusivity and is generally four to 10 years. During the re-examination period, a holder of a market approval is granted data exclusivity.

## Year in review

National security has been a topic that has attracted much political attention. In the patent area, a new legislation, the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures Effective introduces a new system effective from May 2024 under which the Prime Minister is authorised to issue a secrecy order for patent applications which are detrimental to national security. Under the new system, all of the patent applications will be screened first by the Japan Patent Office. If the Japan Patent Office determines that an application contains an invention in a certain designated technology field (which contains some dual-use technologies), the Office will send the application to the Cabinet Office for the second-level review. If the Cabinet Office determines that the application contains an invention the disclosure of which shall be detrimental to national security, the Prime Minister may issue a secrecy order. Once a secrecy order is issued, the applicant will be prohibited from practising the invention without a licence and disclosing the invention to a third party. The applicant will also be obligated to take appropriate measures to safeguard the secrecy of the invention. The publication of the application will be withheld, and the final allowance or rejection will also be withheld until the order is lifted. The term of a secrecy order is one year, and it is renewable for a successive one-year period or periods. In addition, for any invention made in Japan, anyone (both Japanese and non-Japanese entities) is prohibited from filing any foreign patent application (including any PCT application) which contains an invention in any one of the designated technology areas without first filing the application in Japan and waiting for 10 months (or the completion of the review, whichever comes earlier).

# Obtaining protection

In Japan, 'an invention' is defined as 'a highly advanced creation of technical ideas utilising the laws of nature'.[3]

Biological materials, including nucleic acids such as genes, recombinant proteins, antibodies, fused cells, dedifferentiated cells, transformants, microorganisms, animals and plants, are eligible for patent protection if other requirements of the patentability have been met.

Computer software is a patent-eligible subject matter. The 'Examination Handbook for Patent and Utility Model in Japan' explains that patent eligibility is examined in two steps. First, an examiner will examine whether the claimed invention is the 'creation of a technical idea utilising a law of nature',[4] without looking further into specific issues that might be involved in software inventions. Software that controls an apparatus 'based on a structure, system component, composition, action, function, nature, property, operation, etc.'[5] to realise 'operations according to the purpose of an apparatus'[6] or 'integrated control of a whole system comprising multiple related apparatuses', satisfies the requirement of the 'creation of a technical idea utilising a law of nature'.[7] Second, if the examiner cannot determine whether the first step has been met, they will determine the patent eligibility based on whether 'information processing by the software is concretely realised by using hardware resources'.[8]

Japanese patent law does not define 'a business method patent'. A business method, if claimed as software or a system, can be patentable. In the decision of 17 October 2018, Case No. Hei 29 (Gyo-Ee) 10232, the Intellectual Property High Court overruled the decision of the trial board of the Japan Patent Office, concluding that an invention of a system for serving steaks to customers is patentable, reasoning that the invention contains not only the procedures of serving steaks by humans but also apparatus such as cards, scales and seals, by which it prevents a steak for a customer from being mistakenly served to another customer and resolves the issue.

Methods for treating patients with drugs or medical procedures are regarded as having no industrial use and are not patent eligible.

# Enforcement of rights

### Possible venues for enforcement

A patent enforcement action is adjudicated by a court. The Tokyo and Osaka district courts have exclusive jurisdiction to hear patent infringement cases as courts of first instance. Depending on the place of business of the defendant or the plaintiff and the place where the infringement has occurred, the plaintiff must sue the defendant in one of the two courts.

A preliminary injunction will be heard in a separate preliminary proceeding (see under the header 'Remedies' for details).

A border measure is decided in an administrative proceeding before a competent customs office (see under the header 'Alternatives to litigation' for further details).

## Requirements for jurisdiction and venue

See above.

## Obtaining relevant evidence of infringement and discovery

In Japan, no US-style discovery is available. A document request must identify the document, the content of the document and the matters to be proved by the document.

There are several special procedural rules under the Patent Act that aim to help patentees obtain evidence. First, a defendant must plead with specificity to deny the patent owner's claim that their article or process infringes a patent. It means that a defendant cannot simply deny the assertion of infringement but must identify what elements of the patent are not satisfied by the defendant's product, and how. Second, a court may order a defendant to submit documents that are necessary for the plaintiff to prove the infringement, or to calculate the cost of the damage caused by the infringement. To determine whether the defendant has a justifiable reason for not submitting the document sought, the court may review the document in camera. Third, upon petition of a party, a court can appoint a neutral inspector to inspect the documents, devices or other materials in possession of the other party, typically infringing equipment and facilities installed at the defendant's plant, and to submit the inspection report to the court. An inspection order can be issued only when certain conditions are met, including sufficient grounds to suspect that the patent is infringed and that other means are unavailable to the petitioner.

## Preliminary injunctions

If a patent owner wishes to seek a preliminary injunction, they should do so by commencing a separate preliminary proceeding. A preliminary injunction will be granted on condition that the patent owner obtains bond for the benefit of the defendant. A respondent will be given an opportunity to be heard, and it will take slightly less time than the full proceeding but still allow enough time for the court to issue a preliminary injunction.

Statutory standard of proof in a preliminary injunction action is less demanding than the standards used in an ordinary action. However, in practice, courts typically require infringement to be demonstrated just like in an ordinary patent infringement action in order for an injunction to issue. On the other hand, the likelihood of success in a preliminary injunction action is generally not substantially lower than in a patent case.

A petitioner is required to make prima facie showing of infringement, and substantial loss or imminent harm to the petitioner without an injunction.

A patent owner sometimes makes a strategic choice to prosecute both a preliminary injunction action and an ordinary patent infringement action concurrently to enjoin infringing conducts as early as possible and to seek damages. In that case, typically the same court will hear both of the cases.

## Trial decision-maker

At a district court, a case is heard by a panel of three judges. Patent cases are always assigned to a division specialised in adjudicating matters involving intellectual property, and the judges are familiar with patents and patent law.

A panel can be assisted by a court researcher who is a full-time official of a court and either a secondee from the Japan Patent Office or a qualified patent attorney. Part-time experts who have knowledge in highly technical areas such as biotechnology, semiconductors and information technology, such as professors, research scientists and patent attorneys, may be assigned on a case-by-case basis to assist the court in the technical aspects of the case.

All trials are bench trials. No jury trial is available.

## Structure of the trial

A court will bifurcate the case into the issues of infringement and damages. A court will first let the parties brief on the issue of infringement, including any invalidity defences. If the court determines that the patent is infringed, the court will let the parties bring their arguments and present evidence about damages.

The action will commence with a plaintiff serving a complaint. The defendant will service an answer. At the first hearing, the complaint and answer will be pleaded. It will then usually be the defendant's turn to submit a brief detailing the arguments and defences. Typically, an exchange of the plaintiff's reply and the defendant's surreply will follow before a technical explanation session is held. A technical explanation session is an opportunity for the parties to present the case orally to the panel. The parties may use demonstrative evidence during the session.

A court, after considering evidence and the parties' argument, discloses its preliminary impression to the parties to close the infringement issues and, if the parties wish, to help the parties settle the case based on the impression disclosed by the panel.

The case is largely, if not entirely, proved by documentary evidence, such as prior art references, diagrams and photos of the infringing products, expert reports, and books and records. Live testimony of a witness is rarely taken.

## Infringement

Article 70 of the Patent Act provides that 'the technical scope of a patented invention must be determined based upon the statements in the claims attached to the written application' and 'the meanings of terms used in the claims are to be interpreted in consideration of the statements in the description and drawings attached to the written application'.

A term in the specification must be used consistently and in an ordinary meaning given to the term, but the applicant can define the meaning of a term in the specification.

Prosecution history will be considered, and prosecution history estoppel may apply.

A patent is literally infringed if an infringing product fulfils all elements of the claim. Under the doctrine of equivalents, a device or process is equivalent to the claimed invention if all of the following five requirements are met:

a. the element that does not fall within the literal scope of the element is not an essential part of the invention;
b. the same objective is achieved and the same effect is obtained even if that element is replaced with the element of the defendant's product;
c. the replacement was easily conceivable by a person of ordinary skill in the art;
d. the device or process was not identical to, or easily conceivable from, a prior art invention at the time of the application of the patent; and
e. the device or process was not intentionally excluded from the scope of the claim.

## Defences

Invalidity defences commonly raised by a defendant are lack of novelty, inventive step (i.e., non-obviousness), enablement, support in specifications and clarity.

An invention is not novel when it was (1) publicly known, (2) publicly worked or (3) described in a distributed publication or made available for public use over telecommunications lines, each either in Japan or in a foreign country prior to the filing of the patent application.[9] Also, a patent will not be granted for an invention that is identical to an invention or device described in the description, patent claims or drawings of another prior patent application, even if the gazette for the other patent application was made available to the public after the application of the first patent.

An invention is obvious when a person of ordinary skill in the art of the invention would have easily been able to make that invention from prior art. Whether a person of ordinary skill in the art can easily make the patented invention from the referenced invention will be determined by the court based on the totality of the circumstances, including the relevance of the technical fields of the referenced invention and the patented invention, commonality of the issue, or the functions, effects and suggestions in the prior art article. Selection of an optimal material from the known materials or optimisation of parameters will not make the invention non-obvious from the referenced invention. An invention disclosed in a prior art reference, except for numerical limitations, is not patentable unless:

a. an advantageous effect within that numerical range is not disclosed in the prior art reference;
b. the effect is different from, or significantly superior to, the effect of the referenced invention; and
c. the effect was not foreseeable.

Licence defences include contract licence and statutory licence. One of the most important statutory licences is a prior use right. A person will be granted a non-exclusive right to a patent if, at the time the application of the patent was filed:

a. the identical invention was already made by the licensee; and
b. the licensee had engaged, or had prepared to engage, in business in Japan that involves the invention.

The invention of the licensee must be completed for the prior use right to attach. The scope of the licence is limited to the extent of the invention and the business being engaged or prepared by the licensee.

A patent right does not extend to the defendant's act conducted for experimental or research purposes.[10] Trials conducted by a generic manufacturer during the life of a patent of a brand manufacturer for the purpose of obtaining a market approval of a generic drug after the expiry of the patent qualify as conduct 'for experimental or research purposes'.

Although not expressly provided in the Patent Act, courts have applied the doctrine of exhaustion. With regard to international exhaustion, the doctrine applies unless under exceptional circumstances. The Supreme Court held in its decision of 1 July 1997, Case No. Hei 7 (o) 1998, that once the patented article has been sold by a patentee or anyone who is deemed as substantially identical to the patentee in a foreign country, the patentee cannot enforce their patent right in Japan against a subsequent buyer of the patented article, unless it is clearly shown on the patented article that Japan is excluded from the territories in which the goods may be sold or used.

## Time to first-level decision

The time for a district court to render a final judgment in a patent infringement case is approximately 12 to 14 months.

## Remedies

Damages are awarded to the patent owner whose patent right is infringed by the defendant. Several presumptions are available to the patent owner under Article 102 of the Patent Act. First, the per unit profit of the patent owner, multiplied by the number of the infringing products sold, can be awarded to the patent owner as damages. Second, profits that the infringer received for their infringing act are presumed to be the harm suffered by the patent owner. Third, a patent owner is entitled to a royalty.

No punitive damages are available in Japan.

A patent infringement is a tortious act for which reasonable attorneys' fees can be awarded to the patent owner as damages.

Injunctive relief is available. There is no requirement that monetary damages are insufficient for the court to grant injunctive relief. As long as the patent is infringed and as long as the court determines that a future infringement is likely, the court will issue injunctive relief if sought by the patent owner.

## Appellate review

An appeal to a judgment of a district court will be heard exclusively by the Intellectual Property High Court. Usually, a panel of three judges will hear the case. In exceptional cases, however, the court can hear the case with a panel of five judges if it determines that treatment of this kind is warranted owing to the importance of the matter involved.

The Intellectual Property High Court will decide both factual and substantive legal issues without deferring to the district court's finding of facts and application of law.

The parties can introduce new evidence and new arguments in the appellate proceeding, but the court can dismiss any argument or evidence not submitted in time as a result of a wilful act or gross negligence by the party if the court determines that it would delay the conclusion of the proceeding.

## Alternatives to litigation

A defendant can challenge the validity of the patent through a patent invalidation trial, which is an administrative proceeding before the Japan Patent Office. Administrative judges of the Japan Patent Office will hear the case. Appeals to a decision will be heard by the Intellectual Property High Court.

A defendant does not have to commence a patent invalidation trial to challenge the validity of the patent. Instead, an invalidity defence is available to the defendant in a patent infringement action before a district court. A patent is not enforceable when it should have been invalidated through a patent invalidation trial.

Moreover, a defendant of a patent infringement action can raise an invalidity defence in a court proceeding and concurrently challenge the validity in a patent invalidation trial proceeding, although a dual-track strategy of this kind is less popular among defendants. In this case, the validity of the patent will be reviewed by the court and the Japan Patent Office in parallel. A court can, but does not have to, stay the court proceeding until the resolution of the invalidation trial. Appeals against the district court judgment and the decision of the panel of the Japan Patent Office will both be heard by the Intellectual Property High Court, where any discrepancy between the decisions of a district court and a panel of the Japan Patent Office will be resolved.

In addition, anyone can file an objection to the issuance of a patent with the Japan Patent Office within six months of its issuance. The claims that are challenged by the objection will be reviewed by the Japan Patent Office based on the grounds and evidence submitted by the objector, but the panel has the power to examine evidence and review the patents on grounds that were not proffered by the objector. A patent owner will have an opportunity to submit the patent owner's statement and request amendments to the claims. An appeal will be heard by the Intellectual Property High Court.

Another important forum is a border measure at a customs office. A patent owner can file a petition with a customs office. A petitioner must file with the petition a document evidencing the infringement, such as an opinion of a counsel, and an explanation of how to identify infringing products. Once a petition has been filed, an interested party known to the customs office, such as the importer of the allegedly infringing products, will be notified and afforded an opportunity to submit a statement. If disputed by an interested party, the customs office will appoint a panel of experts to which the issue of infringement, including invalidity and other defences of the interested party, is referred. The parties will have an opportunity to present their cases in front of the panel, and the panel will issue an expert opinion, which will be respected by the customs office. This proceeding is designed to be an express proceeding, and the final determination will be made as soon as approximately three months after the petition has been filed.

Tokyo and Osaka district courts accommodate a mediation for disputes involving intellectual property. A panel of one district judge specialised in intellectual property and two attorneys or patent attorneys will mediate the case.

# Outlook and conclusions

The number of patent applications and the number of civil ligations involving intellectual property remained stable in 2022. The statistics for 2023 are not yet available. We expect the trend to continue in 2024.

### Footnotes

1. ^ Article 2, Paragraph 1, item 1 of the Copyright Act.
2. ^ id., Article 12-2, Paragraph 1.
3. ^ Article 2, Paragraph 1 of the Patent Act.
4. ^ See Annex B, Chapter 1 ('Computer Software Related Inventions') of the 'Examination Handbook for Patent and Utility Model in Japan'.
5. ^ ibid.
6. ^ ibid.
7. ^ ibid.
8. ^ ibid.
9. ^ Article 29, Paragraph 1 of the Patent Act.
10. ^ id., Article 69, Paragraph 1.

# Intellectual Property: Malta



19 March 2025

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## Introduction

Malta has established itself as a premier jurisdiction for entrepreneurs and businesses, providing a conducive environment for investment and expansion. This is mostly due to the jurisdiction's comprehensive and well-structured legal framework, resilient economy and competitive taxation system.

Its approach to fostering innovation and economic diversification has enabled the country to establish itself as a centre for various industries, including pharmaceuticals, information and communications technology (ICT), aviation, shipping, online and digital gaming and life sciences. Moreover, Malta has increasingly attracted activity in developing and innovative sectors such as artificial intelligence (AI), blockchain and emerging technologies, reflecting its commitment to nurturing a dynamic and forward-looking economic environment.

A key determinant of Malta's appeal is its well-developed, legal environment for intellectual property, which recognises IP as a critical asset in contemporary knowledge economies. By adhering to international standards of IP protection, Malta ensures legal certainty and enforcement mechanisms that support the needs of innovators, businesses and startup ecosystems.

### Local framework – an evolution

The initial entry of IP rights protection in Malta dates to British colonial times with the Industrial Property (Protection) Ordinance.[1] This law provided the first legal framework for the protection of inventions (patents), trademarks and designs. In 1911, still under British rule, Malta, adopted the Copyright Act 1911 of the United Kingdom, thereby introducing formal copyright protection.[2]

Malta's integration into the global IP framework accelerated significantly in 1995, when the country became a founding member of the World Trade Organization (WTO).[3] This membership bound Malta to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),[4] effective from 2000 onwards.

In the same year, Malta undertook a substantial reform of its IP laws, repealing the outdated legislation that had governed copyright, patents, and trademarks for over a century, and replacing it with more modern and comprehensive laws. In 2000, Malta initiated a comprehensive reform of its IP laws to align with the European Union's (EU) *acquis communautaire*, with an overhaul in copyright[5] and trademark[6] legislation. Further legislative developments occurred in 2002, with the introduction of new laws concerning industrial designs.[7] These reforms were pivotal in aligning Malta's IP legal framework with EU standards, ensuring compliance with EU directives on copyright, patents and trademarks.

In addition to the earlier reforms, Malta reinforced its commitment to international intellectual property standards by acceding to both the European Patent Convention (EPC)[8] and the Patent Cooperation Treaty (PCT)[9] in 2007. These strategic alignments significantly bolstered Malta's position within the global IP framework.

In 2009, Malta expanded its international IP obligations by formally joining the World Intellectual Property Organization (WIPO) Copyright Treaty[10] and the WIPO Performances and Phonograms Treaty,[11] adopting the relevant regulations to reinforce its international IP commitments.

These legislative milestones have been instrumental in the evolution of Malta's IP regime, ensuring the protection and enforcement of IP rights in accordance with the highest international standards. This continued alignment with global IP norms has facilitated Malta's integration into the broader international legal and economic environment, fostering an attractive jurisdiction for innovation and intellectual property-based business activities.

Malta's current IP regulatory framework is comprehensive, encompassing several key statutes that govern the protection, enforcement and administration of IP rights within the jurisdiction.

Malta's existing primary legislation includes:

a. the Copyright Act (CA)[12] – this provides protection for original literary, artistic and scientific works, ensuring creators' rights are protected;
b. the Cultural Heritage Act (CHA)[13] – this makes provision for the superintendence, conservation and management of cultural heritage in Malta;
c. the Trademarks Act (TA)[14] – this regulates the registration and protection of trademarks, granting exclusive rights to distinctive signs used in trade;
d. the Patents and Designs Act (PDA)[15] – this governs the protection of inventions through patents and the safeguarding of industrial designs, promoting innovation and aesthetic creations;
e. the Intellectual Property Rights (Cross-Border Measures) Act (IPRA)[16] – this provides for measures against the importation and exportation of goods that infringe IP rights, aligning with international enforcement standards;
f. the Enforcement of Intellectual Property Rights (Regulation) Act (EIPRA)[17] – this establishes procedures for the enforcement of IP rights, detailing remedies and penalties for infringement;

g. the Trade Secrets Act (TSA)[18] – this protects undisclosed know-how and business information against unlawful acquisition, use and disclosure; and
h. the Commercial Code[19] – this, while broader in scope, holds certain provisions within it that pertain to the realm of IP, particularly in the context of commercial transactions and business practices.

These statutes collectively ensure a robust IP regime in Malta, providing legal certainty and protection for creators, innovators and enterprises operating within the country.

## International framework

Malta is also signatory to numerous international IP treaties and conventions, ensuring its own local IP laws and regulations align with global standards. The key agreements to which Malta is a party include:

a. the Berne Convention for the Protection of Literary and Artistic Works;[20]
b. the Paris Convention for the Protection of Industrial Property;[21]
c. the Universal Copyright Convention;[22]
d. the World Intellectual Property Organization;[23]
e. the WTO TRIPS Agreement;[24]
f. the WIPO Copyright Treaty;[25]
g. the WIPO Performances and Phonograms Treaty;[26]
h. the Patent Cooperation Treaty;[27]
i. the European Patent Convention;[28]
j. the International Treaty on Plant Genetic Resources for Food and Agriculture;[29] and
k. the Unified Patent Court Agreement.[30]

Pertinent Maltese IP legislation incorporates all rights and obligations arising from the domestic legislation, treaties and conventions listed above and is in line with the TRIPS agreement and the EU *acquis*.

## Industrial Property Registrations Directorate

The Industrial Property Registrations Directorate (IPRD), operating under the Commerce Department in Malta, handles all IP policy (including in the area of copyright) at the national, regional (EU) and international levels. It provides technical direction and presents Malta's position (following necessary consultation) on IP matters. In addition, the IPRD participates in European Commission meetings, meetings of the Council of the European Union as necessary and meetings organised by the European Patent Office (EPO), the European Union Intellectual Property Office (EUIPO) and the World Intellectual Property Organization (WIPO).

After its accession to the European Union in 2004, Malta became part of the European Union Intellectual Property Office (EUIPO), with the IPRD representing Malta on the EUIPO Administrative Board and Budget Committee, as well as attending liaison meetings on European Union trademarks and designs cooperation. Through the IPRD, Malta has also become a member of the intergovernmental European Patent Organisation that extends patent protection throughout 36 European states.

The IPRD is the authority mainly responsible for:

a. the registration of trademarks, certification marks, collective marks, and industrial designs;
b. the patenting of inventions;
c. the issuance of supplementary protection certificates (SPCs) for pharmaceutical products and plant protection products;
d. the recording of transactions, including assignments, cancellations, amendments and renewals, pertaining to the intellectual property rights;
e. overseeing compliance with EU and international IP regulations, including obligations arising from Malta's membership in the EPO, the EUIPO and the WIPO;
f. representing Malta in EU and international negotiations concerning intellectual property rights, ensuring alignment with global best practices and legislative developments;
g. enforcing intellectual property rights through administrative measures and coordination with relevant enforcement bodies such as customs authorities and the judiciary;
h. providing technical expertise, policy direction and advisory services on IP-related matters to businesses, researchers and public institutions; and
i. promoting awareness and capacity-building initiatives on intellectual property rights, including training programmes, workshops and public engagement efforts.[31]

## Forms of intellectual property

### Patents

A patent may be granted in Malta for inventions that are novel, involve an inventive step and are susceptible to industrial application.

Patenting in Malta is regulated by the PDA,[32] which incorporates all obligations arising from the PCT and the EPC, thereby extending Malta's patent protection regime beyond the Maltese territorial boundaries and to other member or signatory countries.

Patent applicants may claim priority based on an earlier national, regional or international application filed by themselves or their predecessor in title. This can be done within 12 months of the date of the first filing of a patent application. This is pursuant to the Paris Convention for the Protection of Industrial Property,[33] and based on one or more earlier national, regional or international applications filed in or for any state party to the Paris Convention or the World Trade Organisation (WTO) or for any state with which Malta has made an international arrangement for mutual protection of inventions.

Owing to the rather trivial size of the Maltese market, the number of domestic registered patents domestically is relatively low. This has resulted in a high number of possibilities especially for generic pharmaceutical manufacturers who have set up here.

Furthermore, Malta is one of the few EU countries to fully embrace the nature of the '*Bolar* Provision', which takes its name after the US case of *Roche Products vs. Bolar Pharmaceuticals*.[34] Malta has been very proactive in this regard. The *Bolar* Provision was implemented into Maltese law in 2003, even before its accession to the EU, which would have rendered its

transposition mandatory by means of Directive 2004/27/EC. The *Bolar* Provision typically defines circumstances in which the proprietors of a patent are precluded from preventing third parties from performing acts that are otherwise protected by patent law. The PDA has adopted this exemption in a rather wide manner in that it allows generic companies to carry out clinical trials and commercial testing for the purposes of obtaining regulatory approval or other commercial purposes prior to the expiration of the lifetime of the patent concerned. This exemption does not only permit use for purely experimental purposes and scientific research but also extends to acts done privately and for non-commercial purposes and acts done for the development and presentation of information as required under Maltese or foreign legislation regulating the production, use or sale of medicinal or phytopharmaceutical products.[35]

### Designs

The PDA establishes the legal framework for the protection of designs as a form of intellectual property. It defines what constitutes a design and affirms that a registered design is the personal property of its owner. Under the PDA, registration grants the holder exclusive rights to use the design and to prevent unauthorised use by third parties without consent. These rights take effect from the date of registration and initially last for five years from the filing of the application. The protection can be renewed in increments of five years, up to a maximum total of 25 years.

A design is considered new if no identical design has been made available to the public before the filing date of the registration application or, if priority is claimed, the priority date. Designs that differ only in insignificant details are also deemed identical.

A registered design does not extend to features of a product's appearance that are solely dictated by its technical function. It also does not extend to features of a product's appearance that must be reproduced in an exact form and dimension to ensure the product can be mechanically connected to, placed in, around, or against another product in order for either product to perform its function.

Furthermore, a registered design cannot be protected if it is contrary to public policy or accepted principles of morality. A registered design is transmissible by assignment, testamentary disposition or operation of law in the same way as other personal or moveable property. It is so transmissible either in connection with the goodwill of a business or independently.

### Copyright

Copyright encompasses the protection of any artistic, audiovisual, literary, musical works and databases and is protected through the Copyright Act (CA).[36] Literary works, as defined by the CA, are automatically copyrighted upon creation and do not need formal registration. Once placed in the public domain, these works receive statutory protection automatically. This is subject to satisfying the three criteria of eligibility: qualification, originality and fixation.

Upon establishing that a work is entitled to copyright protection, the protection shall subsist for 70 years after the end of the year in which the author dies, irrespective of the date when the work is made available to the public.

Copyright endows the author of a literary, musical or artistic work with two categories of rights – economical and moral. Economical rights further subdivide into reproduction and distribution rights, and performance rights. Moral rights are personal rights and arise from the amount of intellectual or physical creativity exercised by the author.

### Trademarks

The Malta Trademarks Act (TA)[37] regulates trademarks, which are defined as any sign capable of being represented graphically; and that are capable of distinguishing goods or services of one undertaking from those of other undertakings. It also elaborates that trademarks can consist of words (including personal names), figurative elements, letters, numerals or the shape of goods or their packaging.

When registering a trademark, the right holder acquires exclusive rights on the mark, thus enabling the owner to protect his brand against any form of infringement and misuse by third parties. Moreover, Maltese trademark law also extends protection to well-known marks in Malta eligible for protection in terms of the Paris Convention.[38]

Under the Malta TA, a separate trademark application must be filed for each separate class of goods and services. Malta follows the Nice Classification of Goods and Services[39] method.

A Malta Trademark is registered for a period of 10 years from the date of filing and may be renewed for further periods of 10 years. Moreover, a registration may be refused on various absolute and relative grounds and may be issued with territorial or specific limitation as per use of the mark. Priority may be claimed over a previously registered trademark if such a trademark was duly applied for in any county or territory which is a member of the WTO or as a party to the Paris Convention, and if the Malta application is done within a period of six months from the date of filling of the first application.

The process of trademark protection in Malta has been facilitated for pan-European and international businesses through Malta's participation in the European Union Trademark (EUTM) system, formerly known as the Community Trademark (CTM). This system grants protection across European borders. This cost-effective system provided businesses through a single registration offering a cost-effective alternative while still permitting national trademark registrations. The term of registration and renewal of an EUTM is identical to that of a Malta TM, lasting 10 years.

## Year in review

### Legal Notice 229 of 2024

The most recent significant changes in or affecting IP law in 2024 were particularly concerning tax deductions for capital expenditures on intellectual property assets.

On 13 September 2024, Legal Notice 229 of 2024 (LN 229)[40] was published, revising the Income Tax (Deductions) Rules.[41] This amendment updated the regulations for claiming tax deductions on capital expenses related to IP rights.

Through Act No. XIII of 2024,[42] a new clause was added to Article 14(1)(m) of the Income Tax Act (ITA)[43] and Rule 6 of the Income Tax (Deductions) Rules.[44] Effective from the 2024 tax year, individuals were allowed to fully deduct capital expenses on IP or IP rights, including any related expenses carried forward to the 2024 tax year.

## Legal Notice 20 of 2025

Legal Notice 20 of 2025, 'Organisational Structures for Data Sharing and Re-Use (Amendment) Regulations, 2025,'[45] was enacted on 24 January 2025. This regulation introduced amendments to Malta's existing framework for data sharing and reuse, with a particular focus on enhancing open data accessibility and public sector information sharing. It further implements the provisions of Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 into Maltese legislation. While LN 20 of 2025 primarily focuses on public sector information, its implications for IP law in Malta are noteworthy as it aims to enhance data sharing and reuse in Malta, aligning with EU directives to promote open data practices. While it offers opportunities for innovation and collaboration, stakeholders must remain vigilant in safeguarding intellectual property rights within this evolving data landscape.

## EUIPO IP Perception Study

In 2023, an EU-wide IP Perception Study was conducted by the European Union Intellectual Property Office (EUIPO).[46] The study is formally titled 'European Citizens and Intellectual Property: Perception, Awareness and Behaviour',[47] and was carried out entirely online between 30 January and 15 February 2023. It involved 25,824 interviews with residents aged 15 and above across all EU Member States and was aimed at gathering insights into European consumers' attitudes and behaviours regarding IP rights.

This study showed that only 4 per cent of Maltese respondents reported intentionally purchasing counterfeit sports equipment or merchandise, the lowest percentage among all EU countries.

While the low percentage of intentional counterfeit purchases in Malta is commendable, the study also highlights concerning trends among younger consumers. Notably, 50 per cent of young consumers find it acceptable to buy counterfeit products, indicating a need for targeted awareness campaigns to address this issue. Additionally, the study reveals that 22 per cent of Maltese respondents access or stream sports content from illegal online sources, which is higher than the EU average of 12 per cent. This behaviour poses significant risks, including exposure to scams and inappropriate content, and undermines the financing of legitimate sports organisations.

These findings underscore the importance of ongoing education and awareness initiatives to combat intellectual property infringements and promote respect for IP rights among all age groups in Malta.

## Tazza Te' v. Comptroller of Industrial Property

Te fit-Tazza is an establishment that creates minimalist, colourful prints inspired by Maltese culture, including local landmarks and literature. It has held the 'Te fit-Tazza' trademark since 2018. Tazza Te' is a café in Ħamrun, known for its platters and food offerings.

In *Tazza Te' v. Comptroller of Industrial Property*,[48] the Court of Appeal overturned the Comptroller of Industrial Property decision, allowing Tazza Te' to proceed with its trademark registration. The case arose after Te fit-Tazza objected to the registration of Tazza Te', arguing that the similarity in names could lead to consumer confusion. In October 2022, the Comptroller upheld the objection, citing a high likelihood of confusion.

Tazza Te' appealed, contending that while some similarity existed, the opposition was procedurally flawed as it lacked a filing date. The Court of Appeal found this omission significant and ruled that the objection should not have been considered. It ordered the Comptroller to reassess the trademark application without taking Te fit-Tazza's opposition into account.

## The Maltese Cross Registration Odyssey

Case R0405/2022-1, decided on 20 March 2023, dealt with the issue of registering a mark containing the Maltese Cross as an EU trademark. In February 2021, the Bailiwick of Brandenburg of the Chivalric Order of Saint John of the Hospital at Jerusalem filed an application to register the 'JOHANNITER' mark as an EU trademark. The EUIPO objected to this registration, quoting Article 7(1)(h) of the EU Trademark Regulation, and mentioned a high level of similarity to the Maltese Cross.

It claimed that the latter is protected under Article 6 *ter* of the Paris Convention for the Protection of Industrial Property. The Paris Convention[49] is an international treaty established in 1883 and administered by WIPO. Article 6 *ter* is a significant provision that addresses the protection of several state-related symbols, namely armorial bearings, flags and state emblems and is critical in preserving and protecting sovereign symbols, preventing misuse and fostering respect.

The Applicant countered this argument by asserting while Article 6 *ter* of the Paris Convention is intended to guarantee the control of a state over the use of its own national emblems. It continued by stating that the Maltese Cross did not qualify as a national emblem under the Paris Convention in that the cross's historical use by the Order predates Malta's adoption of the above Convention and also referred to the fact that the Order of St John had authorised the usage of this symbol even in Malta's Merchant Flag way back in 1965. Having said that, the Order had officially embraced the Maltese Cross in 1126 and resided in Malta from 1530 to 1798.

Despite this reasoning, the EUIPO still upheld its refusal.

The Applicant appealed, arguing against the need for authorisation by the state of Malta and citing direct historical ties it had to the cross on its own account. They contended that Article 6 *ter* did not apply as the Merchant Flag does not denote state authority. Additionally, they asserted that the mark did not heraldically imitate the Maltese Cross as it featured distinct elements and prominent lettering.

The Board of Appeal agreed, finding no heraldic imitation, and noting the Order's historical use. They also determined Malta lacked authority to authorise the use of this symbol, as it did not really belong to it and originated with the Order itself. Additionally, they clarified that the Merchant Flag did not qualify as a state emblem. Consequently, the Board allowed the trademark's registration, underscoring the complexities of trademark law involving historical symbols.

### The Malta Village Festa Achieves UNESCO's Intangible Cultural Heritage List

In December 2023, the 18th session of the UNESCO Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage[50] took place in Botswana, and during this session, the Committee inscribed six elements on the List of Intangible Cultural Heritage in Need of Urgent Safeguarding, and 45 elements on the Representative List of the Intangible Cultural Heritage of Humanity. The committee also selected four programmes for the Register of Good Safeguarding Practices and granted one request for International Assistance. The Committee emphasised the crucial role of intangible cultural heritage in promoting inclusive social, economic and environmental development. It also acknowledged progress in initiatives related to the economic aspects of safeguarding intangible cultural heritage, its protection amid climate change and its preservation in urban areas.

In this same event, the Committee recognised Malta's Festa as a celebration that would become part of the UNESCO reputable list of Intangible Cultural Heritage (ICH),[51] alongside other Maltese traditions like għana (folklore singing) and ftira bread (traditional local style bread recipe), which were previously listed in 2021 and 2020, respectively.[52]

Celebrated in towns and villages across Malta, the festa is a traditional, Maltese annual celebration which runs from late April to early October and features fireworks, concerts, band parades, and traditional local food such as nougat, ftira, mqaret (date pies), and pastizzi (flaky pastries). The festa has its origins in purely religious celebrations but has now extended to cover social, artistic and creative elements.

ICH is vital for preserving cultural diversity amid modern globalisation initiatives that have inundated the island. To aid individuals comprehend intangible cultural heritage, the UNESCO Convention describes this process in terms of five broad categories: oral traditions, performing arts, social practices, knowledge about nature and traditional craftsmanship. The festa is a prime example, involving extensive community preparation, attended by parish members and bands and culminating in processions led by clergy.

To uphold the vigour of intangible heritage, acts needs to remain pertinent within a culture, be constantly practised and passed down across generations. Youth engagement is crucial for the festa's continuity, with parishes organising children's festas, where young participants learn to continue these traditions themselves through direct involvement.

Despite external secular influences, Malta remains committed to its cultural practices, making the festa's UNESCO recognition a testament to its cultural significance and resilience.

## Obtaining protection

Under Maltese IP law, protection for biotechnological inventions, software, business methods and AI-related innovations is primarily governed by the Patents and Designs Act,[53] the Trademarks Act[54] and the Copyright Act.[55]

### Biotechnology

Biotechnological inventions, including genetic material (e.g., isolated DNA sequences, whether natural or mutated), genetically altered cells, plants and animals, may be patentable if they meet standard patentability requirements. However, under Article 4 of the PDA,[56] patents cannot be granted for plant or animal varieties or essentially biological processes for producing plants or animals, except when the invention involves a microbiological process or product thereof. Similarly, methods of production in cells, plants and animals are patentable if they do not fall under exclusions concerning morality and public order.

### Business methods

While business methods as such are not patentable, they may receive trademark protection if they serve as distinctive signs or copyright protection in cases where they involve original software implementations.[57]

### Computer software

Computer software is not patentable per se but is protected under the Copyright Act, provided it qualifies as an original literary work. However, if software contributes to a technical solution beyond its mere computational function, it may be eligible for patent protection when combined with hardware innovations.

### Medical methods

Medical methods, including methods for treating patients with drugs and medical procedures, are explicitly excluded from patentability under Article 4(4) of the Patents and Designs Act, in line with European Patent Convention (EPC) provisions. Medical devices, in contrast, can be patented if they meet general patentability criteria.

### Artificial intelligence

Malta does not yet have dedicated legislation specifically concerning artificial intelligence (AI) innovations. However, AI-generated inventions face challenges in patentability due to the requirement for human inventorship. Copyright law protects AI-generated content only when a human author exercises sufficient creative control. Trademarks may be used to protect AI-driven brands, and database rights under the Copyright Act can safeguard AI-curated datasets. As AI developments continue, legislative reforms may address patent and copyright protection gaps to ensure AI-driven innovations receive adequate protection.

## Enforcement of rights

The Enforcement of Intellectual Property Rights (Regulation) Act (EIPR)[58] in Malta provides a comprehensive framework for the protection and enforcement of IP rights. This Act supplements existing legislation, including the Copyright Act, the Trademarks Act, and the Patents and Designs Act, by introducing additional enforcement mechanisms.

The Act empowers various stakeholders to enforce IP rights, including IP rights holders; authorised users, such as licensees; recognised collecting societies; and professional defence bodies representing IP rights holders.

The EIPR outlines several enforcement measures to uphold IP rights, including:

a. preservation of evidence where courts can order the preservation of evidence in alleged infringements, including detailed descriptions, sample collection and seizure of infringing goods and related materials;
b. provisional and precautionary measures, which include injunctions to prevent imminent infringements and the seizure of suspected infringing goods;
c. corrective measures where courts may order the recall, removal from commerce or destruction of infringing goods; and
d. damages where infringers are held liable to compensate for the harm caused by the infringement.

To invoke these measures, certain procedural requirements are applicable. Applicants must:

a. provide reasonably available evidence supporting their claims;
b. offer security to protect against potential harm to the opposing party; and
c. initiate court proceedings on the merits within 31 days of the issuance of provisional measures.

These provisions align with the Directive 2004/48/EC[59] of the European Parliament and of the Council on the enforcement of intellectual property rights, ensuring that Malta's IP enforcement framework is consistent with EU standards.

## Possible venues for enforcement or revocation

Under Maltese law, the enforcement and revocation of IP rights are governed by various judicial and administrative venues.

The Civil Court (Commercial Section) has jurisdiction over IP disputes, including infringement and revocation proceedings under the EIPR.[60] Additionally, the Comptroller of Industrial Property is empowered to handle trademark and patent revocation applications, as provided under Article 46 of the Patents and Designs Act and Article 46 of the Trademarks Act.

Border enforcement measures are available under the Intellectual Property Rights (Cross-Border Measures) Act (Cap. 414),[61] empowering customs authorities to seize counterfeit or infringing goods.

In cases involving EU-wide IP rights, enforcement actions may also be pursued before the European Union Intellectual Property Office (EUIPO) Board of Appeal, with further appeals referred to the General Court and the Court of Justice of the European Union (CJEU).

These multiple venues ensure that IP holders in Malta can effectively enforce, challenge or revoke their rights.

## Litigation process

Under Maltese law, IP litigation follows a structured process governed by civil and administrative procedures. The Civil Court (Commercial Section) has jurisdiction over IP infringement and enforcement actions, while the Comptroller of Industrial Property is responsible for administrative matters such as opposition and revocation proceedings. Malta aligns its

IP framework with EU directives and international agreements, including the EPC and Directive 2004/48/EC on the Enforcement of Intellectual Property Rights.

Malta does not currently have a pre-grant or post-grant patent opposition procedure, despite pre-grant opposition being foreseen in law.

However, a trademark opposition procedure exists, allowing the proprietor of an earlier right to oppose a new trademark registration on the grounds of likelihood of confusion. The opposition must be filed within 90 days of publication and include a reasoned statement with supporting evidence. If admitted, the applicant may withdraw, limit goods/services or file a counterstatement within 90 days. The Comptroller then evaluates both parties' submissions and may grant a 90-day extension for settlement discussions upon a joint request.[62]

For copyright infringement, claimants may seek enforcement before the First Hall of the Civil Court for damages, fines, and restitution of profits.[63] In design disputes, the Patents and Designs Act (Cap. 417, Article 41) states that a registered proprietor's name serves as prima facie evidence of ownership. If a design's validity is challenged and upheld, the Court issues a confirmatory judgment. Revocation, invalidity, or rectification cases may be reviewed by the Comptroller, with appeals permitted before the Court of Appeal within 15 days (Cap. 12, Article 41(9)).

### Infringement and discovery

Malta's EIPR Act (Cap. 488, Article 8) allows preservation of evidence through search and seizure orders. Preliminary injunctions may be granted where a claimant provides prima facie evidence of infringement and security against wrongful enforcement (Cap. 488, Article 9).

### Trial and decision-making

Maltese IP trials follow civil law procedures outlined in the Code of Organisation and Civil Procedure (Cap. 12). A trial judge evaluates evidence and arguments; jury trials are not available for IP disputes.

### Infringement and defences

A claimant must establish ownership, infringement, and damages. Defences include invalidity, lack of distinctiveness (trademark), prior art (patent), or lack of originality (copyright) (Cap. 417, Articles 25–26).

### Appeal and review

A right of appeal exists against decisions of the Comptroller or arbiter, which has suspensive effect. The appeal process covers cases of patent refusal, revocation notices, priority claims, re-establishment of rights, and other rejections (Cap. 417, Articles 47–48). Civil Court decisions may be appealed to the Court of Appeal (Superior Jurisdiction) within 20 days (Cap. 12, Article 226).

### Remedies

Remedies include injunctions, seizure/destruction of infringing goods, damages, and account of profits (Cap. 488, Article 13). Design infringement proceedings must be filed within five years of the injured party becoming aware of the infringement and the infringer's identity (Cap. 417, Article 42).

# Special considerations

### Alternative dispute resolution (ADR)

Mediation and arbitration are available but rarely used for IP disputes. While ADR offers cost-effective resolution, parties generally prefer litigation (Cap. 387, Arbitration Act).

# Outlook and conclusions

Malta recognises that IP protection must catch-up with fast-paced and dynamic technologies and innovation. While Malta's current IP framework and offering has proven essential to creative industries such as iGaming, digital games, pharmaceuticals and microchip manufacturing, Malta is now fostering a new framework for upcoming technologies such as, generative AI & LLM, disruptive tech and meta. It is envisaged that regular IP reforms and updates, coupled with sound corporate and tax laws will continue to reinforce Malta's position as a centre for excellence, for creative and innovative industries, with the aim of taking a more developed leading role in the coming years.

### Footnotes

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10. ^ WIPO Copyright Treaty (adopted 20 December 1996, entered into force 6 March 2002) 2186 UNTS 121, accession by Malta 14 March 2010.

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13. ^ Cultural Heritage Act 2002 (Malta) Cap 445, as amended by Acts XVIII of 2002, II of 2005, XXXII of 2007, XXIII of 2009, XXXIV of 2016, XIX of 2019, XXI of 2020, XLI of 2021, XXI of 2024 and Legal Notice 426 of 2007.
14. ^ Trademarks Act 2000 (Malta) Cap 416.
15. ^ Patents and Designs Act 2000 (Malta) Cap 417.
16. ^ Intellectual Property Rights (Cross-Border Measures) Act 2000 (Malta) Cap 414.
17. ^ Enforcement of Intellectual Property Rights (Regulation) Act 2006 (Malta) Cap 488.
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21. ^ Paris Convention for the Protection of Industrial Property (adopted 20 March 1883, last revised 14 July 1967) 828 UNTS 305.
22. ^ Universal Copyright Convention (adopted 6 September 1952, entered into force 16 September 1955) 216 UNTS 132.
23. ^ Convention Establishing the World Intellectual Property Organization (WIPO) (signed 14 July 1967, entered into force 26 April 1970) 828 UNTS 3.
24. ^ Marrakesh Agreement Establishing the World Trade Organization, Annex 1C: Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) (adopted 15 April 1994, entered into force 1 January 1995) 1869 UNTS 299.
25. ^ WIPO Copyright Treaty (adopted 20 December 1996, entered into force 6 March 2002) 2186 UNTS 121.
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27. ^ Patent Cooperation Treaty (adopted 19 June 1970, entered into force 24 January 1978) 1160 UNTS 231.
28. ^ European Patent Convention (adopted 5 October 1973, entered into force 7 October 1977) 1065 UNTS 199.
29. ^ International Treaty on Plant Genetic Resources for Food and Agriculture (adopted 3 November 2001, entered into force 29 June 2004) 2400 UNTS 303.
30. ^ Agreement on a Unified Patent Court (adopted 19 February 2013, entered into force 1 June 2023) OJ L 175/1.
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32. ^ Patents and Designs Act 2000 (Malta) Cap 417.
33. ^ Paris Convention for the Protection of Industrial Property (adopted 20 March 1883, revised at Stockholm 14 July 1967, entered into force 26 April 1970) 828 UNTS 305.
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36. ^ Copyright Act 2000 (Malta) Cap 415.
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38. ^ Paris Convention.

39. ^ Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (adopted 15 June 1957, entered into force 8 April 1961) 550 UNTS 45 (the Nice Classification).
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54. ^ Trademarks Act 2000 (Malta) Cap 416.
55. ^ Copyright Act 2000 (Malta) Cap 415.
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# Intellectual Property: Romania



19 March 2025

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## Introduction

Romania is a Member State of the European Union, thus all EU legislation is applicable directly.

The most important forms of intellectual property protection are patents, utility models – also known also as design patents – trademarks, designs, copyright, and regulatory exclusivity in some fields, such as pharmaceuticals, known as data exclusivity. They are dealt with briefly below, with reference to the national laws and international treaties.

### Patents

There are two types of patents depending on the way of filing the application: European patents and national patents.

Romania is a member of the European Patent Convention (EPC) but not yet a member of the European unitary patent.[1] European patents must be validated in Romania, and a full translation is required.

National patents can be filed either directly with the State Office of Patents and Trademarks (OSIM), or as a national phase of international applications filed with the International Bureau of the World Intellectual Property Organization under the Patent Cooperation Treaty (PCT).

Patent Law No. 64/1991, last amended in 2014, is harmonised in most of its aspects with the EPC.

Patent protection is granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible to industrial application.[2]

Romania is a signatory to the Patent Prosecution Highway agreements.

There is a special law governing employee inventions, namely Law No. 83/2014 regarding employee inventions, last amended in 2014.

Full information regarding patents is given under 'Obtaining protection'.

## Utility models (design patents)

Utility models have a particular type of protection that has some resemblance to the protection of patents. Specifically, the format of the utility model is identical with the format of the patent: description, claims and drawings.

The differences are outlined below.

Two of the three basic conditions to obtain patent protection are applicable for utility models: novelty and industrial application. The third – inventive step of the patent protection – has been replaced with the criterion that the invention must exceed the framework of mere professional skill.

The examination is different. OSIM carries out a patent search with an opinion that is delivered to the applicant. The applicant can choose to amend the application, but they are not obliged to do so.

The object of protection for utility models is restricted to products, including systems in the case of computer-implemented inventions. Processes are excluded from protection as utility models.

The term of protection of utility models is shorter – a maximum of 10 years from the filing date.

PCT applications can be entered into in a national phase as utility models. However, an international application entered into in a national phase as a patent application can no longer be converted into a utility model application.[3]

Regular patent applications can be converted into utility model applications under certain conditions:

a. during the examination procedure of the patent application prior to the finalisation of the technical preparation for publishing a mention of the decision to grant the patent or of the decision to reject the patent application; or
b. within a time limit of three months from the date on which OSIM publishes the mention of a final and irrevocable decision to invalidate the patent application as a consequence of the lack of inventive steps.[4]

A utility model application can be converted into a patent application[5] if the request is submitted before a decision is taken in respect to the utility model application. However, the conversion of a utility model application into a patent application shall not be permitted if the utility model application resulted from the conversion of a patent application.[6]

Conversion between the two types of protection – patent and, respectively, utility model – preserves the priority rights and the filing date.

### Trademarks

The primary legislation governing trademarks in Romania is Law No. 84/1998 on Trademarks and Geographical Indications, last amended in 2022.

Being an EU Member State, Romania is part of the European trademark system. Romania is also a member of the Madrid Agreement and Protocol.

Law No. 84/1998 on Trademarks and Geographical Indications is fully harmonised with the European Trademark Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark, as a result of the transposing into national law of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks.

### Designs

The primary legislation governing designs in Romania is Law No. 129/1992 regarding designs, last amended in 2014.

Being an EU Member State, Romania is part of Council Regulation (EC) No. 6/2002 of 12 December 2001 on Community designs, last amended in 2006, better known as the Community Design Regulation.

Law No. 129/1992 regarding designs is harmonised with the Community Design Regulation.

Basically, both laws confer protection to a design to the extent that it is new and has individual character.

### Copyright

Romania is a signatory to the Berne Convention for the Protection of Literary and Artistic Works.

There is a national law, namely Law No. 8/1996 regarding copyright and related rights, last amended in April 2022. This national Law is harmonised with the Berne Convention.

### Data exclusivity for pharmaceuticals

Being an EU Member State, all data exclusivity legislation is directly applicable according to Regulation (EC) No. 726/2004 of the European Parliament and of the Council of 31 March 2004, last amended in December 2006. Said Regulation deals with the time during which the marketing authorisation holder benefits from the exclusive rights to the results of preclinical tests and clinical trials on a medicine.[7]

## Year in review

The Law No. 84/1998 on Trademarks and Geographical Indications was last amended in December 2022, the amendments entering in force on 15 January 2023. The main amendments are outlined below.

The application for renewal is to be submitted within a period of six months prior to the expiry of the renewal date, as compared with three months under the old Law.

Requests for the exhaustion of the owner from the rights conferred by a trademark and the requests for trademark cancellations may be heard in administrative proceedings before OSIM. This procedure is now an alternative option to the judicial procedure before the Municipal Court of Bucharest. Said requests submitted with OSIM are to be dealt by a specialised commission whose members shall hear only the exhaustion and, respectively, cancelation claims, without being involved in any other OSIM trademark proceedings.

In the autumn of 2023, OSIM finished all the preparations for setting up the new specialised commission. The first requests were submitted and in some cases the decision was already taken. Time is not yet sufficient to evaluate the efficiency of the newly established commission; however, at a first view the procedure in front of it seems much faster than the one in front of the courts.

# Obtaining protection

## Types of claims

Patent claims generally fall into two categories: product claims and process claims, the latter alternatively called method claims.

A patent can have one or more one independent claims, the general rule being one independent claim in each category.[8]

## Nature of protection and subject matter that can be protected

The provisions of Patent Law No. 64/1991, last amended in 2014, are identical to the ones written either in the EPC or in the Implementing Regulations of the EPC.

In the absence of published guidelines for examination of national applications, some examiners use the European Patent Office (EPO) guidelines.

The exceptions to protection are basically the ones provided in Articles 52 and 53 EPC.

### Business methods

Business methods as such are not patentable, as the first hurdle of the technical character of the invention is not overcome. However, the technical means used for carrying out business methods may be patentable if they have technical character, and then all the patentability requirements are fulfilled.

### Computer software

Computer software is not patentable as such if the computer program does not produce a 'further technical effect' when run on a computer, this further technical effect being defined by the Romanian Patent Office as a technical effect going beyond the 'normal' physical interactions between the program (software) and the computer (hardware) on which it is run.[9]

OSIM accepts the format already accepted by the EPO, namely patent applications referring to a method, apparatus, and computer software running on the apparatus.

### Methods for treating patients, both with drugs and medical procedures

Methods of treating patents are specifically excluded from protection.[10]

Swiss-type claims – 'Use of substance or composition S/C for the treatment of disease D' – are not allowed.

Further medical use claims are accepted, provided that the further medical use is novel and inventive.

The Romanian Patent Office accepts the guidance of the EPO that the wording 'Product X for use as a medicament' (X known as, e.g., a herbicide) or, alternatively, 'Product according to claim 1 for use in the treatment of asthma',[11] is acceptable.

### Biotechnological inventions

Plant or animal varieties or essentially biological processes for the production of plants or animals are not patentable.[12]

The human body, at the various stages of its formation and development, and the simple discovery of one of its elements, including the sequence or partial sequence of a gene, cannot constitute patentable inventions, and is not patentable.[13]

However, biotechnological inventions are patentable, under certain conditions.[14]

## Grant procedure

The grant procedure of national applications is very similar to the one of the EPO in terms of both formal requirements (content of the application, standard publication at 18 months) and substantive requirements (disclosure, examination procedure, search report, rules regarding prior art).

The main difference is that, in the case of national applications, OSIM verifies very strictly the documents showing the relationship of the inventors with the applicant when the applicant is other than the inventors.

Annuities in national procedure are also payable after grant, with the difference that the first two annuities are not zero, as the ones for European patent (EP) applications.

One good point to note is that OSIM does not require translation of any document (prior art or assignments) if the document is in English, French or German, being the result of a practice rather than of a legal provision.

### Implications of patents, trademarks and copyrights on the use of AI

There are no statistics or evaluations on the relationship between the artificial intelligence and its impact on the patents, trademarks, copyrights. The Patent Office does not use AI algorithms to make more efficient their work.

As to the patent applications, national law does not prevent including AI-related claims, but on the other hand, there are no specific regulations for AI-related inventions.

## Enforcement of rights

### Possible venues for enforcement or revocation

In Romania, industrial property matters are considered to be part of the civil law, not commercial. The most important types of legal actions concerning intellectual property rights are nullification (cancellation) claims and infringement claims. Under Romanian patent law, the term revocation designates a proceeding similar to the opposition under the EPC. Specifically, within six months of the date of publication of the decision to grant a patent, any interested party can submit with OSIM a request to revoke the decision to grant. Revocation is decided as an administrative procedure. The term 'nullification', alternatively called cancellation, refers herein to a request to nullify an IP right – patent – including a supplementary protection certificate, utility model, trademark or design.

Liability for inducing or contributing to patent infringement, if demonstrated by the plaintiff, is considered to be patent infringement.

Multiple parties can be jointly liable for infringement in theory. In practice, the infringing acts of each party must be individualised.

#### Venue for nullification claims

With the exception of trademarks, all nullification claims (patents, including supplementary protection certificates, utility models, designs) are heard by the Municipal Court of Bucharest as the court of first instance.

Trademark cancellations can be heard in first instance either by OSIM in administrative procedures, or by the Municipal Court of Bucharest in judicial procedures, the choice being made by the plaintiff. At the date of writing, this type of procedure is effectively possible.[15] Administrative proceedings may be cheaper than judicial proceedings and may be recommendable for simple cases. However, in cases where the cancelling of trademarks leads to judicial effects of contracts concluded based on said trademarks, it is better to choose cancellation by judicial proceedings, because OSIM has no competence regarding contractual matters.

#### Venue for infringement claims

The choice of court must follow the general rules with respect to competence. The general rule is that territorial jurisdiction is determined by the defendant's domicile or the place of infringement.

There is one notable exception: infringement of European trademarks is heard only by the Municipal Court of Bucharest.

## Requirements for jurisdiction and venue

Plaintiffs choose whenever possible the Municipal Court of Bucharest for infringement claims, because this Court has three specialised IP divisions (the third, the fourth and the fifth) hearing IP cases.

Yet another argument for choosing the Municipal Court of Bucharest as the venue is that, if the plaintiff submits a cancellation claim of the right based on which the infringement is lodged, said cancellation claim is mandatorily heard by the Municipal Court of Bucharest. Managing two different claims in two different courts is cumbersome.

In practice, if the plaintiff submits a cancellation claim in reply to the infringement claim, said infringement claim is usually stayed until a final decision is reached in the cancellation claim. There is no obligation to stay the proceedings; however, in most of the cases they are stayed.

The rule is that any interested party can sue. The interest is defined in the Code of Civil Procedure as being 'determinate, personal, legitimate, real and actual'. [16] If the interest is not real and actual, that is, it refers to a probability that something will happen that can harm the plaintiff, said plaintiff is allowed to take action to prevent such harm.

## Obtaining relevant evidence of infringement and discovery

The burden of proof for infringement cases is on the plaintiff. They must demonstrate the infringement using any type of evidence accepted by the judge.

Documents are by far the most common type of evidence customary in patent infringement proceedings. Testimonies and cross-examination of witnesses are allowed but not very frequent.

The burden of proof for cancellation cases is on the plaintiff.

The types of evidence customary in patent cancellation proceedings are documents, testimonies and cross-examinations, in most cases the latter referring either to the inventor or to the employer, or both. Cross-examination is quite frequent if the inventor and the employer are Romanian.

The rule in both infringement and cancellation cases is that the parties suggest the types of evidence and the judge then decides whether to accept each type of evidence.

The US-type format of discovery is not applicable in Romania.

In cases of infringements lodged as a consequence of a customs action, the notifications and products seized by Customs may be used as evidence in court.

### Details regarding technical expert reports

In some cases, the court orders an expert report on technical matters. This applies to both infringement and cancellation cases.

Usually for this purpose, the court appoints an official court expert from a list maintained by the Bureau of Technical Experts. If no such expert exists, the court can appoint a specialist or a team of specialists from outside, for example, from universities.

The technical expert report is expected to shed light on particular technical aspects that are difficult to be understood by the judge.

See also under 'Outlook and conclusions' regarding trends.

## Preliminary injunctions

There are two types of patent infringement civil lawsuit: permanent injunction claims and interim injunction claims. A permanent injunction claim can be lodged as a stand-alone trial, that is, without an interim injunction claim. An interim injunction claim must always be accompanied by a permanent injunction claim. Damages can be obtained only in permanent injunction claims.

An interim injunction is usually requested to prevent the defendant putting on the market products that are considered to infringe the patent of the plaintiff, including its supplementary protection certificate (SPC), if the validity of the patent has expired and the SPC is still valid.

An interim injunction can be obtained if the patent owner demonstrates urgency, the temporary character of the measures requested, and the appearance of a right, for example, a patent or SPC.

Urgency means that in the absence of granting an interim injunction, there is a great probability that the interests of the plaintiff will be harmed.

A temporary character, if granted, means that it is in force until a final decision is taken in the permanent injunction claim.

An appearance of right is demonstrated with a letter patent, certificate or SPC and with an excerpt of status from OSIM.

An interim injunction can be granted within two to three months from its submission. Theoretically, it can be obtained in *ex parte* proceedings; however, most judges choose *inter partes* proceedings. The defendant can appeal the interim injunction and can suspend the interim injunction order.

An interim injunction still can be granted during a parallel cancellation proceeding against the patent or SPC on which the injunction is sought if the judge considers that the odds of success of the cancellation are low.

## Trial decision-maker

All matters are heard by one judge or, in some cases, by a panel of judges. Jury trials do not exist in Romania.

In some cases, the court orders an expert report on technical or account matters, or both, but the court is not bound by the result of the expert report.

## Structure of the trial

A patent lawsuit – either infringement or cancellation – is submitted by the plaintiff to the competent court together with the evidence. Once the formal aspects are cleared, the writ is transmitted to the defendant, who has 25 days to submit a counter statement. The counter statement is sent to the plaintiff, who can submit a reply.

Electronic court filing is available in some courts, such as the Municipal Court of Bucharest and the Bucharest Court of Appeal.

Once the exchange of documents is done, the court sets hearings, usually once every month. The initial hearings usually deal with the types of evidence suggested by the parties. At the last hearing, the pleadings take place. After the pleadings, in patent infringement cases the parties submit written conclusions. Usually, in patent infringement cases, judges deliver the operative part of the judgment between one to four weeks after the deadline of the written conclusions. The operative part of the judgment is available online. The motivation of the decision is written two to four months after the ruling and handed to the parties by special courier.

If the defendant is a foreign company and has no known address for service in Romania, the plaintiff must submit a translation of the infringement writ in the language of the country where the defendant is domiciled. The court clerk sends the writ and the annexes in that country and waits for the official confirmation that the writ was served. This can take several months, and maybe even one year if the address provided is not correct.

## Infringement

Patent infringement can be direct or by equivalence. There is a statutory provision in Patent Law No. 64/1991[17] according to which, to determine the scope of protection conferred by the claims, any equivalent element shall be taken into account.

In practice, it is preferable to demonstrate direct infringement whenever possible. Infringement by equivalence is still difficult for judges to understand. The Protocol to Article 69 EPC is known to Romanian judges, but the practical way of assessing equivalence is still little known.

## Defences

The most frequent defence of an alleged infringer defendant in a patent infringement case is to lodge a nullification claim against the patent or the SPC of the infringement claim.

Said nullification claim can be filed either as a counterclaim at the same court having the same deadline as the counter statement, or as a separate claim.[18]

Usually, all possible arguments for nullification are invoked. The alleged infringer must demonstrate that the patent does not satisfy at least one of the legal requirements: novelty, inventive step, industrial applicability or that the patent has added matter in respect to the application as filed. If the infringement concerns an SPC, the alleged infringer must demonstrate that the requirements to grant an SPC[19] are not met.

Estoppel does not exist under Romanian law.

Laches are rarely invoked.

## Time to first-level decision

In patent infringement cases and permanent injunction claims, the time to the decision of the court of first instance is between one year – in the absence of an expert report and in the absence of a patent cancellation claim by the defendant – and at least three years, most likely four to five, with an expert report and patent cancellation claim by the defendant. Remember that patent infringement is usually stayed during the trial in the patent cancellation claim.

In patent cancellation cases, the time to the decision of the court of first instance is between one year, in the absence of expert report, and two and three years if a patent cancellation claim is lodged by the defendant.

## Remedies

There are two types of monetary remedies: court trial costs and damages.

The general rule is that the parties must ask for the monetary remedies and submit evidence: the remedies are not awarded *ex officio*.

Court trial costs refer to the costs related to the lawyers, attorneys, experts and translators. If requested by the parties, they are included in the decision in the sense that the losing party is obliged to pay the winning party the amounts decided by the judge.

If the amount of court trial costs requested is considered to be reasonable, the judge can award this in its entirety, otherwise the judge may award less than initially requested.

Damages must refer to infringement acts that have occurred in the past three years from the date of lodging the court trial.

The value of damages sought must be demonstrated by the plaintiff. Usually, the method of lost profit is used, but other methods of calculation may be accepted. If the value requested is consistent and the infringer objects strongly, an expert report may be ordered by the court to a court expert in accounts matters to determine the value of the damages to be awarded.

In cases where the damages or trial costs (or both) awarded are not voluntarily paid by the losing party, a separate lawsuit must be filed to obtain them.

### Appellate review

All decisions of the first instance courts are subject to appellate review. If the first instance court is the Municipal Court of Bucharest, the appellate court is the Bucharest Court of Appeal.

The appeal stage takes at least another year, in the absence of expert report, whereas around six months pass between the two phases. In some cases, a second expert report, drafted by another expert, is ordered by the judge of the appellate court.

A second appeal is possible in a reduced number of situations, and can concern only matters of law. The second appeal court is the Bucharest High Court of Cassation and Justice, in a system similar to the French system. In most cases, the High Court of Cassation and Justice quashes the decision of the appellate court and sends the case back either to the first instance court or to the appellate court.

### Alternatives to litigation

Alternative dispute resolution methods are available, but rarely used.

The most frequently used alternative method is the settlement of the parties in the case of a pending lawsuit. In this case, the settlement must be filed with the court and its content is copied in the court decision.

## Outlook and conclusions

A curious trend is consolidating in respect of expert reports for patent litigation.

As mentioned under the header 'Obtaining relevant evidence of infringement and discovery', in some cases, the court orders that an expert report is carried out on technical matters.

The trend is that the court is more and more inclined to shift to court-appointed experts matters of law that normally are in the competence of the court exclusively. This tendency is complementary to the tendency of many court-appointed experts, fuelled by the behaviour of some parties, to behave as judges.

To understand the tendency and its impact, we shall detail first the old practice before the arising trend.

There are rules for drafting a technical expert, such as that the expert must set at least one meeting with all the parties where the parties must respond to the questions of the expert. Meeting by videoconference is accepted. Each of the parties (plaintiff, defendant) can appoint their own expert.

After the expert report is submitted, the parties can file objections to it. If the judge deems necessary, the expert is invited to amend the expert report, or another expert is appointed.

Under the old practice, all questions were answered during the meeting with all the parties and the court-appointed expert submitted their expert opinion directly to the court.

Under the new practice, either the court-appointed expert asks the parties to submit points of view after the meeting, or the parties submit them on their own motion. The result is the same: the court-appointed expert receives large documents from the parties containing the same kinds of reasons as the usual submissions to the court: in some cases, the documents from one party are communicated to the other party, who responds. Practically, the court-appointed expert is transformed in an unofficial judge. The expert opinions themselves contain assertions that exceed the competence of the expert, such as assessing whether the patent is novel or has an inventive step.

After the unhappy party submits objections to the expert report, in some cases, the court sends the list of objections to the court-appointed expert without having passed them through a filter and asks the court-appointed expert to respond to them. This puts the court-appointed expert in a moral dilemma: some of the objections of the parties contain wrong statements regarding the interpretation of the law. If the expert responds to them clarifying that the party erred in the interpretation of the law, the expert exceeds their competences. If the expert does not clarify that the party erred in the interpretation of the law, then maybe the judge will not see the error. Patent matters are extremely complex, and it is not rare to see judges fail to notice some errors in the interpretation of the law.

The practical consequence of the above is that, in some extreme cases, the court-appointed expert is the one who actually takes the decision, as the judge relies fully on their opinion and includes the expert's reasoning into the decision. Another negative consequence is that some of the additional work requested from the expert – such to clarify erred interpretation of the law contained in the observations of the parties – delays the litigation procedures and increases the costs with the expertise without being useful for the conclusions of the expert report.

In our view, this trend is worrying.

First of all, laws and rules have to be respected. Matters of law are and must remain to be decided by the judge, while the role of the expert must be confined to shedding light on particular technical matters.

Second, it distorts the functioning of the profession. Some patent attorneys are enlisted with the Bureau of Technical Experts. They can acquire artificial value within the profession, which is not healthy.

In our view, this tendency could be reversed if judges take a strong stance on limiting the technical expert report to its original role. This can be done by carefully revising the questions suggested by the parties: currently, the questions are not revised at all; they are simply passed to the expert, with the objections of the parties being revised before being handed to the court-appointed expert.

## Footnotes

1. ^ At the time of writing (January 2025).
2. ^ Text of Article 52(1) EPC.
3. ^ Article 6(9) of the Implementing Regulation of Law No. 350/2007 of Utility Models.

4. ^ Article 14(1) of Law No. 350/2007 of Utility Models.
5. ^ Article 15(1) of Law No. 350/2007 of Utility Models.
6. ^ Article 15(3) of Law No. 350/2007 of Utility Models.
7. ^ Source: https://www.ema.europa.eu/en/glossary/data-exclusivity.
8. ^ Rule 43(2) Implementing Regulations to the EPC.
9. ^ See EPO Guidelines part G Chapter II.3.6.
10. ^ See Article 53(c) EPC corresponding to Article 8(1)(d) Romanian Patent Law No. 64/1991.
11. ^ See EPO Guidelines Part G Chapter VI. 7.1.
12. ^ See Article 53(1)(b) EPC corresponding to Article 8(1)(b) Romanian Patent Law No. 64/1991.
13. ^ See Article 52 and 53 EPC, Rule 29 Implementing Regulations to EPC, corresponding to Article 8(1)(c) Romanian Patent Law No. 64/1991.
14. ^ See Article 52 EPC, Rule 26, Rule 27 Implementing Regulations to EPC, corresponding to Article 6(2) Romanian Patent Law No. 64/1991.
15. ^ See under 'Year in review'.
16. ^ Article 33 of the Code of Civil Procedure.
17. ^ Article 31(6) Patent Law No. 64/1991, last amended in 2014.
18. ^ See under 'Enforcement of rights' regarding venue.
19. ^ See Article 3 Regulation No. 469/2009 of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products.

# Intellectual Property: Slovakia



19 March 2025

**Čermák a spol**
By Dominik Bajger

## Introduction

*This chapter was first published in April 2024. Be advised that some of the below content may no longer apply.*

As a Member State of the European Union, Slovakia's intellectual property (IP) regulation is influenced by the international treaties and multilateral agreements that have been implemented into its national IP regulation.

In Slovakia, IP protection is divided into two distinct groups.

The first type of IP protection is established by laws that govern authors' rights, which protect works (i.e., literary, musical, photographic and architectural works) and various other subject matter to which related rights are attached (i.e., artistic performance, sound and audiovisual recording) and computer programs and databases. There is no registration for authors' rights, as this form of protection naturally comes into existence upon the creation of an original work of authorship. Therefore, this form of protection is more related to artistic, cultural and software fields.

The second type of IP protection is governed by industrial property law. An industrial property right requires registration with the Slovak Intellectual Property Office (IPO) or other relevant authority (e.g., the European Union Intellectual Property Office (EUIPO)). Slovak law recognises various types of IP rights, including patents, supplementary protection certificates (SPCs), utility models, designs, trademarks, topography of semiconductor products, and designations of origin of products and geographical indications of products. This form of protection is more related to business and technical sectors, manufacturing and services.

## Patents

Patent protection is established by the registration of a patent, granting the owner exclusive rights to use an invention for a certain time period. The patent application can be filed by the inventor or multiple co-inventors, their legal representatives or their successors, and in cases of employee invention, by the employer. After its filing, a patent application is published in the IPO's gazette for 18 months. The registration process may extend up to three years. Both Slovak national patents and European patents designating Slovakia remain effective in the country for 20 years from the application filing date. Registering and maintaining a patent involves official fees, and failure to make timely payments might result in the forfeiture of the patent application. The maximum duration of patent protection is 20 years. A patent cannot be granted, for example, for a discovery, scientific theory, computer program, plant variety, animal breed, disease diagnosis, treatment procedure, cloning method or use of the human embryo.

## SPCs

SPCs protect medicinal products and plant protection products, allowing their launch on the market solely upon an official authorisation. SPCs can be granted only to an owner of a basic patent[1] or to a legal successor thereof. The deadline for filing an SPC application is six months from the date of obtaining a first authorisation to place a medicinal product or plant protection product on the Slovak market. An official fee for filing an SPC application is payable within 15 days of receiving the SPC application number assignment information. The SPC shall be granted by the IPO if the following conditions are met:

a. a medicinal product or plant protection product is protected by a valid patent;
b. there is a valid marketing authorisation; and
c. no SPC has already been granted previously.

An SPC has effect in Slovakia for a period of five years starting on the date of its effectiveness. This period can be extended by six months only in relation to protection of paediatric medicinal products. Official fees are applicable for maintaining an SPC.

## Utility models

A utility model protects a registered utility model providing exclusive rights to its owner to use a new industrially usable technical solution that is a result of an inventive activity in a technological field. A utility model application can be filed by an inventor or several co-inventors, their legal representatives or their successors, or an employer for an employee utility model. A utility model application is published in the IPO's gazette for six months after its filing. The registration process can take up to 12 months. A Slovak national utility model has effect in Slovakia for four years from the date of the application filing. This period can be extended twice for three years each (i.e., the maximum period of protection is 10 years). There are official fees for registering and maintaining the utility model. A utility model cannot be granted for a discovery, scientific theory, mathematical method, aesthetic creation, plan, rule or computer program.

## Designs

Design protection grants exclusive rights to an owner of a registered design to use a new and distinctive designation of an industrial or craft product or part thereof for a certain period. A design application can be filed by an originator or an originator's representative, an originator's legal successor or an employer for employee designs. The IPO registers a design in its Designs Register and the registration is published in the IPO's gazette. Slovak national designs remain effective in Slovakia for five years from the date of the application filing. This period can be extended four times for five years each time (i.e., the maximum period of protection for registered designs is 25 years). Official fees are applicable for both the registration of a design and the extension of its protection period. Designs cannot be granted for technical, constructional, functional or material aspects of the product.

## Trademarks

Trademark protection grants exclusive rights to an owner of a registered trademark to use: (1) a word; (2) a figurative, spatial or positional mark; (3) a design mark; (4) a mark consisting of a single colour or a combination of colours without outlines; (5) a sound mark; (6) movement; (7) multimedia; (8) a holograph; or (9) other mark capable of distinguishing the goods or services of one party from the goods or services of other parties. A trademark application can be filed by an individual, a legal entity or an association of individuals or legal entities or their representatives. Once filed, a trademark application is published in the IPO's Trademark Register. An opposition can be filed against the registration of the trademark application within three months of its publication in the trademark register. The opponent must meet the legal requirements pursuant to Section 7 of the Trademarks Act. Additionally, any party has the right to file an objection against a trademark application before an application process is finished. A Slovak national trademark has effect in Slovakia for 10 years from the date of the application filing. This period can be repeatedly extended each time for 10 years without any limitations. Official fees are applicable for filing a trademark application and maintaining the trademark. Trademark rights expire only if a trademark has lapsed, an owner forfeits the trademark, or a trademark is revoked or declared invalid by an IPO decision in proceedings initiated by a third party. Trademarks cannot be granted for certain types of subject matter; for example, those comprising a Slovak flag or a Slovak coat of arms. It must be noted that a mark not registered within the IPO can gain certain legal protection if it is used for a sufficiently long time and it is not just used locally.

## Topography of semiconductor products

Semiconductor product topography protects a series of fixed or encoded interrelated representations of a three-dimensional arrangement of which a semiconductor product is composed, which depicts a surface pattern of the semiconductor product at any stage of its production and is a result of an inventor's creative intellectual activity. An application for topography may be filed by an originator, co-originators or an employer for employee topography and, furthermore, a licensee to topography. An official fee is applicable for registering a topography. The IPO registers topographies and issues a certificate of registration to an applicant; the IPO also publishes the registration in its gazette. A topography has effect in Slovakia from the day of its first

commercial use if the application was filed within two years of this use, or from the day of the filing of the application if the topography was not used commercially for a period of 10 years. The 10-year period starts from the end of the calendar year in which the topography protection was granted.

### Designations of origin of products and geographical indications of products

Designations of origin and geographical indications of products protect objects whose quality or characteristics derive from natural conditions or those that are associated with a particular geographical area by reputation, tradition or geographical origin (i.e., agricultural products, foodstuffs, wine, spirits, mineral waters, handcraft products). An application for designation of origin or geographical indication of product can be filed by: (1) an association or federation of producers without regard to its legal form; (2) an association or federation of processors without regard to its legal form; and (3) an individual or a legal entity in cases where, at the time of filing the application, the individual or legal entity is the only one producing or processing the product in the defined territory. The protection can be provided at a national, international and European Union level. Agricultural products and foodstuffs can be registered only at the European Union level (i.e., there is no option for a national registration).

## Year in review

On 2 February 2023, Act No. 455/2022 amended Act No. 185/2015 Coll. Copyright act. The aim of this amendment is clarification in cases where rights to exercise collective administration overlap in case of representation of 'unrepresented right holders'.

## Obtaining protection

After certain requirements are met, several IP rights, including unregistered marks, copyright and trade secrets are protected under Slovak law without the need for registration.

Legal protection for other IP rights, including patents, SPCs, trademarks and utility models arises once they are registered with the IPO or another appropriate authority (e.g., EUIPO).

As regards patents, all inventions in all fields of technology with an industrial use are patentable under Slovak law if they comprise an inventive step and they are innovative, pursuant to Section 5(1) of the Patents Act.

Slovak law excludes certain categories from being considered as inventions. Section 5(3) of the Patents Act provides an illustrative list of such categories, including discoveries, scientific theories, mathematical methods, aesthetic creations, computer programs and information provision. Additionally, plans, rules and methods of executing intellectual activities, games and business activities are not considered as inventions. Pursuant to Sections 1(1) and 3 of the Authors Act, artistic and scientific works, including computer programs, are protected by the authors' rights.

In addition, certain subjects are excluded from patentability, especially plant varieties and animal breeds. Furthermore, basic biological processes for obtaining plants and animals, methods for treating human and animal diseases as well as methods for diagnosing and preventing diseases are also excluded, with the exception of products (e.g., substances and mixtures) that can be used for the above-mentioned treating, diagnostic or prevention methods.

Pursuant to Section 6(1)(d) of the Patents Act, it is generally not possible to patent parts of a human body, including genetic sequence discoveries. Exceptions are made for patentable material, such as genetic sequences and partial gene sequences isolated from the human body or otherwise technically produced, pursuant to Sections 6(1)(d) and 5(2)(a) of the Patents Act.

Furthermore, biotechnological products relating to products manufactured from or consisting of biological materials or to processes for the production, operation or use of such biological materials may be subject to the patent even if it concerns animals or plants in case of technological achievement of the patent is not limited to a certain plant variety or certain animal breed.

Historically, Swiss-style claims were accepted and granted protection in Slovakia. However, the current trend at the IPO is shifting away from patenting Swiss-style claims, and applicants are often encouraged to reformulate or rephrase such claims.

Once a patent application is filed, the IPO will conduct a preliminary examination (i.e., the IPO will focus on priority right, formal conditions, etc.). The examination of the entire patent application is carried out based on the request of an applicant or a third party. Withdrawal of the application is not possible. In cases deemed necessary, the IPO may initiate a full review *ex officio*, which means that it can proceed at its own discretion without a request of an applicant or a third party.

# Enforcement of rights

### Possible venues for enforcement or revocation

The validity of a certain registered IP rights can be challenged in administrative proceedings before the IPO or other relevant authority (e.g., EUIPO), for example by a revocation action or invalidation action. The administrative proceedings within the IPO can be divided into a first instance proceeding before the IPO and an appellate proceeding before the IPO president. An administrative action can be filed with an administrative court against a decision of the IPO president.

Concerning civil and commercial disputes arising from claims related to the infringement of IP rights, the District Court in Banská Bystrica is a first-instance court in Slovakia. This also applies for IP disputes having a nature of unfair competition and copyright law. Its appellate court is the Regional Court in Banska Bystrica. Decisions of the appellate court can be challenged by an extraordinary appeal within the Supreme Court with certain exemptions to this rule. Decisions of the Supreme Court can be further challenged by a constitutional complaint within the Constitutional Court. While the Constitutional Court decisions can be challenged by a complaint filed with the European Court of Human Rights (ECHR), the ECHR cannot overturn Constitutional Court decisions.

Concerning criminal disputes arising from the infringement of IP rights, a Slovak prosecutor and police can establish that prerequisites, including malicious intent and sufficient harm to an injured party can be brought before a criminal court.

## Litigation process

### Requirements for jurisdiction and venue

An IP right claim can be initiated by an owner of the IP right. A non-exclusive licensee is eligible to file an action for IP right infringement claims only upon obtaining the written consent of an IP right owner in matters involving registered IP rights such as patents, SPCs and trademarks. An exclusive licensee is eligible to file such an action only if it has previously notified an IP right owner in written form about an infringement, and the IP right owner failed to file an action within a reasonable period. It is also possible for any of the mentioned parties to join ongoing proceedings as an intervenient.

In IP-related court proceedings, there is a mandatory requirement for a party to be represented by an attorney-at-law, except for a defendant possessing a college degree in law. In case the party lacks representation of an attorney-at-law, the court will notify the party of this deficiency and set a deadline for obtaining representation by an attorney-at-law. Failure to comply with the court's request would result in disregarding the party's submissions by the court.

### Obtaining relevant evidence of infringement and discovery

A responsibility of proving claims rests with a party initiating the claim, such as a plaintiff in the case of a claim regarding the infringement of an IP right.

In the civil court proceedings, any party has an option to request the court to compel individuals possessing relevant evidence to present evidence during the proceedings.

In the context of patent infringement disputes, these court proceedings are heard by legal judges without technical backgrounds. Consequently, it may be advisable to engage an expert to prepare an expert opinion on patent infringement before the court proceeding is initiated. If all prerequisites of such an expert opinion are met, it holds equivalent weight to an opinion prepared by an expert appointed by the court. This recommendation also extends to calculations associated with a claim for damages.

### Preliminary injunctions

A prerequisite for urgency necessitates that an application for a preliminary injunction must be filed within a reasonable period after a plaintiff becomes aware of an infringement. Although such a reasonable period is not explicitly defined, Slovak courts typically accept the filing of the application a few months after discovering an infringement.

The court issues its decision on the preliminary injunction application within a deadline of 30 calendar days. If the preliminary injunction is granted, the plaintiff is ordered to file an action on the merits within a deadline set by the court, which usually amounts to 30 calendar days. A notification of the court to a defendant about an ongoing first instance

preliminary injunction proceeding shall not apply also for a notification of a decision to a defendant if the entire preliminary injunction is rejected.

Given the lack of court notification to the defendant in first-instance preliminary injunction proceedings, it falls upon the defendant to actively monitor proceedings in relevant local courts and take immediate action upon finding about a pending preliminary injunction proceeding.

Slovak courts are not obligated to follow the conclusions of foreign judicial or official authorities in their decisions regarding similar matters, except for final decisions of authorities whose jurisprudence is explicitly binding in specific matters as per relevant Slovak law, such as the EPO, EUIPO or CJEU. Additionally, an ongoing invalidation proceeding at the EPO should not influence preliminary injunction proceedings until a final decision is issued.

### Trial decision-maker

During the first-instance court proceeding, a single legal judge without technical expertise presides over the proceedings. This judge oversees the proceedings and plays a crucial role in determining the outcome of the case. For cases that proceed to the Regional Court in Banska Bystrica, which serves as the appellate court, and further to the Supreme Court and the Constitutional Court, a panel of three judges or, in special cases, more judges, presides over the proceedings. The appellate proceeding allows for a comprehensive review of claims, arguments and evidence presented during the first instance.

Based on the court's work schedule, judges are fairly assigned to certain cases. Should parties perceive impartiality concerns, they retain the right to object to the judge overseeing the case. This ensures transparency and upholds the principles of justice.

One distinctive feature of the Slovak legal system is the absence of technical judges or a jury. Cases are decided by legal professionals who evaluate legal arguments, evidence and applicable laws to reach a verdict.

### Structure of the trial

Typically, all claims and counterclaims are addressed within a single court proceeding. While there is an option for orally dictating an action or application to the court, this is exceptionally rare. The usual practice for a plaintiff involves filing a written action or application with all necessary evidence enclosed and to pay a court fee. Upon receipt, the first instance court shall examine whether the formal prerequisites of the action have been met and subsequently forward it with all enclosures to the defendant, who shall have the opportunity to reply to the action within the deadline given by the court. If the defendant exercises their right, the court will forward the response to the plaintiff, who may file a rejoinder. Subsequently, the plaintiff's rejoinder is forwarded to the defendant, who can respond. Both parties retain the flexibility to make additional submissions throughout the court proceeding.

Oral hearings are conducted for evidence presentation, and the court may decline to consider evidence not submitted in a timely manner, especially if a party intentionally withholds evidence for later use. Multiple hearings may occur if necessary in first instance proceedings. During appellate and subsequent proceedings, oral hearings are infrequent unless additional

evidence is deemed necessary.

### Infringement

Various types of IP infringements can occur across different categories of IP rights. Lists enumerating activities deemed as infringements of registered IP rights are outlined in relevant acts.

Patent infringement may occur in case of manufacturing, exploiting, using, offering or launching on the market a product protected by a patent without the patent owner's authorisation. This also applies for storing or importing a patented product for the above-mentioned purposes.

Trademark infringement may arise from unauthorised use of a registered trademark for goods or services identical or similar to those for which the trademark is registered as well as use of a similar or identical mark that may cause confusion with a well-known trademark.

Copyright infringement may arise from unauthorised reproduction, distribution, public performance or communication to the public of copyrighted works such as literary, musical and artistic creations. This also applies for unauthorised use of software, databases or other materials protected by copyright.

Design right infringement may arise from unauthorised use, reproduction or distribution of a registered design for industrial or craft products.

Utility model infringement may arise from unauthorised use or exploitation of a registered utility model without the owner's consent.

Semiconductor product topography infringement may arise from unauthorised reproduction or use of fixed or encoded representations of semiconductor product topographies.

Trade secret infringement may arise from unauthorised acquisition, use or disclosure of confidential business information, formulas or processes that constitute trade secrets.

In addition, unfair competition provisions such as false advertising, misleading labelling of a product, free-riding on reputation, misleading practice or other deceptive trade practices, among others may apply to certain cases of IP right infringements.

### Defences

Legal action can be taken through civil or administrative proceedings to enforce IP rights depending on the type of IP right involved and the applicable legal provisions.

A future infringer may file a declaratory administrative action to pre-empt infringement claims with the IPO in the pre-litigation phase. Pursuant to Section 27 of the Patents Act, a claim for a compulsory licence to patents can be made three years after the patent is granted or four years after filing a patent application. The extension of a compulsory licence is bound by particular statutory limitations.

In circumstances that the evidence presented by the plaintiff does not establish an infringement or a threat of infringement of IP rights, the defendant is able to oppose such a preliminary injunction. The defendant may file for dismissal of a preliminary injunction as a result of new factual circumstances that were not present at the time when the preliminary injunction decision was issued. Moreover, the defendant may request the court to order the plaintiff to pay a bond that would cover any potential damages inflicted by the preliminary injunction, if the plaintiff succeeds in the action on the merits; the bond is refunded in full amount.

In proceedings concerning an action on the merits, a defendant may seek to demonstrate the absence of actual infringement or a threat thereof, along with other defences such as exhaustion of rights, fair use exemptions, toleration of trademark use, and non-use of trademarks.

The validity of IP rights may be contested through separate administrative proceedings by the defendant; furthermore, the defendant may request the court to stay infringement proceedings. In both cases the outcome depends on the presiding judge and the circumstances of the case.

Equitable defences are not recognised under Slovak law.

### Time to first-level decision

As regards first-instance proceedings within the IPO, those can take from one to two years while first instance of the civil court proceedings can take from one to three years before the decision is issued. In case of first-instance decisions related to preliminary injunction matters, a statutory deadline to issue a decision is 30 days.

### Remedies

The specific elements and remedies for IP infringement can vary depending on the type of IP right involved and the applicable legal provisions.

Customs seizure as a pretrial remedy can be conducted to protect IP rights. Action against allegedly infringing goods may be taken by an IP rights owner, such as a trademark, SPC or patent owner, who may file an application to the Customs Office. Upon approval of the filed application, the Customs Office initiates the seizure of goods suspected of IP rights infringement. The seizure of allegedly infringing goods may also be carried out by the Customs Office on its own initiative without a decision. Once the seizure of goods is carried out, the IP right owner is informed thereof by the Customs Office either by a written or electronic notice. The recipient of the decision is able to oppose the destruction of goods or to state whether the seized goods infringe the IP rights and whether they should be destroyed within 10 business days (three days in cases of goods that are highly perishable). In the circumstance that the recipient fails to do so, it implies consent for the goods'

destruction. The Customs Office will simultaneously inform the holder of goods (the person who is selling, offering, manufacturing, owning, storing, transporting or retaining the goods) regarding the seizure, who may appeal the decision of the Customs Office within three days. If the holder of goods opposes the decision within the given deadline, the IP right owner must file an infringement action with a court otherwise the seizure of goods will be terminated.

As an option for temporary relief or permanent relief in particular cases, an application for a preliminary injunction may be sought. The defendant may be ordered by the court to refrain from activities infringing or threatening to infringe IP rights. Instead of being ordered to refrain from activities infringing or threatening to infringe IP rights and upon the plaintiff's request, the court may order the defendant to pay a security covering damages. The court grants a preliminary injunction if the prerequisite of urgency is met and if the applicant is able to establish that an actual infringement or threat of infringement of IP rights has occurred. The preliminary injunction must be filed by the applicant within a reasonable time of the plaintiff becoming aware of infringement or threat of infringement of IP rights. Although there is no statutory period within which a preliminary injunction is supposed to be filed, ideally a few months after the plaintiff acquaints itself with the circumstances which constitute grounds for filing a preliminary injunction will be acceptable. If the court grants the preliminary application, the plaintiff is subsequently ordered to file an action on the merits within a 30-day deadline ordered by the court. The plaintiff may be held responsible for any damages and harm incurred by the defendant and third parties as a result of the preliminary injunction should the preliminary injunction be lifted for reasons unrelated to the plaintiff's claims being satisfied or related to an action on the merits being granted.

Various remedies in the action on the merits are available depending on the IP right. In cases of patent infringement, an infringer may be ordered to refrain from infringing activities. Claims against unjust enrichment, for financial redress and damages, and to provide information relating to the infringement, are also available to the plaintiff. In certain cases, violation of an IP right may also constitute unfair competition conduct.

### Appellate review

Appellate court proceedings primarily occur in written form, with oral hearings being the exception. These proceedings involve a panel of three legal judges who lack a technical background.

The scope of appellate review, encompassing claims, arguments and evidence is constrained by the appellate reasons stated in the appeal and the extent to which the first-instance decision is challenged.

Typically, the introduction of new evidence is not permitted in appellate court proceedings. However, exceptions exist, such as when a party is unable to present evidence through no fault of its own, as seen in cases where an intellectual property right has been declared null and void subsequent to a first-instance decision or when a witness is unable to testify because of illness.

The period for an appellate court to issue its decision can range from one to three years.

### Alternatives to litigation

Parties have an option to engage in alternative dispute resolution proceedings prior to initiating a court proceeding or even during its course. Slovak courts are supposed to actively lead parties toward reaching a settlement. In case parties successfully negotiate a settlement during an ongoing court proceeding, they can jointly request the court to issue a decision based on their settlement.

In addition to court proceedings, alternative dispute resolution (ADR) proceeding within the ADR Centre is possible to resolve, for example, a domain dispute between a domain owner and a plaintiff whose IP rights, usually trademarks, are infringed. An action on infringement of an IP right by a domain can be based on trademark rights, good reputation of a trademark and unfair competition. The ADR proceeding is a one-instance proceeding and the ADR decision can be challenged within a civil court only for limited reasons. Furthermore, the court proceeding will start as of the beginning.

In case of new trademark applications, a third party may file opposition within a deadline of three months of the date the trademark application was published in the trademark register with an IPO. The applicant may file a response on the opposition within one month. This deadline can be extended. The opponent may request the IPO to provide the response of the applicant and file a rejoinder. Once an IPO's decision on the filed opposition is issued, the parties may challenge this decision within a deadline of 30 days by an appeal to the IPO's president (see under the header 'Possible venues for enforcement or revocation' for information on possible venues for enforcement or revocation).

## Outlook and conclusions

The increasing reliance on technology and innovation is evident in the evolving nature of IP practice in Slovakia. With a growing emphasis on protecting digital assets, software, and advancements in various technological fields, practitioners are navigating new challenges and opportunities. As emerging technologies continue to drive economic growth, the need for robust IP protection in areas such as artificial intelligence, biotechnology and cybersecurity is likely to intensify.

Additionally, as counterfeiting and infringement pose ongoing threats, the future may witness an increased emphasis on effective enforcement strategies and collaboration between law enforcement and IP right owners.

### Footnotes

1. ^ A basic patent is a patent that protects a medicinal product or plant protection product as such, a preparation for plant protection, and the method of production and the application of a medicinal product or a plant protection product, and designated by its owner for the purposes of the certification process.

# Intellectual Property: Sweden



19 March 2025

**Rouse**
By Matti Lindberg, My Mattsson, Thomas Ernby and Torbjörn Presland

## Introduction

Regulations regarding the protection of intellectual property in Sweden have existed for hundreds of years, dating back to the end of the 17th century when there existed exclusive manufacturing privileges similar to modern patent law.[1] Since then, legislation has continued to develop to this day, culminating in the current legal order. As it stands today, intellectual property rights in Sweden can be divided into the following categories.

### Trademarks

Virtually any sign that can function as a distinguishing badge of origin for a product or service can be protected as a trademark. The exclusive right obtained, through either registration or use, enables the owner to prevent the unlawful use or infringement of third parties. Regulated in the Trade Marks Act, its current iteration entered into force in 2011. Besides EU law, in the form of the EU Trademark Directive and the EU Trademark Regulation, the legal framework is to a large extent based on other international conventions such as the Paris Convention for the Protection of Industrial Property, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks and the Singapore Treaty on the Law of Trademarks.

### Patents

Sweden is an EPC contracting state, a PCT contracting state and a UPC member state, and it also participates in the unitary patent system. As such, it is possible to obtain patent protection in Sweden using any one of the following options: a Swedish national patent from a patent application filed with the Swedish Intellectual Property Office (PRV) or prosecuted there

following national entry of an international patent application, a European patent validated in Sweden and a European patent with unitary effect.

The right to a patent shall belong to the inventor or his successor in title. When the inventor is an employee and the invention concerns the main work tasks of the employee, the employer has a right to acquire the right to the invention. The guiding principle of the previous sentence does not apply to researchers/academic staff at Swedish universities, this exception being referred to as the teacher's exemption.

The term of a patent in Sweden, be it a national patent or a European patent, is 20 years from the date of filing of the corresponding application.

## Designs

Having entered into force in 1970, the Design Protection Act enables the protection for aesthetic features of a product, as long as those features have novelty and individual character. Sweden is a direct party to TRIPS. In addition, through the EU, a party to the Hague Agreement Concerning the International Registration of Industrial Designs, Swedish applicants are able to file for protection of their designs through the Hague system. Through the EU system, unregistered designs are also afforded protection, albeit in a more limited scope, which is unique to the EU.

## Copyright

Through copyright, the person who creates a literary, artistic, or otherwise original and creative work is afforded exclusive rights to reproduce the work in any way. The Act on Copyright in Literary and Artistic Works incorporates the contents of the Berne Convention for the Protection of Literary and Artistic Works and TRIPS, through the Swedish Act being bound by EU law. The protection of a copyrighted work arises upon creation; registration is not possible in Sweden.

Besides the conventional forms of intellectual property rights, there are other kinds of knowledge- and name-based protection regimes in Sweden, namely the protection for trade secrets and company names.

## Trade secrets

Regulated in the Act on the Protection of Trade Secrets, a trade secret affords protection to commercially sensitive information that has been safeguarded accordingly against any undue attack. The law is to a large extent based on the latest EU directive in this particular field of law, replacing the previous iteration of Act on the Protection of Trade Secrets.[2] In comparison with previous legislation, the amended act of 2018 removed the possibility of obtaining a trade secret in good faith and also clarified that reasonable measures must be taken to keep the information secret in order for the information to be considered a trade secret.[3] Of note is the principle of public access to information. It is a fundamental principle forming part of Swedish constitutional law, which regulates the governance of Sweden. In short, the principle mandates that the main rule entitles the public access to official documents of public authorities.[4] This includes documents that have been received by the authority agency as well as documents that were generated by the public authority. However, this right is restricted through the Public Access to Information and Secrecy Act, which regulates when secrecy does apply to official documents.[5]

### Company names

The Swedish legal system allows for the protection of company names as badges of origin, enabling a crossover protection alongside the trademark protection regime. The crossover protection means that the owner of company name has an exclusive right to the name as a sign used in the course of trade.[6] If the company name is only protected in a part of the country, the exclusive right to the company name only applies in that geographical area. The same applies for personal names, under the condition that the name has distinctive character in relation to the goods and services it is used for. The main regulatory acts are the Trade Marks Act and the Act on the Protection of Company Names.[7]

## Year in review

### Trademarks

In case law, there have been relevant court cases concerning both the crossover protection between trademarks and company names, as well as the exhaustion of exclusive rights. Case PMT 708-23 deals with the crossover protection between trademarks and company names.[8] In this case, the claimant sued the defendant for the use of a sign that was similar to the company name and registered trademark of the claimant. The defendant argued that the earlier signs lacked distinctive character and were used for a different set of products, albeit in the same overall product segment, namely products for dogs. After having been appealed, the case has since been referred to the CJEU for a preliminary judgment. The question directed at the CJEU regards whether it is compatible with the EU Trademark Directive for national law to prohibit the use of a younger trademark without requiring that the company name has been used to distinguish goods or services, as well as if the Directive allows for a company name that is only used as a trademark for certain goods to prohibit the use of a younger trademark.[9]

In case PMT 8939-23, the claimant was a Swiss watch company that sued the defendant, who sold watches with custom-made dials.[10] The watches were sold with several different variants of custom dials according to a set of pre-determined customisations, meaning that it was not a case of the customer first buying a watch and then bringing it to the defendant for customisation. Even though the products in question had not been proven to initially have been put on the market with the consent of the claimant, the court opted to make a detailed assessment on the exhaustion of exclusive rights. The court concluded that while the changes to the dials did not have an impact on the quality of the products, the marketing of the watches was not considered as clearly indicating the lack of a commercial relationship with the claimant. The lack of clarity in this regard was the main factor leading to the defendant being found guilty of trademark infringement.

### Patents

On 1 January 2025, a new Patents Act (SFS 2024:945) and a new Patents Regulation (SFS 2024:1020) entered into force in Sweden. The new Patents Act applies also to patents that were granted before 1 January 2025, whereas the new Patents Regulation applies to national patent applications filed after 1 January 2025. The UPC Agreement entered into force on 1 June 2023.

### Copyright

The Swedish Government Official Report on copyright restrictions was published in January 2024.[11] The report proposes amendments that would give greater opportunity for copyrighted material to be used more freely in new reporting, amendments that would establish a definite exception for parodies and clearer requirements for stating authorship. The purpose of the proposed amendments is to give a clearer and more modern regulatory framework for use of copyrighted material that can take place without the permission of the rights holder. The amendments to the Act on Copyright in Literary and Artistic Works are proposed to enter into force on 1 September 2025.

### Trade secrets

In a case from early 2024, the Swedish Labour Court assessed whether information in certain documents and files constitutes trade secrets. The issue in the case was whether the former employee, within the scope of employment, had attacked trade secret information belonging to the former employer without authorisation by deleting a number of documents. The Labour Court stated that a satisfactory assessment of the documents in question could not be made using the approach used by the District Court that divided the documents into categories, regardless of whether the parties had accepted it or not. Instead, the Labour Court assessed each document individually. Overall, the Labour Court found, unlike the District Court, that it had not been proven that any of the files covered by the dispute contained information that constitutes trade secrets.[12]

Another case from earlier this year involved a collaboration regarding a patent license for a method of seed revitalisation. The licensee brought an action for injunction and compensation under the Copyright Act and the Act on the Protection of Trade Secrets after the collaboration ended. The Patent and Market Court of Appeal upheld the Patent and Market Court's judgment and found that the plaintiff had failed to prove that any disclosure or use of trade secrets had occurred. The court further found that the defendants had a right to handle the disputed material in the manner that the plaintiff had otherwise alleged had occurred. The claim has therefore been unsuccessful for these reasons alone.[13]

## Obtaining protection

### Trademarks

After the application has been received by the PRV, the examination of the application will begin. Besides being a formalities examination, the examination is also substantive in that the PRV cites prior marks that it considers to be confusingly similar, *ex officio*. This includes not only trademarks covering Sweden, including EU trademarks, but also Swedish company names and specially protected names (e.g., artist names and rare surnames). In particular, company names can be quite troublesome if they are cited, since it is not possible to partially cancel a company name even though it is not used for everything that is indicated in the business activities description. In practice, this means that the protection for the company name could be more extensive than a trademark registration, which can be partially cancelled.

If the application does not meet the formal requirements, a non-final office action will be issued. From that point, the applicant will be given two months to remedy the deficiencies. It is possible to request extensions of time, with the first extension of two months being granted without any requirements. Subsequent extensions may be granted if there are justifiable grounds, such as ongoing co-existence efforts and proof is submitted through providing evidentiary documentation.

If the deficiencies are not remedied in time, the application will be considered as abandoned. However, if the deficiencies are corrected and a reinstatement fee is paid within two months of the expiration date of the original deadline to respond, the processing of the application will resume. When a prior mark is cited against an application, the PRV accepts co-existence agreements to overcome the citation.

When the examination of the application has been concluded and any potential office actions have been resolved, the decision to register the mark will be rendered. It is from the date of registration that the publication period starts, giving third parties the possibility to oppose the registration of the mark for up to three months. While the PRV does cite prior marks, it does not notify the owner that their mark has been cited nor that a similar mark has matured into registration. Hence, it is completely up to the rights holder to actively monitor the register for the purposes of potentially opposing any subsequent registrations. If the registration of a trademark has been refused, irrespective of whether it is done during the examination stage or as the consequence of an opposition, the decision can be appealed to the Patent and Market Court. The appeal must be submitted within two months of the date of the decision. If the decision is not changed by the Patent and Market Court, further appeal to the Patent and Market Court of Appeal is possible, presuming that leave to appeal is granted.

## Patent

### Subject matter that can be protected by a patent

Below is a summary of subject matter that can be protected by a patent. The summary applies to Swedish national patents as well as to European patents.

Patents may be granted for any inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.

The following are not regarded as inventions: discoveries, scientific theories and mathematical methods; aesthetic creations; schemes, rules and methods for performing mental acts, playing games or doing business, programs for computers and presentations of information.

Moreover, a patent shall not be granted in respect of:

a. inventions the commercial exploitation of which would be contrary to *ordre public* or morality;
b. plant or animal varieties or essentially biological processes for the production of plants or animals; this provision shall not apply to microbiological processes or the products thereof; and
c. methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human body or animal bodies: this provision shall not apply to products, in particular substances or compositions,

for use in any of these methods.

Isolated DNA sequences, whether natural or mutated, may constitute patentable inventions.

Moreover, a patent shall not be granted for processes for modifying the genetic identity of animals that are likely to cause them suffering without any substantial medical benefit to man or animal, and neither for animals resulting from these processes.

As indicated above, business methods and computer software as such are not regarded as inventions and are thus not patentable. This exclusion does not apply to business methods or computer software computer programs having a technical character, for example, a claim reciting a business method or computer software computer program that recites technical means. However, when assessing novelty and inventiveness of such a claim, only the features contributing to the technical character of the claim are taken into account.

### Filing and prosecuting a Swedish application

A Swedish patent application may be the result of national entry of an international patent application, or it may be filed directly with the PRV.

The patent application needs to contain: a description of the invention; one or more claims; drawings, if referred to by the description; and an abstract. Moreover, the patent application needs to contain information concerning the inventor, as well as the how the right to the invention has been obtained if the applicant is not the inventor. For applications filed after 1 January 2025, no power of attorney needs to be filed for a representative of an applicant. The PRV commences the handling of the application once the payment of an application fee has been received.

For a patent application filed directly with the PRV, the PRV aims at issuing a first office action with a search report within six months of the date of filing. Currently, the time from filing to the issuance of a first office action is within the range of six to seven months, depending on the field of technology.

At present, for three-quarters of patent applications filed directly with the PRV, a decision is issued (i.e., a grant or a refusal) within two years of the filing date.

## Design

First, it should be noted that the PRV only conducts a formal examination, making sure that the application commits the formal requirements for being considered as a design (i.e., the design is novel and has individual character). No substantive examination is conducted. There is no limit on the amount of images that can be used for a design registration. It should also be noted that it is possible to apply for the protection of several designs as part of a single registration, as long as they belong to the same Locarno class.

Upon filing the application, the applicant has the option to request deferment of publication of the images part of the application. The publication can be deferred up to a maximum of six months, which can be shortened to an earlier date of the applicant's choosing if they want to speed up the decision on registration. After having filed the application, if the PRV finds that there are any formal deficiencies, an office action will be issued. Similarly to trademarks, it is possible to request extensions of time, with the first extension of two months being granted without any requirements, and it also possible to file for reinstatement of an abandoned application if the proper fees are paid in time.

At the conclusion of the examination process, the length of which can be impacted by whether the publication of the images has been deferred, the decision to register the design will be rendered. From the date of registration, an opposition period of two months starts running. As mentioned, no substantive examination is conducted during the registration process, so it is especially important for third parties to monitor registrations in order to be able to object to the registration of a design due to lack of novelty and individual character. If registration is refused, it can be appealed with the Patent and Market Court within two months. If the Patent and Market Court stands by the original decision, further appeal to the Patent and Market Court of Appeal is possible if leave to appeal is granted.

### Copyright

The copyright to a creative work arises when it is created, without any formal requirements. While it is possible to register the copyright with a third party vendor to use as basis for a claim of a first date of protection, it is not needed for protection to arise. Hence, the value of taking these measures is limited.

### Trade secrets

For information to be afforded protection as a trade secret, a set of cumulative criteria must be fulfilled.[14]

First, the information in question must cover commercial or operational circumstances in the operation of a commercial entity or research institution.

Second, the information cannot be known to the public, wholly or in part, nor be readily accessible to persons that commonly are privy to such information.

Third, the owner of the information must have taken reasonable measures to protect the secrecy of the information in question.

## Enforcement of rights

### Courts

Sweden has a specialised IP Court, the Patent and Market Court (PMD), with judges specialised in the IP field. The court handles in principle all of the country's intellectual property, competition and marketing law cases and matters, such as trademark and patent infringement cases and appeals from the PRV. A decision from PMD can be appealed to the Patent and

Market Court of Appeal (PMÖD). In general, a decision from PMÖD in a civil case may not be appealed, except for unique cases when there is a precedent reason.

The Swedish Patent and Market Court Act entered into force on 1 September 2016 and contains specific rules about the procedure in PMD and PMÖD.

The composition of the Court at a main hearing depends on the nature of the case. At the main hearing in cases concerning, for example, patents and the right to the employee's inventions, PMD shall consist of four members, two of whom shall be legally qualified judges and two technical members. If there are reasons for doing so, the number of legally qualified judges may be increased by one. The same applies to the number of technical members. If there is no need for technical expertise, the court may instead consist of three legally qualified judges. If the court is to include judges other than those of legal standing, the president of the court decides which technical members or economic experts are to be included, taking into account the expertise needed and other circumstances of the case or matter.

## Patent

The UPC has exclusive competence for any European patent validated in Sweden that has not been opted out from the competence of the UPC, as well as for any European patent with unitary effect. On the other hand, the PMD has exclusive competence for any European patent validated in Sweden that has been opted out from the competence of the UPC, as well as for any Swedish national patent.

In Sweden, infringement and invalidity of a patent are officially handled in separate cases and consequently brought in separate proceedings, but it is the same court that will deal with both infringement and invalidity. Validity and infringement can be decided in the same proceedings, but it can also, at the request of any of the parties, be decided separately.[15]

## Trademark

Where a lawsuit for infringement of a registered trademark is filed and the defendant counter claims that the registration is invalid, the question of invalidity may be examined only after a separate lawsuit for invalidity has been filed. The Court may order the defendant to bring such an action within a certain period.[16] The reason for this arrangement is that the examination of whether the circumstances prevent registration could otherwise result in varying results in different trials.[17]

## Withdrawal of infringing products

At the request of the brand owner, the court may decide that products on which trademark features are unlawfully displayed shall be withdrawn from the market, altered or destroyed, or that some other measure shall be taken. The same applies to tools that have been used or were intended to be used in the infringement.

The Swedish Trademark Act does not contain any provisions on fines in relation to these measures. However, it follows from general principles that an order to carry out a certain measure may be combined with a fine. A request for corrective measures may therefore also include a request for a fine order.

## Infringers' obligation to leave information and broadcast the judgment

At the request of the plaintiff, the Court may, in cases of confirmed trademark infringement, decide that the infringer shall pay for appropriate measures to disseminate information about the judgment in the case.[18]

If a plaintiff shows probable cause of trademark infringement, the Court may decide, subject to a fine, that the infringer shall provide the plaintiff with information about the origin and distribution network of the goods or services to which the infringement relates (information order). The information may only be disclosed if it is likely to facilitate the investigation of an infringement relating to the goods or services. However, it is not required that the information actually facilitates the investigation of the specific infringement for which the applicant has shown probable cause.[19]

Information on the origin and distribution network of goods may in particular concern the names and addresses of producers, distributors, suppliers and others who held the goods or provided the services, the names and addresses of intended wholesalers and retailers, information on the quantities produced, delivered, received and ordered and the price set for the goods and services.

## Investigation of infringement

The Swedish legal system is traditionally restrictive in issuing a subpoena for production of documents (i.e., an order to produce a written document to constitute evidence in a trial) due to the risk that the opposing party will come into possession of trade secrets. In order for the Swedish regulation to correspond to the requirements of the TRIPS Agreement, the sanctions rules were supplemented in 1998 with a possibility to claim investigation of infringement if it can reasonably be assumed that someone has committed or participated in a trademark infringement.[20] The Court may, in order to secure evidence of the infringement, order that an investigation be carried out at the person's premises in order to search for objects or documents that can be assumed to be of importance to an investigation of the infringement. Such a decision may be made at the request of the brand owner.[21]

## Copyright

The exclusive right that Copyright brings does not only cover the production of identical copies but also the work in an altered state. One challenge can be to draw the line between such adaptations, that are covered by copyright and what is possible to exploit without infringing. The party claiming copyright infringement has the burden of proof that an imitation has occurred. However, a striking similarity to the protected work can in itself be considered strong evidence that the later work is an imitation. The party alleged to have infringed the copyright must then demonstrate that the later work was produced independently in order for there to be no imitation.[22]

Similarly to what is stipulated in the Trademarks Act, there are possibilities for a plaintiff to obtain information about the origin and distribution network of the goods or services to which the copyright infringement or violation applies.

## Compensation

The general principles of Swedish law is that damages are only relevant in the event of a crime and in the event of personal injury or property damage. Compensation for purely pecuniary damage otherwise requires additional legal basis. This legal basis can be found in the intellectual property laws that stipulate that reasonable compensation for the use shall be calculated.[23] The reasonable compensation shall correspond to the cost the infringer should have had through a licence or a fee, based on the cost of lawful use on the market. In addition, in cases of negligent and intentional infringement additional damage caused by the infringement shall be compensated. The damages are intended to enable full compensation for the actual damage but should not result in compensation for more than the actual damage.[24]

When determining compensation for infringement, a number of circumstances of different characteristics must be assessed, particular account shall be taken to loss of profit for the rights holder, the profits of the infringer, damage to the reputation for the rights holder, non-pecuniary damage and the rights holder's interest to not have their rights infringed.

## Trade secrets

Disputes over trade secrets are not handled in the specialised IP Court but in the general courts. As disputes over trade secrets tend to be between employers and (former) employees, much of the case law is also found in the Swedish Labour Court.

In the event of an ongoing attack on trade secrets, the attacked party is generally primarily interested in immediately stopping the attack. In such a situation, a request that the person attacking the trade secrets immediately cease their attack may of course be justified. However, it is often a priority to gather as much evidence as possible before informing the person attacking the trade secrets, and the attacked party could consider initiating an interim injunction since it is often very urgent to stop an attack.

Liability for damages due to an attack on trade secrets covered by a confidentiality obligation may arise both under general principles of contract law and under the Act on the Protection of Trade Secrets.

## Customs

The Swedish Customs Authority, Tullverket, has the authority to detain goods that are suspected to infringe IP rights. A rights holder can file an application calling on Swedish Customs to seize suspected infringing goods entering the borders of Sweden. This application is valid for one year. Swedish Customs will seize the suspected goods and detain them and inform the rights holder and the importer. The rights holder must initiate legal action within 10 working days of notification of the seizure in order to stop the release of the goods. If the importer agrees to destroy the suspected goods within the same time frame, Swedish Customs will destroy the goods.

# Outlook and conclusions

Besides the upcoming national legislative and regulatory changes as indicated above, the future intellectual property law landscape in Sweden continues to be informed by changes at the European level. The EU AI Act, the Design legislative reform and the development of UPC case law are but a few of the areas where we are sure to see the further impact on the Swedish IP law landscape in the upcoming years. Regarding the development of case law in Sweden, the overall trend is that the case load of both the Patent and Market Court and the Patent and Market Court of Appeal has decreased in recent years.[25] Whether this pattern will prevail in light of the several upcoming changes remains to be seen.

## Footnotes

1. ^ Ekeberg, Bengt: Studier i patenträtt, Almqvist & Wiksell, Uppsala, 1904, p. 4 ff.
2. ^ Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.
3. ^ Compare with SFS 1990:409, Act on the Protection of Trade Secrets.
4. ^ SFS 1949:105, The Freedom of the Press Act, Section 2:2.
5. ^ SFS 2009:400, the Public Access to Information and Secrecy Act.
6. ^ SFS 2010:1877, the Trade Marks Act, Section 1:8 comp. SFS 2018:1653, Act on the Protection of Company Names, Section 1:3.
7. ^ SFS 2018:1653, Act on the Protection of Company Names.
8. ^ PMT 708-23, *Purefun Group AB ./. Doggy AB*.
9. ^ PMT 708-23, *Purefun Group AB ./. Doggy AB*, section 36 ff.
10. ^ PMT 8939-23, *Tissot SA ./. IFL Watches AB*.
11. ^ SOU 2024, Inskränkningarna i upphovsrätten, https://www.regeringen.se/contentassets/6b70735c6c05451c9728a4a2d987bf05/inskrankningarna-i-upphovsratten-sou-2024_4.pdf.
12. ^ AD 2024 No. 13.
13. ^ PMT 6373-22 *Nelson Seed Development AB ./. Robust Seed Technology A&F AB*.
14. ^ SFS 2018:558, Act on the Protection of Trade Secrets, Section 2.
15. ^ The Swedish Patents Act, Chapter 17, Section 6.
16. ^ The Swedish Trademark Act, Section 10:5.
17. ^ *Juno*, comments to the Swedish Trademark Act, Per Carlson.
18. ^ The Swedish Trademark Act, Section 8:8.
19. ^ The Swedish Trademark Act, Section 9:1, *Juno* comments, Per Carlson.
20. ^ *Lärobok i Immaterialrätt*, Marianne Levin, Åsa Hellstadius, p. 630.
21. ^ The Swedish Trademark Act, Section 9:5.
22. ^ NJA 1994, p. 74.

23. ^ For example: the Swedish Trademark Act (Section 8:4), the Swedish Copyright Act (Section 54), the Swedish Patent Act (Section 5:10), the Swedish Design Act (Section 36) and the Act on the Protection of Company Names (Section 5:7).
24. ^ Skada och ersättning vid immaterialrättsliga intrång, David Johansson, 2020, section 102.
25. ^ https://www.domstol.se/globalassets/filer/gemensamt-innehall/styrning-och-riktlinjer/statistik/2023/domstolsstatistik_2023.pdf, pp. 22 and 29.

# Intellectual Property: United Kingdom



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## Introduction

### Patents

A patent is a registered property right that protects certain types of inventions.

A patent gives an inventor the right for a limited period to prevent others from making, using or selling an invention, which can be a product or process, without the inventor's permission. The patent owner can apply for an injunction to restrain infringing activities and may be entitled to compensation by way of damages or an account of profits.

In return for disclosing the invention, an inventor is given a monopoly in its use for 20 years, after which it passes into the public domain. This is the 'patent bargain', which underpins the patent system, the aim of which is to encourage innovation.

Patents are highly valuable IP rights. They can be enforced by owners to protect business assets and revenue streams. They can be bought, sold, mortgaged or licensed to others. Licensing of patents can generate significant revenue streams for businesses. Patents can also be used to secure investment in a business.

In the UK, a registered patent may either be a GB national patent granted pursuant to the procedure set out in the Patents Act 1977 by the UK Intellectual Property Office (UKIPO) or a European Patent which designates the UK (European Patent (UK)), granted by the European Patent Office (EPO) using the procedure in the European Patent Convention[1] (EPC).

A GB national patent will only have effect in the UK and must be enforced or challenged through the UK courts. Once granted by the EPO, a European Patent (UK) has the same effect as though it had been granted by the UKIPO and must be enforced and challenged nationally.

After a European patent is granted, the proprietor can request unitary effect. Any resulting 'unitary patent'[2] provides uniform protection in 18 EU Member States and is enforced and challenged before the Unified Patent Court (UPC). Unitary patents do not cover the UK because the UK withdrew from the unitary patent and UPC system following Brexit, but patenting strategies are typically global and therefore businesses should be aware of all options.

## Supplementary protection certificates

A supplementary protection certificate (SPC) may extend the protection conferred by an underlying patent to a particular medicinal or plant protection product by up to five years, provided that certain conditions are met. SPCs are national rights, and in the UK are granted and administered by the UKIPO.

The motivation behind the SPC regime is to compensate pharmaceutical companies for the considerable length of time it may take between filing a patent application and obtaining a marketing authorisation (MA) for the product to be placed on the market. SPCs are therefore extremely valuable rights.

## Confidential information, trade secrets and know-how

There are overlaps between confidential information, trade secrets and know-how, although each are distinct, non-registrable rights and each can provide valuable protection to a business.

## Trademarks

Trademarks are statutory rights protecting aspects of brand identity, such as a trading name or logo. They are registered rights obtained by application to the UK Intellectual Property Office provided the mark meets the statutory criteria for registrability.[3] Protection extends throughout the UK. A registration can last indefinitely but must be renewed every 10 years. A risk is missing the renewal deadline. If that happens, even inadvertently, the registration will lapse and protection will be lost. Trademarks are a 'use it or lose it' right. Failure to put a mark to genuine use in the UK for a period of five years without proper reason will make the mark vulnerable to cancellation.

A registered trademark provides protection against a third party using in the UK an identical or confusingly similar sign, or a sign which otherwise takes unfair advantage of the trademark by riding on its power of attraction, dilutes its ability to indicate trade origin or tarnishes its reputation.

## Passing off

Passing off is a judicially developed cause of action unique to the UK. Often referred to as an unregistered trademark, an action in passing off is typically brought in respect of deceptive get-up on 'lookalike' products. The action has limitations in that a claimant must show that it owns goodwill in its product 'get-up' and that consumers would be deceived into buying the defendant's product instead of its own by virtue of the similar get-up used by the defendant. Proving deception can be very difficult, particularly as judges have now restricted the use of survey evidence in order to manage spiralling trial costs. Registered trademark protection is, therefore, preferable as infringement is usually more straightforward to establish.

### Copyright

Copyright is an unregistered right that protects an array of creative content including written, dramatic, musical and artistic works, sound recordings and performances. Copyright is undervalued, but its breadth means that it can fill the gaps left by the other IP rights. It is particularly useful in protecting valuable corporate assets from third-party copying, including websites, customer lists, computer software, marketing materials and strategic documents. Copyright protection lasts for a long time, usually the life of the author plus 70 years. It covers the UK, but reciprocal protection is available in the contracting states to key copyright treaties.[4]

A work must be original and fall within one of the discrete categories in the UK's copyright legislation.[5] Some categories require artistic merit and an unresolved issue before the courts is whether the law should require a work only to be original and nothing more for copyright to subsist.[6]

### Designs

It is acknowledged that design protection in the UK is complex. Designers have a choice of rights: a registered design, an unregistered design and a supplementary unregistered design, the latter introduced following Brexit to fill the gap left by the loss of EU unregistered design protection. The registered design and supplementary unregistered design mirror one another, both protecting three-dimensional (3D) and two-dimensional product appearance that is novel and has individual character. Registered protection lasts for 25 years but the unregistered right arises automatically on disclosure and lasts for just three years. Registered protection is cost effective and straightforward to obtain and can be asserted even against independently created designs that do not create a different overall impression. The complementary three-year unregistered protection is ideal in industries where products are fast moving (e.g., fashion) and prevents copying. The quirky UK unregistered design protects the non-commonplace 3D appearance of functional articles from copying for a maximum of 15 years.

## Year in review

### Patents

The UK patent litigation market remained buoyant in 2024.

Life sciences disputes continue to generate headlines post-pandemic and with increasing demands on healthcare budgets.

The courts were the first to hear battles over mRNA patents that underpin covid vaccines. The Patents Court found a Moderna patent to be valid but that its pledge that it would not enforce its patents against those making covid-19 vaccines provided Pfizer/BioNTech with an unusual partial infringement defence.[7] In another covid-19 vaccine dispute, the Patents Court held that CureVac's patents relating to a split poly(A) tail in mRNA were invalid for insufficiency due to lack of plausibility and lack of inventive step.[8]

Also relating to vaccines, the Patents Court revoked two GSK patents covering recombinant respiratory syncytial virus (RSV) antigens for obviousness, and granted Pfizer an *Arrow* declaration for use as a defence in any future infringement suit filed by GSK relying upon other RSV antigen patents.[9]

Biosimilar disputes have featured, with the Patents Court revoking Janssen's patent which claimed the use of ustekinumab in the treatment of ulcerative colitis on the basis of obviousness over its own clinical trial results presented at a conference, allowing Samsung to launch its biosimilar ustekinumab product.[10] Further biosimilars actions are in the pipeline, indicating the competitiveness of the UK biosimilars market.

Demonstrating the willingness of the UK courts to move rapidly to hear disputes when necessitated by commercial pressures, in the dispute concerning the sales of generic once-daily rivaroxaban the Patents Court heard and decided two preliminary injunction applications, and subsequently revoked the patent in issue due to lack of inventive step, which was upheld by the Court of Appeal, all within a six week period.[11]

With the increasing importance of innovative medical treatments, the Patents Court issued its decision in one of the first gene therapy patent validity disputes to be ruled on by the UK courts, with UniQure successfully defending the validity of its haemophilia gene therapy patent in a revocation action brought by Pfizer.[12]

After a relative period of quiet, SPC disputes came to the fore again in the UK. In *Merck Serono*,[13] where the Court of Appeal decided not to diverge from CJEU case law, answering the question of whether an SPC can be granted for a second medical use of an active ingredient based on a second marketing authorisation in the negative. The Patents Court upheld[14] the UKIPO's decision to refuse two SPC applications for combination products in *Halozyme* because recombinant human hyaluronidase, described as an excipient in regulatory documents, is not an active ingredient[15] and there were already marketing authorisations (MAs) for the individual antibodies.[16]

Technological advances featured heavily, with the UK courts leading the debate on the patentability of AI. While the Court of Appeal ruled[17] that that Emotional Perception's artificial neural network music recommendation tool did not make a technical contribution and was not patentable, the discussion will continue with an appeal to the Supreme Court confirmed.

Important procedural as well as technical decisions show the UK continues to be a busy FRAND litigation forum. The Court of Appeal's landmark ruling[18] that Lenovo should pay royalties for all past sales, but that the trial judge's reasoning in determining the per-unit royalty rate was flawed due to the length of time it took to deliver the decision, has led to expectations of shorter periods from trial to judgment, particularly with a backdrop of speedy UPC decisions.

The UK courts' willingness to navigate complex international landscapes in FRAND disputes again came into focus. The Court of Appeal refused Lenovo's conditional PI application,[19] it being merely to induce Ericsson to not enforce injunctions in Brazil and Colombia, and granted Xiaomi an interim licence,[20] with Panasonic being found to be using parallel UPC and German proceedings to coerce Xiaomi into accepting less favourable terms. The consequent stay of the parallel UPC proceedings, followed by settlement, highlights the interplay with UK actions, of which English judges are increasingly mindful in making case management decisions.

## Soft IP (trademarks, copyright and designs)

### Jurisprudence

After 18 months of waiting, the Supreme Court delivered its landmark judgment in the *Skykick*[21] litigation holding (to the surprise of many) that bad faith can be inferred from the width and size of a trademark specification and the use of broad categories of goods and services, making the trademark registration vulnerable to partial invalidation in respect of the goods and services tainted by the bad faith.

The Supreme Court also delivered its decision in *Lifestyle Equities v. Amazon*[22] confirming that advertisements and offers for sale (listings) of trademarked goods on 'foreign websites' (here amazon.com) can infringe UK trademarks where the website targets UK consumers.

The Supreme Court handed down a third judgment, this time in *Lifestyle Equities v. Ahmed*[23] holding that a director will be jointly and severally liable with their company for trademark infringement (an 'accessory') only if they have knowledge of the essential facts that make the act done wrongful. Even if that high bar can be overcome, they will only be liable to account for the profits they themselves have made from the infringement and not for the profits accrued by their company.

Progress was made in the landmark *Getty Images v. Stability AI*[24] proceedings concerning whether use (without consent) of works to train generative AI systems is copyright infringement. The High Court refused permission for a representative action to be brought on behalf of over 50,000 other content creators on the basis that membership of this group was unclear. The case goes to trial in June 2025.

Well known cider manufacturers Thatchers were victorious in proceedings concerning a cloudy lemon cider lookalike product produced by German discount retailer, Aldi.[25] The evidence showed that Aldi had intentionally taken unfair advantage of the Thatchers product label trade mark by seeking to ride on the coat tails of its power of attraction, reputation and prestige and that this was unfair competition. The decision will embolden brand owners to take infringement action against lookalikes.

In separate proceedings, retailer Marks and Spencer were victorious against Aldi in respect of the design of Christmas themed light up gin bottles.[26] The Court of Appeal confirmed that the design of the lookalike Aldi product did not produce on the informed user a different overall impression and so infringed the Marks and Spencer registered designs.

In *Waterrower*[27] the High Court was asked whether a water resistance rowing machine could be protected by copyright as a work of artistic craftsmanship. It was anticipated that, in answering that question, the High Court would resolve the longstanding tension between the discrete categories of work afforded protection under UK copyright law (sometimes including a requirement that the work have artistic merit) and the more open approach of EU law (which forms part of assimilated law in the UK after Brexit) which merely requires a work to be original. It was held that the rowing machine satisfied the EU test as original but had insufficient aesthetic quality to satisfy the UK test, the judge acknowledging that the two tests could not be reconciled but preferring to leave the resolution of that conflict to Parliamentary legislation.

### Policy and legislation

The government issued a consultation on the extent to which developers should be entitled to use copyright works to train AI systems. This was issued in recognition that, pending the judgment in *Getty*, developers need certainty on this question. The government expressed a preference to extend the current text and data mining exception to facilitate the training of AI models using copyright material, with rights holders able to opt their content out from being used in that way using effective technological means. AI developers would also be required to be more transparent around the copyright material they use. This largely mirrors the proposal adopted by the previous government in 2022, which was subsequently abandoned due to widespread opposition from the creative industries.

# Obtaining protection

## Patents

For an invention to be patentable, it must be new,[28] involve an inventive step,[29] be capable of industrial application[30] and not excluded from patentability.[31]

For an invention to be new, it must not form part of the 'state of the art'[32] – that is to say, the sum total of human knowledge which has at any time been made available to the public anywhere in the world.[33] If the invention does not appear to be already part of the state of the art, or if is not possible to infer that it was implicitly part of the state of the art, it is new.

The invention must involve an inventive step.[34] It must not simply be something which has not previously existed, but must also owe its existence to the exercise by the human intellect of a creative thought-process. An invention shall be taken to involve an inventive step if it is not obvious to a person skilled in the art.

An invention must be capable of being made or used in some kind of industry.[35] Industry is meant in the broadest sense as anything distinct form purely intellectual or aesthetic value.

Certain things are not inventions for the purposes of the Patents Act 1977.[36] This includes anything which consists of a discovery, scientific or mathematical method, a literary, dramatic, musical or artistic work (which may instead be protected by copyright), a method for doing business, a computer program, the presentation of information or anything that is contrary to public policy or morality.

## Confidential information, trade secrets and know-how

Confidential information[37] is information that is not publicly available and that has been communicated in confidence.

Unlike confidential information, a trade secret[38] must have commercial value because it is secret and must have been subject to reasonable steps to keep it secret.

Know-how covers identifiable knowledge and skills, often acquired through experience, that provides an advantage to the party owning or using it. Although not necessary, it is often confidential because the degree to which it is secret may impact its commercial value.

### Trademarks

Trademarks cover conventional marks (names and logos) and non-traditional marks, including 3D shapes, colours, smells, sounds, textures and animation. Recent decisions applicable to the UK concerning the registration of bottle shapes show that shapes are rarely found to be inherently distinctive but that adding additional features, such as elements of colour, can assist.[39] Single colour marks can also be difficult to register unless the nuances of colour cover a clearly defined area of the product.[40]

### Copyright

Copyright arises automatically when a work is created (it does not protect ideas but the expression of them). There is no registration procedure. This avoids administration, cost and renewal burdens but can make it difficult to prove ownership of copyright.

An unresolved issue is the extent to which copyright protects AI generated works. The UK's copyright legislation anticipates works created by a computer 'without a human author' and grants these 'computer-generated works' 50 years of protection. It is unclear whether a work created in response to human text prompts would satisfy this definition. It is also unclear how the human-focused test of originality, which is based on an author's own intellectual creation, can apply to content created by a machine.

### Designs

Collectively, design rights protect the novel appearance of the whole or part of an article and can be asserted against designs that do not create a different overall impression, or that otherwise amount to a substantial copy. Brand owners can combine IP rights for stronger protection for their brand identity. For example, they can obtain a trademark for their product shape in addition to, or instead of, a registered design, providing additional causes of action in the event of infringement and a longer term of protection. Registering a product label as a trademark is also possible. The law is also developing to enable copyright to be used to protect functional items, which was once solely the domain of design rights (e.g., items of clothing or bicycles),[41] provided they satisfy the requirement of originality.

## Enforcement of rights

Civil litigation in England and Wales is governed by the Civil Procedure Rules (CPR), which covers all stages of court proceedings. Proceedings in the Supreme Court are subject to the Rules of the Supreme Court.

CPR Part 63 supplements and alters the general procedural rules in relation to IP disputes, and there are IP-specific court guides that include additional procedural and practical requirements.

The UK has specialist IP judges sitting in dedicated IP courts, with judges assigned to hear either patent or 'soft IP' (trademark, copyright and design) cases according to their expertise. Judges exercise active case management control over proceedings to keep costs down. At regular case management conferences they will give directions on matters such as the early identification and disposal of issues, the use of witness and expert evidence, disclosure and the timetable to trial. Failure to comply with these directions will result in costs consequences.

A notable feature of IP litigation in the UK is disclosure that requires parties to disclose documents supportive or adverse to their, or the other side's, case. Standard disclosure required all such documents to be disclosed, but a pilot scheme requiring disclosure of just an initial tranche of documents with options around further extended disclosure has now been made permanent.

Trials are adversarial in nature involving opening and closing submissions, legal arguments and the examination and cross examination of witnesses. There is no jury. The judge alone makes a decision on the issues. Judgments are publicly available documents.

Typically, a claimant will seek a final (permanent) injunction and a financial remedy, either damages or an account of profits. A defendant may counterclaim for infringement of their own IP rights or challenge the validity of the claimant's IP. Courts have discretion to grant preliminary (interim) injunctions provided certain judicially developed criteria are satisfied.[42] In most cases the claimant will give a cross-undertaking in damages to compensate the defendant if it turns out that the injunction should not have been granted.

There are separate trials on liability and quantum. Costs follow the event so the losing party will usually be ordered to pay the winner's costs in addition to their own. However, judges have recently shown a tendency to award costs on an issue-by-issue basis.

Appeal is to the Court of Appeal but permission will only be granted where an issue of law must be reviewed (not a matter of fact). Final appeal on matters of law of wider importance is to the Supreme Court.

In appropriate circumstances, the parties may opt for arbitration as a strategic alternative to litigation. Measures aimed at avoiding litigation, including mediation and other forms of alternative dispute resolution, are available but not compulsory.

## Notable features of patent litigation

While some lower value patent disputes proceed in the Intellectual Property Enterprise Court (IPEC) (see more below), many form part of wider, global litigation in respect of complex and highly valuable technologies, and therefore come before specialist patent judges in the Patents Court. Trials are allocated a technical difficulty rating of one to five. The most technically complex cases with a difficulty of four or five are allocated to the most experienced patent judges.

Patent disputes in the UK are non-bifurcated, which means that infringement and validity issues are heard together before the same court.

The aim is for patent matters to reach trial within 12–18 months of proceedings being issued, and for decisions to be handed down within three months of a hearing. This timescale can be impacted by the number and complexity of cases pending before the court and the availability of judges.

Expert evidence plays a critical role in UK patent litigation. Experts must be impartial, and instructing solicitors must ensure that they understand their overriding duty is to the court, not the party by whom they are instructed.[43] Experts must only give evidence on matters that are within their area of expertise. To minimise the influence of hindsight on an expert's view, the Patents Court prefers a 'sequential unmasking'[44] approach, where the expert considers the common general knowledge (CGK) first, before being shown the prior art and, only afterwards, the patent in suit.

While UK courts retain exclusive jurisdiction over infringement, there may be concurrent validity ('opposition') proceedings before the EPO. In such cases, a stay[45] of the UK proceedings is the default option, but the court will always take into account where the balance of justice lies. A patentee who resists a stay may be ordered to provide an undertaking to repay damages awarded by the court if the EPO ultimately revokes the patent.[46] Further, the interests of justice may support refusing a stay if commercial certainty is likely to be achieved in the UK before the EPO.

## Notable features of soft IP litigation

A significant number of soft IP infringement cases now proceed in the IPEC. The IPEC is a division of the High Court with a streamlined regime enabling matters to be litigated more quickly and cost-effectively than in the regular High Court list. More reliance is placed on comprehensive statements of case (pleadings), reducing the need for oral submissions, resulting in shorter trials with limited expert evidence and minimal or no cross-examination of witnesses. Disclosure is also limited. The IPEC is an attractive forum because of costs capping. Scale costs apply to each element of the proceedings with an overall costs cap of £60,000 for the trial on liability. Maximum damages of £500,000 can be awarded, making the IPEC suitable for less complex cases and claimants who would not otherwise be able to afford to enforce their rights.

Surveys were commonly used to gauge the reaction of consumers to allegedly infringing signs and product get-up and appearance with a view to establishing confusion or deception for trademark infringement and passing off. Surveys have always been controversial and could be easily challenged as having led the interviewees in their answers. Judges have recently developed a dislike of them because of the significant expenses involved when balanced with their, often limited, evidential value. Parties should now seek leave from the judge before proceeding with a survey to minimise the risk of an adverse costs order should the survey turn out not to inform the court or the issues before it.

Expert evidence has a very specific role in soft IP litigation; for example, to educate the court about the features of relevant markets in trademark matters or technical issues in design cases. However, judges themselves make their own assessment when it comes to key aspects of infringement, in particular whether a consumer is likely to be confused and whether the overall impression produced by a design differs from that of another. Judges stand in the shoes of the consumer or informed user, and any expert opinion on these crucial assessments will be disregarded.

# Outlook and conclusions

## Patents

### Legislation

The Supplementary Protection Certificates (Amendments Relating to the Windsor Framework) Regulations 2024[47] came into force on 1 January 2025. These provisions update the SPC Regulation to take into account changes to the MA regime agreed in The Windsor Framework to protect the supply of medicines to Northern Ireland.

### Jurisprudence

Covid-19 vaccine patent matters will continue to generate headlines, with the *Moderna v. Pfizer & BioNTech* dispute[48] due to come before the Court of Appeal in 2025. This is part of a wider, high-value global dispute, but aside from the inevitably significant financial implications for the parties, any decision is likely to have wider implications for the development of mRNA vaccines.

Biosimilar disputes will continue to take centre stage before the UK courts, with disputes concerning biosimilars of eculizumab (marketed as Soliris)[49] and aflibercept (marketed as Eylea)[50] due to be heard in 2025.

The patentability of AI will continue to be a hot topic. Although the Court of Appeal overturned the Patents Court's ruling that a trained ANN is not excluded from patentability as a program for a computer in *Emotional Perception*, an appeal to the Supreme Court has been confirmed.[51] While there is a remote possibility that the Supreme Court may hear this matter in 2025, it is most likely to take place in 2026, and will have significant implications for the patentability of AI-driven inventions in the UK and potentially beyond.

2024 was undoubtedly a FRAND-heavy year before the UK courts, and 2025 is likely to be no different. The UK's role as an important forum for FRAND litigation is reinforced by proactive and pragmatic judicial attitudes to the listing of these trials, with the Patents Court due to hear an expedited FRAND trial, before the technical trials, in *Lenovo & Motorola v. Ericsson*[52] in the first half of 2025.

Many cases before the UK courts[53] are part of wider, global disputes. As the number of disputes with both UK and UPC proceedings increases (examples include *Abbott v. Dexcom* (although this dispute settled at the end of 2024) and *Advanced Cell Diagnostics v. Molecular Imaging*), this interaction will become more important, with the UK maintaining a leading strategic role in multi-jurisdictional disputes. Notable was the UPC's decision in *Fujifilm v. Kodak*,[54] where the Düsseldorf Local Division ruled that where a defendant is based in a UPC contracting member state, the UPC has jurisdiction over infringement actions concerning the UK part of a European patent. An appeal is expected, and if the decision is upheld, expect more procedural games between the UK and the UPC courts in 2025.

## Trademarks

The Supreme Court will rule in *Iconix v. Dream Pairs*. In 2024, the Court of Appeal held[55] that the well-known Umbro registered trademark was infringed by the use of a confusingly similar mark on sports clothing and footwear. The Supreme Court ruling will be important in clarifying the extent to which post-sale consumer confusion can be relied upon in establishing trademark infringement and the role of the 'realistic and representative scenario' in assessing whether there is a likelihood of this confusion occurring.

The Supreme Court may also hear arguments in *TVIS v. Howserv*.[56] If permission to appeal is granted in these proceedings important clarification could be provided around the penumbra of protection afforded by a 'descriptive' trademark and the extent to which courts should rely on evidence of instances of actual consumer confusion when assessing whether trademark infringement has occurred.

In *Thom Browne v. Adidas*,[57] the Court of Appeal will hear Adidas' appeal of the High Court's decision to invalidate eight of Adidas' UK registered position trademarks for its 'three stripes' logo on the basis that the trademarks as registered (the description with the accompanying illustration) lacked the necessary clarity and precision to be registrable.

## Copyright

The High Court will deliver its decision in the *Getty Images* landmark litigation concerning the extent to which copyright works can be used without permission to train AI tools.[58] This will be a legal first and will directly impact (positively or negatively) progress on AI innovation. Given the significance of the legal issues, a subsequent appeal to the Court of Appeal, and perhaps even the Supreme Court, is likely.

Following the 2024 High Court decision in *AGA Rangemaster*,[59] the Court of Appeal is expected to answer questions on the current tension between UK and EU copyright law around the differing tests for subsistence of copyright in a work.

The UK government will announce next steps on protecting copyright ownership while encouraging AI innovation. This is expected to be legislative intervention to give developers lawful access to copyright works to train their AI systems by an extension to the current text and data mining exception to copyright.

## Designs

The UK government will launch consultations on reforming the UK’s designs regime to clarify the registered and unregistered rights available, ensure they are fit for the digital age and make registered design protection accessible and affordable. The aspiration is for the UK to be an attractive jurisdiction for the creative industries.

## Footnotes

1. ^ Convention on the Grant of European Patents.
2. ^ More formally referred to as a ‘European patent with unitary effect’.

3. ^ The criteria for registrability are specified in the Trade Marks Act 1994, which is the primary piece of trademark legislation in the UK.
4. ^ This includes the Berne Convention for the Protection of Literary and Artistic Works (1886), as amended, https://www.wipo.int/wipolex/en/text/283698.
5. ^ The Copyright Designs and Patents Act 1988.
6. ^ This issue was considered, but not resolved, by the High Court in the case of *Response Clothing Ltd v. Edinburgh Woollen Mill Ltd* [2020] EWHC 148 (IPEC). Further consideration of the issue is expected in a forthcoming decision of the High Court in W*aterrower (UK) Limited v. Liking Limited (T/A) Topiom* [2022] EWHC 2084 (IPEC).
7. ^ *Pfizer Inc & BioNTech SE v. Modernatx Inc* [2024] EWHC 1965 (Pat) & *Modernatx Inc v. Pfizer Inc & BioNTech SE* [2024] EWHC 1648 (Pat).
8. ^ *BioNTech SE & Pfizer Inc and another v. CureVac SE* [2024] EWHC 2538 (Pat).
9. ^ *Pfizer Limited v. GlaxoSmithKline Biological SA & Another* [2024] EWHC 2523 (Pat).
10. ^ *Samsung Bioepis v. Janssen Biotec*h [2024] EWHC 1984 (Pat).
11. ^ *Bayer Intellectual Property GmbH & Other v. Aspire Pharma Limited & Others* [2024] EWHC 711 (Pat), *Sandoz AG & Others v. Bayer Intellectual Property GmbH* [2024] EWHC 796 (Pat), *Sandoz AG & Others v. Bayer Intellectual Property GmbH* [2024] EWCA Civ 562.
12. ^ *Pfizer, Inc v. UniQure Biopharma B.V.* [2024] EWHC 2672 (Pat).
13. ^ *Merck Serono S.A. v. Comptroller General of Patents, Trade Marks and Designs* [2025] EWCA Civ 45.
14. ^ *Halozyme, Inc v. Comptroller-General of Patents, Designs and Trade Marks* [2024] EWHC 3202 (Pat).
15. ^ Article 1(b) SPC Regulation.
16. ^ Article 3(d) SPC Regulation.
17. ^ *Comptroller-General of Patents, Designs and Trade Marks v. Emotional Perception AI Limited* [2024] EWCA Civ 825.
18. ^ *InterDigital Technology Corporation v. Lenovo Group Limited* [2024] EWCA Civ 743.
19. ^ *Motorola Mobility LLC & Another v. Ericsson Limited & Another* [2024] EWCA Civ 1100.
20. ^ *Panasonic Holdings Corporation v. Xiaomi Technology UK Limited & Others* [2024] EWCA Civ 1143.
21. ^ *Skykick UK Ltd & Anor v. Sky Ltd & Ors* [2024] UKSC 36.
22. ^ *Lifestyle Equities CV & Anor v. Amazon UK Services Ltd & Ors* [2024] UKSC 8.
23. ^ *Lifestyle Equities CV & Anor v. Ahmed & Anor* [2024] UKSC 17.
24. ^ *Getty Images (US) Inc & Ors v. Stability AI Ltd* [2025] EWHC 38 (Ch).
25. ^ *Thatchers Cider Company Limited v. Aldi Stores Limited* [2025] EWCA Civ 5.
26. ^ *Marks and Spencer PLC v. Aldi Stores Ltd* [2024] EWCA Civ 178.
27. ^ *Waterrower (UK) Ltd v. Liking Ltd (t/a Topiom)* [2024] EWHC 2806 (IPEC).
28. ^ Section 1(1)(a) Patents Act 1977.
29. ^ Section 1(1)(b) Patents Act 1977.
30. ^ Section 1(1)(c) Patents Act 1977.
31. ^ Section 1(1)(d) Patents Act 1977.
32. ^ Section 2(1) Patents Act 1977.
33. ^ Section 2(2) Patents Act 1977.

34. ^ Section 3 Patents Act 1977.
35. ^ Section 4(1) Patents Act 1977.
36. ^ Section 1(2) Patents Act 1977 and Section 1(3) Patents Act 1977.
37. ^ *Coco v. A.N. Clark (Engineers) Ltd* [1969] RPC 41, approved by *Attorney-General v. Guardian Newspapers (No. 2)* [1990] 1 AC 109.
38. ^ Regulation 2, Trade Secrets Regulations, SI 2018/597.
39. ^ Decision R 1839/2021-5, The Absolut Company Aktiebolag, EUIPO, 3 June 2022.
40. ^ *Cadbury UK Ltd v. Société des Produits Nestlé SA (Comptroller-General of Patents, Designs and Trade Marks intervening)* [2022] EWHC 1671 (Ch).
41. ^ Case C-683/17 *Cofemel–Sociedade de Vestuário SA v. G-Star Raw CV* [EU:C:2019:721]; and Case C-833/18 *SI v. Chedech/Get2Get (Brompton Bicycle)* [EU:C:2020:461].
42. ^ *American Cyanamid Co v. Ethicon Ltd* [1975] AC 396.
43. ^ CPR Part 35.3(1).
44. ^ *MedImmune v. Novartis* [2011] EWHC 1669 (Pat).
45. ^ *IPCom GmbH v. HTC Co Europe Ltd* [2013] EWCA Civ 1496.
46. ^ *Coloplast A/S v. Salts Healthcare Ltd* [2019] EWHC 1979 (Pat).
47. ^ SI 2024/1075.
48. ^ Appeal against the Patents Court's decision in *Pfizer, Inc & BioNTech SE v. Modernatx, Inc* [2024] EWHC 1965 (Pat).
49. ^ HP-2024-000020 (*Samsung Bioepis UK Limited v. Alexion Pharmaceuticals, Inc & Another*) & HP-2024-000021 (*Alexion Pharmaceuticals, Inc & Another v. Amgen Limited & Another*).
50. ^ HP-2024-000015 (*Formycon AG & Another v. Regeneron Pharmaceuticals Inc*).
51. ^ Appeal against the Court of Appeal's decision in *Comptroller-General of Patents, Trade Marks and Designs v. Emotional Perception AI* Limited [2024] EWCA Civ 825.
52. ^ HP-2023-000036 (*Lenovo Group Limited & Others v. Ericsson Limited & Another*).
53. ^ Notably disputes between, for example, *Dexcom and Abbott*, *AIM Sport Vision and Supponer* – more information can be obtained from the Patents Court diary, https://www.gov.uk/government/publications/patents-court-diary/patents-court-listed-trials.
54. ^ *Fujifilm Corporation v. Kodak GmbH, Kodak Graphic Communications GmbH, Kodak Holding GmbH* Düsseldorf Local Division UPC_CFI_355/2023, decision of the Court of First Instance of the Unified Patent Court delivered on 28 January 2025 concerning EP 3 594 009 B1.
55. ^ *Iconix Luxembourg Holdings SARL v. Dream Pairs Europe Inc & Anor* [2024] EWCA Civ 29.
56. ^ *TVIS Limited v. Howserv Services Limited* [2024] EWCA Civ 1103.
57. ^ *Thom Browne Inc & Anor v. Adidas AG & Ors* [2024] EWHC 2990 (Ch).
58. ^ *Getty Images (US) Inc and others v. Stability AI Ltd* [2023] EWHC 3090 (Ch).
59. ^ *AGA Rangemaster Ltd v. UK Innovations Group Ltd & Anor* [2024] EWHC 1727 (IPEC).

# Intellectual Property: USA



19 March 2025

**Venable LLP**
By Erin J D Austin and Dominick A Conde

## Introduction

A robust system for protecting intellectual property rights is available in the United States. The forms of intellectual property protection available include patent, copyright, trademark and trade secret. Each of these forms of intellectual property has its own strengths and weaknesses, and generally the selection of the type of protection is based on the subject matter at hand and the nature of the protection desired.

### Utility patents

Utility patents are generally considered the strongest level of intellectual property protection in the US. They grant the owner the right to exclude infringers from making, using, offering for sale or selling within the US, or importing into the US, the patented invention. To be eligible for a utility patent, the invention must be new, useful and not obvious, and be patentable subject matter. The originally first-to-invent system transitioned to a first-inventor-to-file regime for applications filed on or after 16 March 2013.

The term of a new utility patent is 20 years from filing of the application. Should Patent Office delays cause the examination process to exceed three years, a mechanism called patent term adjustment is used to restore the lost patent term. A patent term extension is also available to restore some of the time lost while awaiting marketing authorisation for one patent covering a pharmaceutical product that was subject to review by the US Food and Drug Administration (FDA). Utility patent applications may be filed directly with the Patent Office, or an applicant may designate the US for an international application filed pursuant to the Patent Cooperation Treaty.

The US does not offer utility model protection (or any equivalent protection) as found in many other countries. The US does, however, allow applicants to file for provisional patent protection to establish a priority date. If one is filed with the Patent Office, it does not undergo substantive patent examination. The applicant has up to one year to file a full utility application that references the provisional application and if that due date is not met, the provisional application is abandoned.

## Design patents

Design patents are also available in the US and cover the ornamental appearance or aesthetic design of tangible articles. A design by itself is not sufficient to be covered by a design patent; the design must be embodied in the tangible article to be claimed. Design patents cover everything from vehicle tyre treads to mobile phones. The design also must be new and not obvious.

Design patents filed before 13 May 2015 have a term of 14 years from grant, whereas those filed on or after that date have a 15-year term pursuant to the US's implementation of the Hague Agreement for industrial designs. Applicants may also file international design applications with the Patent Office and may designate the US for design protection based on international applications.

## Plant patents

Plant patent protection is available for new plants that have been asexually propagated (even if they are capable of sexual reproduction). It specifically excludes tuber-propagated plants and those found in an uncultivated state. Plant patent protection provides the right to exclude others from using, selling, offering for sale or importing the asexually propagated plants or parts from the plants in the US for a term of 20 years from filing of the application.

## Copyright

Copyrights are available to protect literary and artistic works, and original works by authors or artists in a tangible format. Both published and unpublished works are eligible for copyright protection upon creation. While copyright registration is not necessary to create copyright protection, registration is necessary to enforce those rights and claim statutory damages for infringement. Copyrights are subject to certain fair use defences that allow one to use the copyrighted material without being subject to infringement (e.g., news reporting, teaching, research). Copyrights are also subject to First Amendment protection (i.e., constitutionally protected free speech). The term of a copyright is generally the author's lifetime plus 70 years.

Works published outside the US may also be eligible for copyright protection within the US through a treaty (e.g., the Berne Convention) depending upon the country in which the work was first published.

## Trademarks

Federal trademark registration is available for products or services used in interstate commerce in the US. Various state laws also protect trademarks in the US. While federal trademark registration is not required to use a trademark, there are several advantages to federal registration, including the exclusive right to use the trademark nationwide, the ability to use the symbol

® within the US and the ability to bring trademark infringement actions in the federal courts. There is a formal trademark application and examination process, including publication for opposition. Additionally, intent to use applications may also be filed. Trademark applicants may file with the Patent Office or through the Madrid Protocol.

### Trade secrets

Before 2016, trade secret protection was largely governed by individual state law, with the vast majority of states having implemented some form of the Uniform Trade Secrets Act. The Defend Trade Secrets Act enacted in 2016 allows trade secret owners to sue in federal court for misappropriation, supplementing state law causes of action, and also includes a civil seizure mechanism. There is also a criminal statute relating to economic espionage and theft of trade secrets that has become more commonly utilised.

### Regulatory exclusivities

In the pharmaceutical and biotechnology fields, intellectual property protection is augmented by various types of regulatory exclusivity from the FDA. In the case of pharmaceutical drugs, the FDA grants exclusivity for new chemical entities (five years), new drug products (three years), certain changes to drug products (three years), orphan drugs (seven years), paediatric exclusivity (six months) and exclusivity for the first generic applicant or applicants to challenge patents asserted to cover the drug (six months). In the case of biologic drugs, the FDA grants 12 years of data exclusivity against approval of a generic, or 'biosimilar', application, but there is no corresponding exclusivity for the first biosimilar applicant to challenge a patent covering the biologic drug. In the case of new antibiotic drugs that target certain drug-resistant microorganisms, the FDA is authorised to add five years to applicable exclusivities under the Generating Antibiotic Incentives Now (GAIN) Act. GAIN exclusivity allows for up to a decade of marketing exclusivity for certain antibiotic drugs that are eligible for new chemical entity exclusivity.

## Year in review

### Court opinions

#### Warner Chappell Music v. Nealy (9 May 2024) (Supreme Court)

The Copyright Act's Section 507(b) sets a three-year statute of limitations for filing a copyright infringement suit measured from when the claim 'accrued'. *Warner* addressed whether a plaintiff with a timely infringement claim can recover damages going back more than three years, holding in the affirmative that such a plaintiff 'is entitled to damages, no matter when the infringement occurred' and that '[t]he Copyright Act contains no separate time-based limit on monetary recovery'. In this case, the alleged infringement occurred more than three years before the plaintiff filed suit, but the parties accepted application of the 'discovery rule' such that the statute of limitations was measured from when the plaintiff discovered, or with due diligence should have discovered, the injury. The Supreme Court's opinion was limited to the damages issue and expressly did not decide whether the discovery rule governs the timeliness of copyright claims.

**Vidal v. Elster (13 June 2024) (Supreme Court)**

In *Vidal*, the Supreme Court held that the Lanham Act's Section 1052(c) 'name clause' does not violate the First Amendment right to free speech. In this case, the Patent and Trademark Office refused Steve Elster's application to register the mark 'TRUMP TOO SMALL' on the basis that it comprised President Donald Trump's name without his written consent. The Supreme Court held that Section 1052(c) is a content-based but viewpoint-neutral restriction. In view of the particular 'history and tradition' regarding restrictions on trademarking names, co-existent with the First Amendment, the Court upheld Section 1052(c). It cautioned that its decision was a narrow one that does not set forth a comprehensive framework for judging other content-based, viewpoint-neutral trademark restrictions 'without such a historical pedigree'.

# Obtaining protection

Patent applications may be filed for utility, design and plant patent protection.

For utility patents, patentable subject matter includes machines, manufactures (i.e., articles of manufacture), compositions of matter, methods (including methods of treating human patients) and improvements to any of these four. Some notable exceptions to this broad rule are laws and products of nature, and abstract ideas. Over the past decade, the Supreme Court has considered patentable subject matter on several occasions, finding that exceptions include some business methods,[1] medical diagnostic methods[2] and isolated DNA.[3] The Patent Office has also issued guidance for examining subject matter eligibility in light of the courts' decisions.[4] In July 2019, the Federal Circuit indicated in an *en banc* decision that additional guidance on this issue could be warranted;[5] however, the Supreme Court has so far refused to reconsider its subject matter eligibility jurisprudence.

Prior art is defined in Section 102 of the Patent Act, which was modified by the America Invents Act (AIA) for patents subject to that Act's first-inventor-to-file provisions. Generally speaking, the US provides a one-year grace period in which to file an application following the inventor's own disclosure. Whereas pre-AIA a patentee could disqualify as prior art certain disclosures by others by proving an earlier invention date, disqualification under the AIA requires showing that the disclosure was made by someone who obtained the subject matter from the inventor or that the inventor had previously disclosed the invention. The AIA also expanded prior art to include public uses and sales in foreign countries, and it added a catch-all reference to inventions 'otherwise available to the public'.

Applicants have a duty to disclose to the Patent Office information known to be material to patentability, namely non-cumulative information that establishes a prima facie case of unpatentability or that refutes or is inconsistent with the applicant's positions during prosecution.

# Enforcement of rights

## Possible venues for enforcement

There are two possible venues for enforcement of patents. First, infringement actions may be brought before the courts of the 94 federal districts that are spread throughout the US and Puerto Rico. Second, to prevent importation of infringing goods, an investigation can be commenced by, and at the discretion of, the International Trade Commission (ITC), an administrative agency that sits in Washington, DC.

## Litigation process

### Requirements for jurisdiction and venue

An infringement suit may be brought only in a federal district where the defendant resides or where the defendant has committed acts of infringement and has a regular and established place of business. Domestic businesses are considered to reside in their state of incorporation.[6] Foreign defendants may be sued in any federal district so long as personal jurisdiction can be found in the US. The ITC, on the other hand, does not depend on personal jurisdiction over the accused infringer but has *in rem* jurisdiction over the accused infringing goods.

### Obtaining relevant evidence of infringement and discovery

The US rules allow for significant amounts of pre-trial discovery under a broad concept of relevance. Discovery is available from the opposing party through a variety of vehicles, including mandatory disclosures, requests for documents and things, interrogatories, depositions of witnesses and expert reports. Discovery is also available from non-parties by a subpoena for documents or deposition. In ITC investigations, discovery is also available; however, it is produced more quickly because of the compressed time frame of such investigations.

### Preliminary injunctions

A patentee in an infringement action may seek temporarily relief by requesting a preliminary injunction (PI) or, even more urgently and time-limited, a temporary restraining order (TRO). Such temporary relief requires showing:

a. a likelihood of success on the merits;
b. irreparable harm if the relief is not granted;
c. a balance of hardships tipping in the requesting party's favour; and
d. that the public interest does not preclude issuing the relief.

Both PIs and TROs require the requesting party to post a security bond. Complainants in ITC investigations may also seek temporary relief to the same extent as PIs and TROs may be granted in federal court infringement actions.

### Trial decision-maker

Patent infringement actions may be tried before either a federal judge or a jury. Jury trials may occur where there is a claim for monetary damages, and not where only equitable relief is sought. There are no specialised district court federal judges and thus many judges have little experience with patent matters. In contrast, ITC investigations are typically decided by an administrative law judge who specialises in patent cases.

### Structure of the trial

A patent infringement trial may occur in two phases. The first phase determines infringement, validity and unenforceability, and the second phase, if needed, addresses damages. Evidence is presented through fact and expert witnesses. The Federal Rules of Evidence determine what information can be admitted for consideration by the judge or jury.

At trial, the patentee must prove infringement by meeting the preponderance standard (i.e., more likely than not). For an accused infringer to prevail on invalidity or unenforceability, it must meet the more rigorous, clear and convincing standard because of the statutory presumption of patent validity.

Disputes regarding patent claim interpretation are typically decided by the judge prior to trial in a process called a *Markman* hearing. This hearing may, but usually does not, include testimony from fact or expert witnesses. Although the outcome of claim construction may be determinative, the Federal Circuit has consistently refused to review claim construction issues as an interlocutory matter.

### Infringement

Infringement may be direct or indirect. For direct infringement, all the claim elements must be present in the accused product or method. For indirect infringement, evidence must show that there is direct infringement and that the indirect infringer is either inducing or contributing to that infringement.

Should a product not literally contain every element, the missing element may be shown by the doctrine of equivalents. This cannot include equivalents that are described in the specification and not claimed or that were distinguished during patent prosecution.

### Defences

The most common defences to patent infringement are non-infringement, patent invalidity and inequitable conduct. Accused infringers may also assert more esoteric defences, such as unclean hands, laches[7] and equitable estoppel. All these defences can be brought either as affirmative defences or as counterclaims.

### Non-infringement

The non-infringement defence can include the lack of infringement or the existence of an express or implied licence. Accused infringers may also raise patent exhaustion[8] or permissible repair, although those defences are less common.

### Patent invalidity

Invalidity defences include anticipation, obviousness and lack of enablement or written description, indefiniteness, subject matter ineligibility and statutory or non-statutory double patenting.

### Inequitable conduct

Accused infringers can also assert inequitable conduct to render a patent unenforceable. The standard for inequitable conduct requires clear and convincing evidence that the patent applicant misrepresented or omitted material information during prosecution of the patent with the intent to deceive the Patent Office. Information is material only if the Patent Office would not have allowed a claim had it been aware of the undisclosed prior art or correct information.

### Prior commercial use

The prior commercial use defence, which was expanded by the AIA, may apply where the accused infringer shows that it commercially used the invention in the US at least one year before the patent's effective filing date or a disclosure of the invention as described in Section 102(b). The defence may only be asserted by the person engaged in the commercial use, one controlled by or under common control with that person, or one to whom it is transferred as part of the transfer of the entire enterprise or line of business to which it relates. Further limitations include that the defence cannot be asserted against university inventions or if the subject matter was derived from the patentee.

### Time to first-level decision

For the federal district courts, the median time to trial for patent infringement actions is about two to two-and-a-half years. For a jury trial, the jury deliberates immediately after closing arguments and renders its verdict very promptly thereafter. For a trial before a judge, typically there are post-trial briefs that will delay the district court's ruling by several months after trial is completed. Because of Section 337 and the ITC's rules, ITC investigations are significantly faster, with the time from filing a complaint to a final determination usually taking about a year to a year and a half.

### Remedies

Remedies for patent infringement include damages and injunctive relief. The patentee is entitled to actual damages, which may include lost profits and can be no less than a reasonable royalty for the infringement. A court also has discretion to award enhanced (up to treble) damages for egregious infringement, for example if the conduct was wilful. In 2016, the Supreme Court lessened the standard for enhanced damages,[9] and since then the rates of enhanced damages awards have increased. Even so, enhanced damages still are not typical in patent cases. Additionally, a prevailing party may be awarded attorney fees in an exceptional case, but this type of relief is also discretionary and not frequently granted.

A patentee may also request a preliminary injunction pending trial or, after trial, a permanent injunction against future infringement. Injunctions are not automatic in patent cases and require the court to consider the relative harms to the patentee and the infringer as well as any public interest.

For ITC cases, the principal remedy available is an exclusion order prohibiting importation. The exclusion order may be limited to the articles named in the investigation or, if determined to be appropriate, encompass all infringing articles regardless of source.

### Appellate review

The Court of Appeals for the Federal Circuit reviews all trial-level patent decisions as well as appeals from the ITC and Patent Office. Typically, no new evidence is allowed. Three judges hear oral arguments and issue an opinion, usually within six months.

The losing party can petition for a panel rehearing or for the entire Federal Circuit Court to hear the case. Such petitions are almost never granted. The losing party may also petition the Supreme Court through a writ of certiorari, but those are granted even less frequently than *en banc* petitions and generally are only granted to decide a very significant legal issue.

## Alternatives to litigation

Mediation and arbitration are available to resolve patent disputes if both parties agree to the procedure. These procedures may be less costly than litigation.

The Patent Office also has independent procedures for reviewing patent applications and issued patents, including the following.

### Pre-issuance submissions

Third parties may file patents, published applications or other printed publications, along with a concise statement of their relevance (limited to factual descriptions, not unpatentability arguments), for consideration by the examiner and inclusion in the prosecution record. The submitter must be identified, but the real party in interest need not be disclosed. Pre-issuance submissions must be made before a notice of allowance. Additionally, they must be made before the first rejection or six months from publication, whichever is later.

### Supplemental examination

A patent owner may request supplemental examination to have the Patent Office consider, reconsider or correct relevant information. If such a request is found to raise a substantial new question of patentability, the matter proceeds to *ex parte* re-examination. Supplemental examination can insulate a patent from being held unenforceable for inequitable conduct, but only if it was requested before inequitable conduct is alleged with particularity. In addition, such insulation will not occur in an infringement suit filed before the Patent Office proceedings conclude. Thus, a patent owner seeking to avail itself of supplemental examination procedures should consider doing so well in advance of potential litigation.

### Post-grant review

For patents subject to the AIA (generally, those with an effective filing date on or after 16 March 2013), a third party may file a post-grant review (PGR) petition asking the Patent Trial and Appeal Board (PTAB) to consider challenges based on any statutory requirement for patentability other than best mode. PGR petitions must be filed within nine months of the date of grant. The Patent Office may institute a PGR if it finds that it is more likely than not that at least one challenged claim is unpatentable or if the petition raises a novel or unsettled legal question that is important. The determination of whether to institute a PGR is not appealable to a court.[10]

If a PGR is instituted, the petitioner must prove unpatentability by a preponderance of the evidence. The PTAB's final written decision can give rise to estoppel before the Patent Office and in civil actions and ITC proceedings.[11] The PTAB's final written decision may be appealed to the Federal Circuit. Whereas constitutional standing is not required to petition for a PGR or *inter partes* review (IPR), the Federal Circuit has held that it is required to appeal from post-grant proceedings.[12]

### Inter partes review

A third party may also file an IPR petition asking the PTAB to consider anticipation or obviousness challenges based on patents or printed publications. For patents subject to the AIA, IPR petitions may be filed the later of nine months after the patent issues or termination of a PGR. For pre-AIA patents not eligible for a PGR, IPR petitions may be filed following grant. If the party seeking an IPR has been sued for infringement, it must file the petition within one year of being served with the infringement complaint. The Patent Office may institute an IPR if it finds there is a reasonable likelihood that the petitioner will prevail in showing that at least one challenged claim is unpatentable. The determination of whether to institute an IPR is not appealable to a court.[13]

If an IPR is instituted, the petitioner must prove unpatentability by a preponderance of the evidence. As with a PGR, the PTAB's final written decision can give rise to estoppel, including in civil actions, and is appealable to the Federal Circuit.[14]

The PTAB's claim construction decision is likely to precede the district court's *Markman* ruling in concurrent litigation, and thus may potentially influence the court's claim construction decision.[15]

In both IPRs and PGRs, a patent owner may hedge against potential unpatentability by submitting a reasonable number of substitute (amended) claims. The petitioner bears the burden of showing that any proposed substitute claims are unpatentable.[16] Although the grant rate for motions to amend was reported to have increased following the Federal Circuit's *Aqua Products* decision, most such motions are still denied.[17]

### Derivation actions

The AIA replaced interference practice under the previous first-to-invent system with derivation proceedings, in which a patent applicant may challenge an earlier-filed application on the basis that its named inventor derived the claimed invention from an inventor on the petitioner's application, and the earlier application was filed without authorisation. Derivation petitions must be filed within one year of the first publication of an allegedly derived claim. The effective date for the AIA's derivation provision is 16 March 2013. Earlier applications are still eligible for interference proceedings.

# Outlook and conclusions

In the coming years, the interplay between artificial intelligence (AI) and intellectual property law will continue to evolve. For example, the ongoing litigation between The New York Times and OpenAI regarding the use of copyrighted works to train AI technologies (chatbots) focuses on the scope of copyright law's fair use doctrine. Such cases are likely to take several years to work their way through the US court system; meanwhile the use of generative AI in many aspects of industry, legal practice, and everyday life continues to become more ubiquitous.

### Footnotes

1. ^ *Alice Corp Pty Ltd v. CLS Bank Intl* (decided 19 June 2014) (Supreme Court) and *Bilski v. Kappos* (decided 28 June 2010) (Supreme Court).
2. ^ *Mayo Collaborative Servs v. Prometheus Labs* (decided 20 March 2012) (Supreme Court).
3. ^ *The Association for Molecular Pathology v. Myriad Genetics, Inc* (decided 13 June 2013) (Supreme Court).
4. ^ See 'October 2019 Update: Subject Matter Eligibility', www.uspto.gov/sites/default/files/documents/peg_oct_2019_update.pdf (last visited 22 February 2021); 2019 'Revised Patent Subject Matter Eligibility Guidance', www.govinfo.gov/content/pkg/FR-2019-01-07/pdf/2018-28282.pdf (last visited 22 February 2021); 'Recent Subject Matter Eligibility Decision: *Vanda Pharmaceuticals Inc v. West-Ward Pharmaceuticals*', www.uspto.gov/sites/default/files/documents/memo-vanda-20180607.PDF (last visited 21 February 2021).
5. ^ *Athena Diagnostics, Inc v. Mayo Collaborative Servs, LLC* (decided 3 July 2019) (Federal Circuit) (*en banc*).
6. ^ *TC Heartland LLC v. Kraft Foods Group Brands LLC* (decided 22 May 2017) (Supreme Court).
7. ^ Laches cannot bar damages claims for patent or copyright infringement during the respective statutory look-back limitations periods. *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC* (decided 21 March 2017) (Supreme Court); *Petrella v. Metro-Goldwyn-Mayer, Inc* (decided 19 May 2014) (Supreme Court).
8. ^ See *Impression Products, Inc v. Lexmark International, Inc* (decided 30 May 2017) (Supreme Court).
9. ^ *Halo Electronics, Inc v. Pulse Electronics, Inc* (decided 13 June 2016) (Supreme Court).
10. ^ 35 USC Section 324(e).
11. ^ See 35 UCC Section 325(e).
12. ^ e.g., *Phigenix, Inc v. Immunogen, Inc* (decided 9 January 2017) (Federal Circuit).
13. ^ 35 USC Section 314(d).
14. ^ See 35 UCC Section 315(e).
15. ^ In IPR proceedings, the PTAB now applies the same claim construction standard as courts, instead of its previous 'broadest reasonable interpretation' standard.
16. ^ 37 CFR 42.121; https://www.govinfo.gov/content/pkg/FR-2024-09-18/pdf/2024-21134.pdf (last visited 22 January 2025).
17. ^ See *In Re: Aqua Products, Inc* (decided 4 October 2017) (Federal Circuit) (*en* banc).

# Intellectual Property: Vietnam



19 March 2025

**Aliat Legal**
By Duong Thanh Long, Do Viet Dung and Vo Quang Hung

## Introduction

*This chapter was first published in April 2024. Be advised that some of the below content may no longer apply.*

Under the Law on Intellectual Property of Vietnam, subjects that are covered by intellectual property rights (IPRs) include:

a. under copyright rights: items including literary, artistic and scientific works;
b. under copyright-related rights: items including performances, phonograms, video recordings, broadcasts and encrypted programme-carrying satellite signals;
c. under industrial property rights: items including inventions, industrial designs, layout-designs of semiconductor integrated circuits, trade secrets, marks, trade names and geographical indications; and
d. under plant variety rights: items including plant varieties and reproductive materials.

Among these, the most popular forms of IP protection are inventions, industrial designs, trademarks, copyrights, trade secrets, trade names and geographical indications.

### Inventions and utility models

In Vietnam, there are two types of inventions available: invention patents and utility solution patents.

#### Invention patents

Invention patents are granted for new, inventive and industrially applicable solutions to technical problems. The inventions must meet the criteria of novelty, inventive step and industrial applicability, as well as the other requirements for patentability. The term of protection for invention patents is 20 years from the filing date of the application.

### Utility solution patents

Utility solution patents, also known as petty patents or utility models, are granted for new and industrially applicable solutions to technical problems that are not required to meet the higher standard of inventive step required of invention patents. Utility solution patents have a shorter protection term of 10 years from the filing date of the application for registration.

In general, the requirements for obtaining a utility solution patent are less stringent than those for obtaining an invention patent; that is, an inventive step is not required to be eligible for a utility solution patent, as is required for invention patents. However, utility solution patents are only applicable to certain items, such as machines, apparatuses, tools and processes, and are not available for pharmaceuticals, chemicals or food products.

In Vietnam, the same application cannot be filed simultaneously for both an invention patent and a utility solution patent. Therefore, the applicant must choose the type of patent application that best suits the needs and requirements for patentability.

Vietnam is a contracting member of the Paris Convention and Patent Cooperation Treaty (PCT). Therefore, Vietnamese applicants can acquire patent protection overseas either under a conventional application or PCT application. Vice versa, foreign applicants can secure patent protection in Vietnam via a conventional application or PCT application.

## Industrial designs

Industrial design protection is applicable to the ornamental or aesthetic features of a product. It provides legal protection for the outer appearance of a product, such as shape, pattern, colour or texture. Industrial design protection is valuable for protecting unique designs of products, but limited in the sense that it only protects the outer appearance of the product and not its function.

Vietnam has officially joined the Hague Agreement on the international registration of industrial designs, which applies the Geneva Instrument as of 1 January 2020. This move was made to create conditions for the protection of industrial designs owned by Vietnamese individuals and organisations abroad.

## Trademarks

Trademark protection is applicable to distinctive signs such as names and logos that are used to identify and distinguish goods or services. The term of protection for trademarks is 10 years, renewable for unlimited periods of 10 years each.

## Copyright

Copyright protection applies to original works of authorship such as literary, artistic and musical works. Copyright protection arises automatically upon the creation of the work and does not require registration. Under the current Law on Intellectual Property of Vietnam, copyright protection has a validity period of 50 years after the death of the author, or the last surviving

author in the case of joint authorship. Copyright protection is valuable in protecting creative works that are expressed in a certain form, but not ideas or concepts.

## Trade secrets

Trade secrets protect confidential information such as formulas, processes and customer lists. Trade secrets do not require registration, rather the establishment and implementation of appropriate measures to keep the information confidential. Trade secrets are valuable in protecting the proprietary information of businesses but, under the current Law on Intellectual Property and related law, the enforcement of protection of trade secrets seems to be quite complicated.

## Trade names

Trade names, as one category of IP rights, are a designation of an organisation or individual used in business to distinguish the business entity bearing such designation from other business entities acting in the same field and area of business. Unlike a trademark, rights to a trade name are not established through registration procedures, but on their legitimate use in commerce. Trade names fall within the scope of a commercial indication in Vietnam. Under the Law on Intellectual Property, commercial indications mean signs and information serving as guidelines to trading of goods or services.

## Geographical indications

A geographical indication is a sign that identifies a product as originating from a specific region, locality, territory or country. The reputation of products bearing a geographical indication shall be determined based on consumers' trust in such products through the extent of their being widely known to and selected by consumers.

Geographical conditions relevant to a geographical indication mean natural and human factors decisive to the reputation, quality and characteristics of products bearing such geographical indication, and include:

a. natural factors (climatic, hydrological, geological, topographical and ecological factors and other natural conditions); and
b. human factors (skills and expertise of producers, and traditional production processes of localities).

The quality and characteristics of products bearing a geographical indication shall be defined by one or several qualitative, quantitative or physically, chemically or microbiologically perceptible criteria that can be tested by technical means or experts with appropriate testing methods. Geographical areas bearing geographical indications shall have their boundaries accurately determined in words and maps.

# Year in review

## Statutory changes

Many legal documents have been promulgated and took effect from 1 January 2023 to 1 January 2024 to further govern transactions in the field of IP in Vietnam, of which the most important are Decree No. 65/2023/ND-CP, dated 23 August 2023, on elaboration on several arcicles and implementation measures of the law on intellectual property regarding industrial property rights, protection of industrial property rights, rights to plant varieties, and state management of intellectual property (Decree 65/2023); and Circular No. 23/2023/TT-BKHCN, dated 30 November 2023, elaboration on several articles of the law on intellectual property and implementation measures of the Decree 65/2023 (Circular 23/2023). Some typical modifications and additions are as follows.

### Decree 65/2023

#### Supplementing new application forms

In the Decree, two completely new forms have been added: 'Application for confirmation of delayed registration procedures for initial circulation of pharmaceutical products' and 'Declaration for compensation request due to delay in granting initial circulating licence for pharmaceutical products manufactured under invention patents'.

These forms are intended to support patent owners in requesting competent state agency to consider compensation for delays in granting pharmaceutical circulation licences as prescribed in Article 131a of the IP Law.

#### Supplementing regulations related to security control for inventions

The Decree supplements regulations on the list of inventions in technical fields that impact security and national defence (Appendix VII); supplementing the process for processing patent applications in technical fields that impact security and national defence (Article 14).

These regulations are intended to improve effectiveness in protecting national security interests, while also helping to better protect the rights of applicants in registering inventions to foreign countries.

#### Procedures related to secret patent

The Decree supplements new regulations related to secret patent (Articles 48 to 52), including:

a. clearly stipulate that secret patent applications are filed in paper (rather than electronic) form;
b. clearly stipulate the documents that need to be provided and procedures for processing secret patent applications;
c. clearly stipulate the time limit for examining of secret patent applications; and
d. clearly stipulate the coordination mechanism between the competent state agency and the Ministry of Public Security in determining the compatibility of information disclosure with legal regulations on protecting state secrets, regulations on not applying appeal procedures to decisions during the examination of secret patent applications.

The above new regulations provide a clear, transparent legal framework to create a balance between innovation and security.

#### Restriction on assignment of trademark right

The Decree stipulates specific cases that the assignment of trademark right is limited (Article 60).

This helps rights holders better understand the limit of assignment of trademark right.

### Circular 23/2023

#### Termination of validity of trademark certificate based on bad faith

The Circular clarifies the cases where an applicant registers a trademark 'with bad faith' to serve as a basis for termination of validity of trademark certificate (Clause 2, Article 34).

Accordingly, the applicant's 'bad faith' is proven when both of the following conditions are satisfied:

a. at the time of filing the application, the applicant knows or has a basis to know that the applied trademark is identical with or confusingly similar to a mark that is widely used in Vietnam or a famous mark in other countries for identical or similar goods or services; and
b. the above trademark registration is intended to take advantage of the reputation and prestige of that mark for profit, or mainly for the purpose of reselling, licensing or transferring registration rights to the person whose mark is widely used in Vietnam, well-known trademarks in other countries, or with the aim of preventing the ability of holders of the above-mentioned trademarks to enter the market, or other acts contrary to fair commercial practices.

The regulation on termination of validity of trademark certificate based on 'bad faith' is one of the main adjustments of the current IP Law compared to the previous versions; however, the Law does not have specific regulations to understand what 'bad faith' is. Therefore, the above regulation is very useful to handle cases of 'bad faith' and reduce unfair competition activities.

#### Grounds for termination of validity of invention patent

Exceeding the scope of initial disclosure is one of the grounds for termination of validity of invention patent supplemented to the current IP Law. However, the IP Law does not clarify how to understand and apply this basis.

Therefore, the Circular has stipulated how to determine what is beyond the scope disclosed in the initial description of a patent application. Specifically, according to Clause 1, Article 34 of the Circular, the invention patent is terminated because the patented invention exceeds the scope disclosed in the original description of the patent application in cases where compared to the original description and for people with average knowledge of the respective technical field, the invention description has a change in content and this change causes the appearance of information that is not directly and clearly derived from the original description.

This regulation clarifies the limits of amending the invention description and clarifies basis for termination of validity of invention patent in cases where the granted patent exceeds the scope disclosed in the original description.

### Notable case law

There is a recent uptick in disputes concerning enterprise names infringing upon trademarks, posing challenges to practical enforcement in this area.

According to Decree 01/2021/ND-CP, governing business registration, incorporating protected trademarks into enterprise names without the trademark owner's consent is expressly prohibited (Clause 1, Article 19). However, resolving disputes related to trademark infringement in enterprise names often relies on the voluntary cooperation of the infringer, making enforcement difficult if the infringer does not comply willingly.

In a civil case in 2023, DatXanh Real Estate Service and Construction JSC, as the plaintiff, filed a lawsuit against 47 Dat Xanh Real Estate Company Limited, the defendant, alleging trademark infringement as a result of the unauthorised usage of the term 'Dat Xanh' in the defendant's enterprise name.

Despite the plaintiff's demand for the defendant to alter its enterprise name by excluding 'Dat Xanh,' the court ordered the defendant to cease using any business name containing the phrase 'Dat Xanh.'

To date, following the court's ruling, the defendant has updated its enterprise status to 'currently undergoing dissolution procedures', yet no changes have been made to its company name.

Such actions pose a challenge to enforcing court judgments regarding trademark infringement related to enterprise names.

## Obtaining protection

### Objects that are ineligible for protection as inventions

These include the following;

a. scientific discoveries or theories, mathematical methods;
b. schemes, plans, rules and methods for performing mental acts, training domestic animals, playing games and doing business; computer programs;
c. presentations of information;
d. solutions of aesthetic characteristics only;
e. plant varieties, animal breeds;
f. processes of plant or animal production that are principally of a biological nature, other than microbiological processes; and
g. human and animal disease prevention methods, diagnostic and treatment methods.

### Further explanation of why these subjects are not patentable

For scientific discoveries or theories, mathematical methods, solutions of aesthetic characteristics only: these objects do not meet the conditions for industrial application. Furthermore, as science and technology develop, inventions, scientific theories and mathematical methods can become outdated, decreasing their value over time. However, inventions, scientific theories

and mathematical methods will continue to exist indefinitely as the foundation for creating new inventions.

As for schemes, plans, rules and methods for performing mental acts, training domestic animals, playing games and doing business; computer programs and presentations of information: these objects represent only information and do not provide a specific technical solution. They are considered conventional signs and are not capable of industrial applicability. In Vietnam, these objects may be protected under the provisions of copyright.

Plant varieties, animal breeds, processes of plant or animal production that are principally of a biological nature, other than microbiological processes: the process of creating a new cultivar usually takes a lot of time and money. Meanwhile, copying plant varieties can be done quickly in various ways, such as extracting plants or cuttings, or sowing seeds. Additionally, the IP Law provides a separate legal framework for protection of plant varieties.

In Vietnam, plant varieties and breeding materials are protected by the IP Law as follows:

a. the right to plant varieties is the right of organisations and individuals to create or discover, develop or own new plant varieties;
b. a protected plant variety is a plant variety selected for creation or discovery, development, novelty, differentiation, uniformity, stability and appropriate names;
c. plant varieties can be established based on decisions on the issuance of plant variety protection certificates by competent state agencies;
d. a plant variety protection certificate is valid from the date of issue until the end of 25 years for woody and vine varieties and up to 20 years for other plant varieties, effective throughout the territory of Vietnam; and
e. human and animal disease prevention methods, diagnostic and treatment methods (methods for treating patients, both with drugs and medical procedures): finding ways to prevent and cure diseases must expand the scope of application because humanitarian purposes are of great importance to the public interest and the need for socioeconomic development of the country. Such methods cannot be privatised or commercialised. Therefore, it is crucial to focus on the methods of prevention, diagnosis and treatment of diseases for humans and animals.

## Inventions and copyright relating to computer programs

According to IP laws, computer programs cannot be protected under invention. Computer programs are protected under copyright.

### Copyright relating to computer programs

A computer program means a set of instructions expressed in the form of commands, codes, diagrams and other forms that, when incorporated in a device run by computer programming languages, enables a computer or device to perform a job or achieve a specific result. Computer programs are protected in the same manner as literary works, whether they are source codes or machine codes.

Authors and holders of copyrights on computer programs are entitled to reach written mutual agreements on the repair and upgrade of the programs. Organisations and individuals having the legal right to use copies of computer programs are entitled to create backup copies for use in the event the former are deleted, damaged or otherwise unusable, but cannot be transferred

to any other organisation or individual.

Computer programs are protected from the moment of creation and are expressed in a tangible form. The author or owner of the copyright of a computer program can submit an application to obtain a copyright registration certificate.

### Inventions related to computer programs

This refers to objects related to computers, computer networks or other programmable devices made by a program that show one or more signs of requiring protection.

A computer program is not typically protected under the form of an invention patent, but if the object requesting protection has technical characteristics and is considered a technical solution to solve a technical problem using technical means and creating a technical effect, it can be patentable.

However, in such a case, terms such as computer programs, computer software, computer program products or software, or program-carrying signals and the like, should be replaced by the equivalent terms relevant to the nature of the special invention. In other words, computer programs are patentable in the form of, inter alia, methods for operating a conventional device, equipment installed to perform a method and a program container for implementing the method (system).

## Implications on patents, trademarks and copyrights on the use of AI

As of now, Vietnam's IP Law does not explicitly recognise or address artificial intelligence (AI) in the context of patents, trademarks, and copyrights. The implications on patents, trademarks and copyrights related to the use of AI in Vietnam can vary across different aspects. Some considerations include:

a. Patents: The use of AI may lead to new inventions, which could be eligible for patent protection. However, there may be challenges in determining the inventorship of AI-generated inventions, as well as in assessing the novelty and inventiveness of such inventions. Determining the rightful owner and addressing licensing arrangements are also matters that should be considered in relation to AI-generated inventions in Vietnam.
b. Trademarks: AI technology may be used to create and manage trademarks, such as in the development of brand logos and designs. Several considerations should be taken into account, including ensuring that logos, names, or symbols generated by AI meet the distinctiveness requirements for trademark registration. It is essential to address potential concerns regarding consumer confusion, especially if AI-generated trademarks bear resemblance to existing ones. Additionally, establishing effective mechanisms for enforcing trademarks becomes crucial in cases involving AI-generated content.
c. Copyrights: The use of AI in the creation of artistic and literary works raises questions about copyright ownership and infringement. It should clarify issues surrounding authorship and ownership of AI-generated content and determining eligibility for copyright protection. Vietnam's IP Law may need to be updated to address the use of AI in content creation, and to clarify the rights and responsibilities of creators, users and AI systems in the context of copyright protection.

Overall, while the use of AI in the patents, trademarks and copyrights sector is still evolving in Vietnam, there is a recognition of its potential to transform and modernise the country's intellectual property landscape. As AI technologies continue to advance, it is likely that Vietnam will further explore and adapt its patents, trademarks and copyrights system to

harness the benefits of AI while addressing associated legal and regulatory challenges.

# Enforcement of rights

The IP Law was considered one of the most progressive laws in Vietnam at the time because of its provisions being aligned with international law and the international commitments of Vietnam. The enforcement of IPRs in Vietnam faces challenges because of issues such as inadequate resources and lack of expertise and experience in the judiciary system. Providing a comprehensive overview of IPR enforcement in Vietnam today is expected to shed light on the challenges and opportunities for the protection of IPRs in the country.

## Possible venues for enforcement or revocation

When seeking enforcement of IPRs in Vietnam, parties have several possible venues to choose from, including both courts and administrative agencies. Courts will have competences to settle civil suits (claims of infringement, damages, the ownership of IPRs, etc.) and criminal cases (publicising or making copies of works, video recordings or audio recordings without consent; counterfeit trademarks; counterfeit geographical indications).

**Courts**

| **Type of suit** |
| --- |
| **District courts** |
| **Courts of provinces and cities** |
| **Superior people's courts** |
| **The Supreme People's Court** |
| **Civil lawsuit** |
| Yes (first instance) |
| Yes (first instance or appellate trial) |
| Yes (appellate trials; cassation or reopening procedure) |
| Yes (cassation or reopening procedure) |

| **Criminal lawsuit** |
| --- |
| Yes (first instance)* |
| Yes (first instance or appellate trials) |
| Yes (appellate trials; cassation or reopening procedure) |
| Yes (cassation or reopening procedure) |
| * Note: As per Article 268.1 of the Criminal Procedure Code, the district courts hold jurisdiction to adjudicate criminal offences associated with the infringement of Intellectual Property Rights. Nevertheless, in practice, criminal cases related to IPR (as delineated in Sections 225 and 226 of the Penal Code) are frequently deemed to encompass intricate factual scenarios, making their assessment challenging. Consequently, pursuant to Article 268.2.c of the Criminal Procedure Code, such cases are often within the jurisdiction of the courts of provinces and cities. |

**Administrative competent authorities**

| **IPR subjects** |
| --- |
| **People's Committee** |
| **Police** |
| **Market surveillance agencies** |
| **Customs, border guards, coast guard** |
| **Specialised inspection agencies** |
| Copyrights, IPRs and plant varieties |
| Yes |
| Yes |
| Yes |
| Yes |
| Yes |

To clarify the measures applied to each act of infringement of IPRs, Decree 17/2023/NĐ-CP detailing regulations on IP Law 2022 regarding copyrights and related rights issued on and effective from 26 April 2023 and Decree 65/2023/NĐ-CP detailing regulations on IP Law 2022 regarding industrial property rights, protection of industrial property rights, rights to

plant varieties issued on and effective from 23 August 2023, stipulate the following.

Administrative measures are applied to address infringements in cases specified in Article 211 of the IP Law, upon the request of the IPR holder, or entities and individuals harmed by the infringement. Entities and individuals may also initiate the process upon discovering infringements, or the competent authority may proactively discover such acts. The form, level of penalties, jurisdiction and procedures for penalising infringements and remedial measures comply with the IP Law and laws on administrative penalties in the field of IPRs.

Civil measures are applied to address infringements upon the request of the IPR holder, or entities and individuals harmed by the infringement, even when such acts are being or have been dealt with through administrative or criminal measures. The procedures for applying civil measures, jurisdiction, process and procedures comply with the regulations of civil procedural law.

Criminal measures are applied to address infringements in cases where the act constitutes a criminal offence according to the provisions of the Criminal Code. The jurisdiction, procedure and process for applying criminal measures comply with the regulations of criminal procedural law.

## Litigation process

### Requirements for jurisdiction and venue

For proceedings to enforce rights, the plaintiff must file a claim with the court or administrative agency within the proper jurisdiction. In some cases, jurisdiction may be determined by the location of the defendant, the location of the infringement act or the location where the IPRs were established.

On the other hand, for proceedings to defeat rights, the defendant may need to challenge the validity of the IPRs in a different jurisdiction or venue. This can include filing an invalidation request to the IP Office of Vietnam or appealing a decision of the court's first instance trial to the higher-level courts. In any case, parties seeking to enforce or defeat IPRs in Vietnam must carefully consider the jurisdiction and venue to ensure their case is properly heard and decided.

### Obtaining relevant evidence of infringement and discovery

Obtaining relevant evidence of infringement and discovery can be a crucial part of IPR enforcement proceedings. The rules for obtaining discovery can vary depending on the particular jurisdiction and type of proceeding involved. In the practice of IPR enforcement, the competent authorities often require the plaintiff to provide evidence of the infringement. Among such evidence, an assessment conclusion on the infringement or non-infringement from the Vietnam IP Research Institute (VIPRI) is always treated and served as a mandatory document. The Center for Assessment of Copyright and Related Rights has also been announced to be established to provide assessments of copyrights and related rights.

### Preliminary injunctions

In Vietnam, preliminary injunction against infringing goods includes seizure, distraint, sealing (confiscated), prohibiting a change in state, prohibiting removal, prohibiting the transfer of ownership and other applicable measures prescribed under the Code of Civil Procedure.

To obtain a preliminary injunction, the IPR holder must prove to the court that its request is reasonable. A request is deemed reasonable in the following circumstances:

a. there is a demonstrable risk of irreparable damage caused to the IPR holder; or
b. there is a demonstrable risk of removal or destruction of potentially infringing goods or evidence of infringement, if not protected in a timely fashion.

Preliminary injunction proceedings cannot take place without main proceedings. Vietnam is working on its approach to making a law on preliminary injunctions that would allow such injunctions before the filing of an action.

An application for injunctive relief can be lodged with the court at any time during a civil action, including at the time of filing the complaint. If the application is filed before the hearing is held, the judge in charge of the case will consider and decide on the preliminary injunction. If the application is filed during the hearing, the judge panel will have this responsibility.

The person who requests a preliminary injunction can be required to pay compensation for damage incurred as a result of a wrongful injunction.

The requester of a preliminary injunction must deposit a bond equivalent to 20 per cent of the value of the goods that are subject to the preliminary injunction. If the value of the goods cannot be determined, the bond must be at least 20 million Vietnamese dong. As an alternative to a bond in cash, the requester can secure the application for a preliminary injunction by a guaranteed document issued by a bank or another credit organisation.

Under current practices, it is difficult and complicated to obtain a decision on preliminary injunction from the court for IPR-related cases. In addition, the court is unlikely to grant a cross-border or extraterritorial preliminary injunction. Generally, the court will not grant a preliminary injunction in support of proceedings in another country.

Practically, thanks to the effectiveness of the administrative measures, as an alternative to preliminary injunction proceedings, the IPR holder can pursue an administrative action to seize the infringing goods and preserve the evidence prior to civil litigation.

### Trial decision-maker

Judicial bodies such as the people's court system have jurisdiction over IPR infringement. There is no special chamber or special IP court that deals with IPR infringement. IP-related dispute cases are treated in the same way as other disputes. Depending on the complexity and significance of the case, the decision-maker may be either a single judge or a trial panel.

Due to their limited knowledge and experience in IP, the courts often rely on expert opinions to handle IPR disputes. Expert opinions from authorised expert witnesses such as the VIPRI or the IP Vietnam Office often play a decisive role in IPR enforcement cases, although these opinions are not technically binding.

The IP Vietnam Office deals with invalidity actions. In principle, a court can also rule on the validity of a protection title. However, in most cases, the IP Vietnam Office handles validity issues.

The court is not required to stay infringement proceedings if an invalidity action is pending before the IP Vietnam Office, but sometimes does so. In practice, however, an invalidation may delay infringement proceedings.

### Structure of the trial

The structure of a trial can vary depending on the nature of a case (administrative, civil or criminal). Trials can be consolidated or divided, depending on the complexity and number of issues involved. The length of a trial can also vary greatly, with some cases being resolved quickly and others taking months or even years to resolve. Trials follow a standard civil court process and typically take around four months, although they can take longer due to assessments and difficulties in proving damage.

### Infringement

IPR infringements can occur in various forms depending on the specific subject matters of IP rights. When such infringement cases go to court or the administrative authorities, the construction of claims is an essential consideration, and strict or liberal interpretations may be applied, depending on the circumstances. The court also considers whether the infringement is literal or based on the doctrine of equivalents. Additionally, the court may limit claims based on prosecution history estoppel, which restricts the scope of the claims based on arguments made during the prosecution process. While Vietnam does not have special IP courts, judges and lay assessors are often involved in IP cases and may consult with experts. In recent years, Vietnam has made significant efforts to strengthen its IP laws, including increasing penalties for infringement and enhancing the capacity of enforcement agencies. However, there are still challenges in effectively enforcing these laws, particularly in cases involving online infringement.

### Defences

Defences against IPR infringement accusations in Vietnam may include arguing lack of novelty or scope of prior art, obviousness, obtaining a licence or compulsory licence, and equitable defences such as laches or estoppel. The accused may also seek to challenge the validity of the IPRs or use the exhaustion of rights defence. Defences may be asserted through a counterclaim or administrative proceedings. It is crucial to consult legal counsel to determine the best defence strategy.

### Time to first-level decision

In Vietnam, the time to resolve IP-related disputes at the first instance trial level is often prolonged due to various reasons, in which a lack of experience and in-depth knowledge of IP is a common reason. Although procedural laws (administrative, civil, criminal) all provide for the duration of trials, in practice it is very rare for this period to be observed.

### Remedies

In Vietnam, pretrial remedies such as seizure of infringing goods or freezing of an infringer's bank account or assets are available. Damages can be compensatory, including lost profits and reasonable royalties, or statutory, and are based on the actual damage suffered by the right holder. Attorneys' fees may be awarded to the prevailing party. Also available are customs inspections and supervision, and postponement of customs upon request for protection of the IPR holder.

### Appellate review

In the appellate review stage, the court will reconsider appealed judgments and decisions. Within two months, the court may temporarily suspend or take the case to an appellate trial based on the first-instance trial results. The appellate jury can uphold, revise, repeal or terminate first-instance judgments or suspend a case's resolution, depending on the circumstances.

### Alternatives to litigation

In addition to the court system, mediation, negotiation or arbitration are options for parties to settle IPR-related disputes. In practice, many disputes are settled successfully using negotiation measures. Arbitration is less well-documented but still a trend worth considering for resolving IPR-related disputes. Depending on the case, administrative measures and customs recordation are also frequently used.

## Outlook and conclusions

The promulgation of the Decree 65/2023 guiding the implementation of the current IP Law and the Circular 23/2023 guiding the implementation of the Decree 65/2023 continue to show Vietnam's efforts in adapting to international integration, with regulations such as officially supplementing 'sound': a new type of object protected as a trademark in Vietnam to registration form, clarifying the concept of 'bad faith' as a basis for termination of the trademark certificate. In addition, regulations on secret patent and regulations on security control of inventions also show Vietnam's adaptation to strengthen national security in the face of challenges brought by integration.

In 2023, IP management activities in Vietnam have had many positive signs. According to official information from the IP Office of Vietnam, in 2023, the number of applications received by the IP Office increased by 11 per cent compared to 2022, of which patent applications increased by 10.6 per cent, industrial design applications increased by 11.8 per cent; in which the number of industrial property registration applications handled by the IP Office increased by 13.2 per cent compared to 2022. This result and the completion of the project to modernise the information technology system show the IP Office's efforts in implementing the Resolution No. 100/2023/QH15 of the Vietnam National Assembly, aiming for 2027 to bring the application examination time to the correct time limit prescribed by the IP Law.

In the field of enforcement of IPRs, according to the National Steering Committee 389, in 2023, the number of counterfeit goods and IP infringement cases detected and arrested since the beginning of the year has reached over 4,000 cases, an increase of over 126 per cent, compared to the same period in 2022, in which many cases have been transferred to the police for prosecution on charges related to the production and sale of counterfeit trademark goods. This shows the great efforts of competent authorities in Vietnam in enforcing IP rights, in which administrative agencies still play the main role but the participation of prosecution agencies is continuing to become a trend.